HELIOS FAIRFAX PARTNERS

To Our Shareholders:

I was introduced to Tope Lawani and Helios Investment Partners (Helios) back in the summer of 2019. I was very impressed by their long-term track record of generating investment returns in Africa across several business cycles. Helios LP investors have done extraordinarily well in U.S. dollar terms over the long term. As we talked further with Tope and Baba Soyoye, the other co-founder of Helios, we realized that our cultures were very similar and that, with Fairfax Africa Holdings and Helios working together, we could establish the pre-eminent investment vehicle for Africa in the years to come.

In July 2020, the Fairfax Africa board approved of the transaction to form Helios Fairfax Partners Corporation (HFP) and HFP's shareholders voted overwhelmingly in favour of the transaction in December 2020. Helios contributed certain income streams from its private equity business into HFP, for 45.9% of the shares of HFP valued at $275 million. Helios' track record combined with Fairfax Africa's balance sheet ($325 million of net assets, largely de-risked) yielded an extraordinary opportunity for HFP shareholders. Shareholders (Fairfax included) will benefit from the long term appreciation of the balance sheet assets in addition to the recurring cash flows from the growing net management fee income of Helios' private equity business and future performance fees (carry income). Our view is that once the execution of the above three drivers is proven (i.e., balance sheet, net management fee and carry income), the perceived intrinsic value will be dramatically higher than the current value of the shares in the market.

While past performance of Fairfax Africa has been disappointing, the greatly enhanced platform with Helios and Fairfax as partners is very well positioned as the premier Africa-focused investment manager to capitalize on the long term opportunities in that continent. We welcome Tope and Baba as Co-CEOs of HFP and bring your attention to their excellent first letter to shareholders. We thank Paul Rivett, Vice Chairman of Fairfax Africa, and Michael Wilkerson, CEO, for their efforts to establish Fairfax Africa, and we welcome Ken Costa as the new Chairman of HFP. Ken has over 40 years experience in investment banking, having served as Chairman of Lazard International from 2007 until 2011. Prior to Lazard, he was the Chairman of UBS Investment Bank for the MENA region. We look forward to his guidance and support for HFP in the future.

Fairfax continues to hold 32.3% of the equity and 53.3% of the votes of HFP. Together, Fairfax and Helios will be the ultimate controlling party of HFP. We are excited to be partners with Tope and Baba and believe this partnership will be good for Africa and the shareholders of HFP.

As we embark on this new journey, we thank the directors of Fairfax Africa, particularly Lt. Gen. (ret.) Roméo Dallaire who was the Chair of the Special Committee, for their strong support of this merger.

March 5, 2021

V. P. Watsa

V. Prem Watsa
Chairman

To our shareholders,

In our first shareholder letter, we would like to start by thanking you for your support and reiterating how pleased we are to be leading Helios Fairfax Partners (''HFP'').

Our founding vision for Helios was to build the leading Africa-focused investment firm, generating globally competitive returns and real impact by combining world class investment capabilities, an entrepreneurial, business-building approach, and an unparalleled mix of local and global connectivity. This is our vision for HFP. We have a passion for Africa and a desire to leverage capital and expertise to drive socio-economic development on the continent. We are curious and hardworking people, and you can expect from us adherence to the same values that have always guided us: integrity, transparency, candour and a desire always to do better.

In this letter we will articulate our strategy for value-creation and our framework for measuring that value; update you on the progress we have made on our key priorities in the few weeks since the transaction between Fairfax Africa Holdings (''FAH'') and Helios was completed in December 2020; and share with you our views on the medium-term outlook for some of the key value drivers.

Our Strategy

The FAH-Helios transaction gave rise to a structure that is unique in the African investment landscape: HFP combines the long-term stability and strategic flexibility provided by FAH's balance sheet and public listing with the management fee income and performance fee upside potential from the long-dated third-party funds in Helios's alternative asset management business (''Helios Funds'').

While FAH sought to create shareholder value solely from appreciation in the value of its balance sheet investments and was therefore, appropriately, valued relative to its book value, HFP aims to create value from two additional sources: growth in management fee-related earnings; and growth in performance fee income. HFP's value will derive from the sum of the three parts: (i) balance sheet investments, valued on a price-to-book basis, plus net cash; (ii) fee-related earnings paid to HFP from Helios Funds, valued by applying a price-to-earnings multiple to such earnings on an accrual basis; and (iii) HFP's share of unrealized gains in performance fees, valued by applying a market-based multiple to such gains.

