



G.R.O Study Center Annual Conference 2014

October 2014

CONFIDENTIAL – For Informational Use Only. Not for redistribution. This presentation may not be altered except by York Capital Management. Please see Risk factors and important legal information at the end of this presentation for important disclosures regarding the data and information contained and the views and opinions expressed in this material.

YORK CAPITAL MANAGEMENT OVERVIEW

FIRM FACTS

- Founded in 1991
- \$25.4 Billion of Assets Under Management*
- Approximately \$1.5 Billion of York Employee Capital Invested in the Firm's Funds
- Offices in New York, London and Hong Kong

GLOBAL EVENT-DRIVEN INVESTMENT APPROACH

- Fundamental, Research-Driven Investment Approach
 - Distressed
 - Special Situations
 - Arbitrage

“ONE FIRM” PHILOSOPHY

- 195 Employees, 54 Investment Professionals
- 14 Partners
- Independently Managed

GUIDING RISK PRINCIPLES

- Emphasis on Liquidity
- Focus on Diversification
- Minimal Use of Leverage

CLIENT FOCUS

- Focus on Transparency, Reporting and Communication
- Treat Investors as “Partners”

INVESTING IN CHANGE

EVENT-DRIVEN INVESTING

DISTRESSED

- Bankruptcies
- Liquidations
- Restructurings
- Post-Reorg Equities

SPECIAL SITUATION EQUITIES

- Spin-offs and Breakups
- Industry Consolidations
- Asset Sales & Divestitures
- Activism / Proxy Fights

ARBITRAGE

- Hostile / Contested Transactions
- Multiple Bidders
- Pro Forma Value Creation
- Cross Border