Our strategy is to harness HFP's balance sheet to create value along all three dimensions and, in due course, reward our shareholders with regular dividends. We intend to drive appreciation in HFP's balance sheet investments by investing in or alongside Helios Funds – providing HFP with access to the best investment opportunities originated by Helios's market-leading team. At the same time, we will seek to grow and diversify HFP's fee-related earnings and performance fees by leveraging HFP's capital base to accelerate, organically or by strategic acquisitions, the development of Helios's third-party fund management business. Diversification will be highly selective, focusing on new investment strategies that leverage existing Helios capabilities; offer tangible synergies such as deal flow, market intelligence, or new investor relationships; and are of sufficient scale as to warrant the dedication of capital and other resources.

A core value of ours, embedded in HFP's structure and reinforced in our strategy going forward, is to strongly align the interests of HFP's shareholders with those of the limited partners in Helios's third-party funds and with those of Helios itself as investment adviser. Integral to that objective is that the individual members of the Helios team are personally (and materially) invested in HFP's shares and in all the third-party funds that Helios advises; and that HFP's balance sheet capital is invested in or alongside the third-party funds. The success of the Helios Funds, the creation of shareholder value at HFP and the wealth and remuneration of Helios's team members are inextricably linked. Stakeholder interests will be well aligned.

Progress to Date

We have focused our efforts in the weeks since the completion of the transaction on two areas: integrating the FAH and Helios teams and operating processes; and stabilizing and driving value creation within the legacy FAH investment portfolio to create a solid financial foundation on which to execute our stated strategy. We have made excellent progress in both areas.

The integration of the teams has gone smoothly, aided by cultural similarities between Fairfax Financial Holdings Corporation (''Fairfax'') and Helios and by the respective teams having developed good personal and working relationships in the run-up to the completion of the transaction.

We are similarly pleased with the progress we are making on the legacy FAH portfolio, which has experienced well-documented challenges. Due to a combination of negotiated risk mitigants (either agreed as part of the original transaction or put in place in our recently announced portfolio insurance transaction with Fairfax) and the intensive engagement of our investment and portfolio operations teams, we are confident in the robustness of the current valuations and the prospects for further upside.

As you know, the terms of the FAH-Helios transaction provided that the company's pre-closing position in Atlas Mara shares would be sold to Fairfax for $40 million. Additionally, Fairfax guaranteed HFP's investment in the Atlas Mara Facility as well as deposits held in Atlas Mara Zambia and in Grobank. The latter three positions are valued collectively at $64 million. Together, with the sale of the Atlas Mara shares, these agreements virtually eliminated the risks associated with $104 million of HFP's investments.

Table 1: Guaranteed Investments

Guaranteed Investments	US$ millions	Comments
Atlas Mara Common Shares	40.0	50% already paid, 50% due from FFHL by Q4 2023
Atlas Mara Facility	43.7	Guaranteed by FFHL and repayable in Q1 2021
Atlas Mara Zambia Term Deposit	13.0	Guaranteed by FFHL and repayable by Q4 2021
Grobank Restricted Cash	7.3	Guaranteed by FFHL and repayable by Q4 2021
Total Guarantees	**104.0**	

Our recent portfolio insurance transaction with Fairfax eliminated additional potential downside risks associated with legacy positions while simultaneously providing meaningful additional liquidity with which to invest in attractive opportunities that are consistent with the future HFP strategy.

Pursuant to the January 21, 2021 portfolio insurance agreement, Fairfax purchased from HFP a $100 million three-year note, the value of which will be reduced, dollar-for-dollar, to the extent that the value at maturity of a portfolio of assets comprising the company's equity and debt investments in AFGRI Holdings Proprietary Limited (''AGH''), Philafrica and the PGR2 Loan falls below $102.6 million. The fair value of this portfolio as of December 31, 2020 was approximately $80 million. This contingent value note, in effect, guarantees a floor valuation of $100 million for a portfolio presently valued at $80 million. In exchange, the notes will bear interest at an annual rate of 3% and Fairfax will receive warrants for the purchase of 3 million newly issued HFP shares at an exercise price of $4.90 per share.

Table 2: Portfolio Insurance

Portfolio Insurance (US$ millions)	30-Jun-20	31-Dec-20
Loans Fair Value	**24.3**	**7.2**
o/w PGR2 Loan	18.6	–
o/w Philafrica Facility	5.7	7.2
Equities Fair Value	**78.3**	**73.2**
o/w AGH Equity[(1)]	63.1	64.2
o/w Philafrica Common Shares	15.2	9.0
Portfolio Fair Value	**102.6**	**80.4**
Portfolio Insured Value	**100.0**	**100.0**

(1) Indirect equity interest through HFP's ownership in Joseph Holdings

With $104 million in value guaranteed under the terms of the FAH-Helios transaction, $100 million guaranteed under the portfolio insurance agreement, cash year end balances of $46.1 million (the reported $66.1 million, less $20 million already received in part payment for the Atlas Mara shares) and $14.8 million in liquid listed equities, a total of $264.9 million in asset value is attributable to cash or extremely low risk assets.

Cash and guaranteed investments represent 43% of the company's NAV and 77% of its NAV, excluding the fair value of HFA Topco LP, the entity holding the rights to the income streams acquired from Helios.

Table 3: Pro Forma HFP Net Asset Value

Net Asset Value – December 2020	US$ millions	% Total
Cash & Equivalents[1]	**46.1**	**7%**
Short-Term Publicly-Traded Investments	**14.8**	**2%**
Insured & Guaranteed Investments	**204.0**	**34%**
Non-Guaranteed Investments	**79.5**	**13%**
o/w ATMA Bonds	22.4	4%
o/w CIG Loan	19.3	3%
o/w GroCapital Holdings common shares	1.4	0%
o/w Nova Pioneer Bonds	36.4	6%
HFA TopCo LP FairValue	**275.3**	**44%**
Other Assets & Liabilities	**0.2**	**0%**
HFP Net Asset Value	**619.9**	**100%**

(1) Reported Dec 2020 cash & equivalents excluding Atlas Mara shares payment of $20 million already received.

(2) Floor value of Insured and Guaranteed Investments representing the amounts guaranteed by FFHL.

In addition to underpinning the company's NAV, these arrangements ensure that our investment and portfolio operations teams have sufficient runway to execute on the various value creation plans in place at each portfolio company ahead of orderly disposals in the medium term. The range of outcomes on those assets is very much skewed to the upside.

Measuring Value: NAV versus Earnings

From a fair value accounting standpoint, at $275.3 million, HFP's most significant single asset is HFA Topco LP, the entity through which HFP receives excess fees and a share of performance fees from Helios Funds. As detailed in FAH's Management Proxy Circular published ahead of the special shareholder meeting at which the FAH-Helios transaction was approved, this value was derived by combining: (a) the discounted present value (at a roughly 19% discount rate) of the approximately $230 million in HFP's fee-related earnings expected from all Helios Funds over an eight-year forecast period (one-third of which is anticipated within the next five years) and a terminal value for fees expected thereafter; and (b) the discounted present value (at a 21 to 27% discount rate) of the approximately $140 million in performance fees expected to be received by HFP from already-existing Helios Funds, the bulk of which is forecast to be received within the next five years. No value is ascribed to potential performance fees from future Helios Funds.

HFP's interests in HFA Topco LP are recorded on a fair value basis but, from a purely economic standpoint, we believe that those interests are best evaluated by applying market-based price-earnings multiples to HFP's entitlement to annual fee-related earnings on an accrual basis and HFP's entitlement to annual share of unrealized gains in performance fees. We will endeavour to provide you with additional information on fee-related earnings and unrealized performance fee gains from Helios Funds going forward.

Outlook for Value Drivers

An important determinant of HFP's fee-related earnings potential is Helios's ability to raise (and, of course, to invest successfully) third-party funds to support its investment strategies, which is largely a function of the health of the fundraising environment for Africa-focused funds generally. While historically Helios has met or exceeded its fundraising targets, it is fair to say that, for the last several years, fundraising for African (and other emerging markets) funds has been challenging.

In the immediate term, the pace of fundraising will be constrained by the logistical challenges imposed by Covid-19 related travel restrictions, which affect the ability of fund managers to market their funds and make it more difficult for prospective investors to conduct on-site due diligence. With continued progress on vaccination programs, we expect those conditions to ease gradually in the coming months.

Beyond Covid-19, however, we are of the view that the fundraising environment has the potential to improve significantly as the primary driver, relative performance, begins to turn in favor of Africa and other emerging markets. A dollar invested in the S&P 500 ten years ago would have generated almost two-and-a-half times the return generated from an index comprising the major African stock markets, namely Cairo, Casablanca, Lagos, Nairobi and Johannesburg. As private equity returns tend to correlate with returns in public markets it is no surprise that, over this period, fund investors have heavily favored US private equity.

It is highly noteworthy that 80% of the outperformance of the US market over the last decade has been due to a divergence in market multiples, a direct result of differences in the respective interest rate environments. The S&P 500 and our African composite index traded at roughly the same forward earnings multiple 10 years ago and now the S&P 500, at approximately 24x forward earnings, is valued at almost twice the price-to-earnings ratio of the African comparator. Given the inverse relationship between interest rates/discount rates and market multiples, there are two important phenomena at work: first is that in a high discount rate environment such as Africa's, declines in discount rates only have a modest impact on market multiples. However, in a lower discount rate environment, as in the US, even small declines in interest rates have a significant upward impact on market multiples; second, as rates approach zero, as they have in the US and other developed markets, multiple expansion accelerates ever faster. So, while interest rates have declined in Africa as they have in the US, the effect on market multiples has been far more dramatic in the US. US private equity outperformance is simply another consequence of extremely accommodative monetary policy there and in other developed markets.

With the gap in price-earnings multiples between the S&P 500 and our African composite index already higher (at 11 multiple points) than at any time in recent memory, US multiples already close to all-time highs, and US interest rates already close to zero, there simply is limited scope remaining for the interest rate factors that have driven the divergence in multiples – and the outperformance – of the last decade to continue. And while not necessarily causative, the fact that the current bull market in US equities is already 20% longer running than the second longest does not help a case for US outperformance.

If the US-Africa gap in market price-to-earnings multiples begins to close (or simply does not continue to widen) African equities would outperform those in the US, except if corporate earnings growth in the US were to exceed Africa's. Reliable and consistently reported data on earnings growth in Africa is difficult to come by. However, for illustrative purposes, over the five years to June 2020, the average annual earnings growth for companies in the Helios private equity portfolio, in US dollars and on a constant cohort basis, was 14.5%. Average annual earnings growth over the same timeframe for the Russell 3000 Index, which is somewhat reflective of the portfolios of US private equity firms, was 2.4%. We have no reason to believe that that relationship changed in the latter half of the year.

In sum, we are optimistic about the medium-term prospects for fundraising for Africa-focused funds, as we believe that the weight of evidence suggests that Africa will outperform US markets over the 5 to 10-year horizon that is relevant for investors in private equity funds. Indeed, there are early signs that a fundamental reassessment of the attractiveness of emerging markets, of which Africa is a part, may be underway. According to a survey conducted by BofA Securities between January 8 and 14, two-thirds of the 217 fund managers overseeing $596 billion assets expect emerging markets to be the top performing asset class of 2021.

The attractiveness of Helios's investment strategies is obviously as crucial to Helios's ability to raise capital as the health of the general fundraising environment is. Helios's investment strategy in its core private equity business reflects the learnings and pattern recognition that 16 years of experience investing in Africa has afforded and, we believe, positions it well to generate globally competitive returns.

Helios's focus sectors, namely Financial Services and Financial Technology; Telecom and Internet Infrastructure; Clean Energy and Power; and Consumer Non-Discretionary goods and services are well-placed to benefit from demographics/urbanization and technology/innovation, the engines of growth in Africa. Similarly, Helios's approach to investment selection addresses various peculiarities of the African investment environment: focusing on demographically- or technologically-driven secular growth opportunities minimizes risks associated with the general business cycle; focusing on control or joint control investments accelerates the value creation process; proactively seeking out investments with natural hedges against adverse currency movements and avoiding those with direct commodity price exposure mitigates macro risks that are impossible to manage and difficult to price. And, lastly, acutely aware that climate-related targets are increasingly influencing asset values, Helios seeks to ensure that its future investments are consistent with the Paris Agreement and related protocols.

All three drivers of HFP shareholder value: appreciation in the value of balance sheet assets; growth in fee-related earnings; and increases in performance fees, stand to benefit from the attractiveness of Helios's investment strategy and the positive medium-term outlook for fundraising.

In Closing

At HFP, we occupy a uniquely interesting position: as the leading investment firm in the world's most capital-short market, with the most attractive demographic profile and the highest natural rates of growth, there is a significant amount of positive optionality embedded in our business. While we may not be able to predict what will happen from one quarter to the next, we are convinced that, over the long term, this will be a happy experience.

Our partnership with Fairfax is off to an excellent start. The few weeks since the completion of the transaction and the several months leading up to it have been marked by consistently constructive dialogue, a collaborative spirit and a singular focus on creating shareholder value. Prem and his team are truly outstanding partners.

We are excited about the journey ahead. There will no doubt be bumps along the way and we will inevitably get some things wrong – but we are confident that we will get more things right than wrong.

We thank you again for your support and we look forward to the annual meeting at 2:30 p.m. (Eastern time) on April 14. While it had been our plan to hold the meeting in person at the Fairmont Royal York Hotel in Toronto, Canada, the meeting will be held virtually due to restrictions on movement and group gatherings.

March 5, 2021

Tope Lawani
Co-Chief Executive Officer

Babatunde Soyoye
Co-Chief Executive Officer