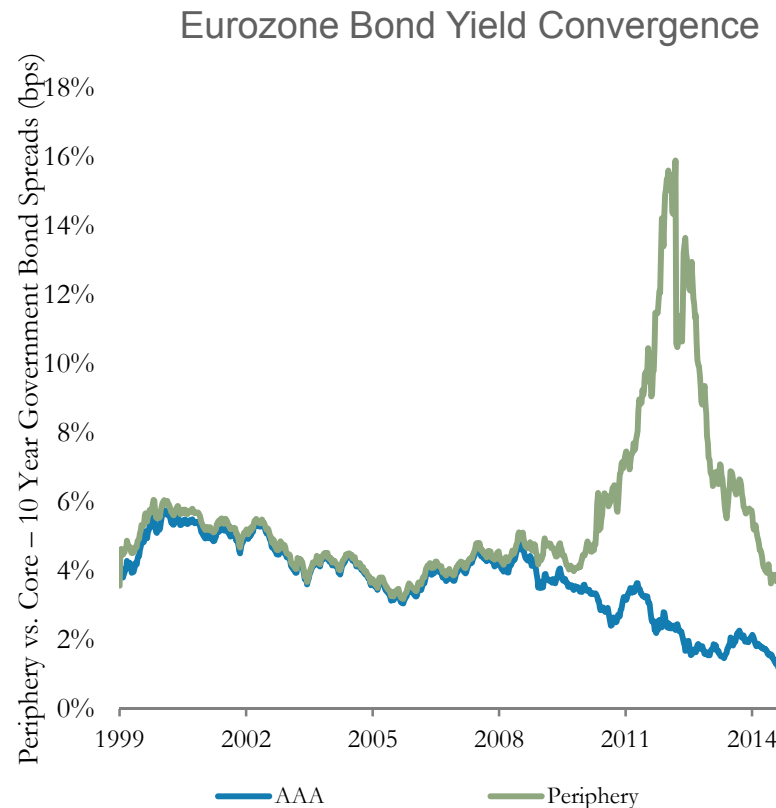
EUROPE IS A BETTER PLACE

Growth Is Returning to the Eurozone



Source: Morgan Stanley, September 2014

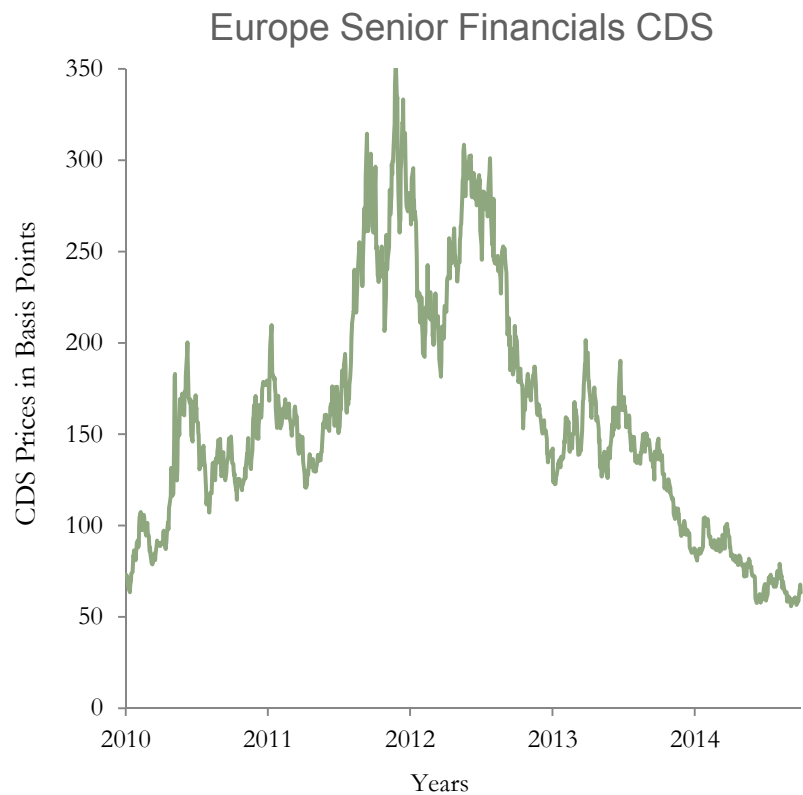
Eurozone Breakup Threat Reduced



Source: Morgan Stanley, September 2014

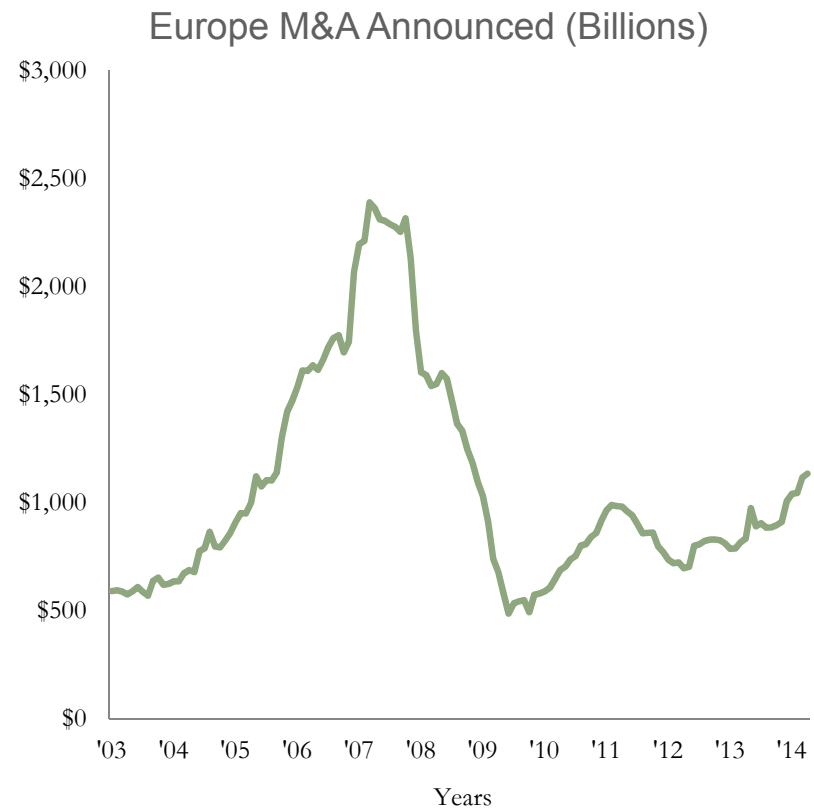
BANKS ARE GETTING HEALTHIER AND CORPORATE ACTIVITY IS INCREASING

Decrease in Bank Funding Costs



Source: Morgan Stanley, Itraxx, Data as of 9/30/14

M&A Activity Is Rising

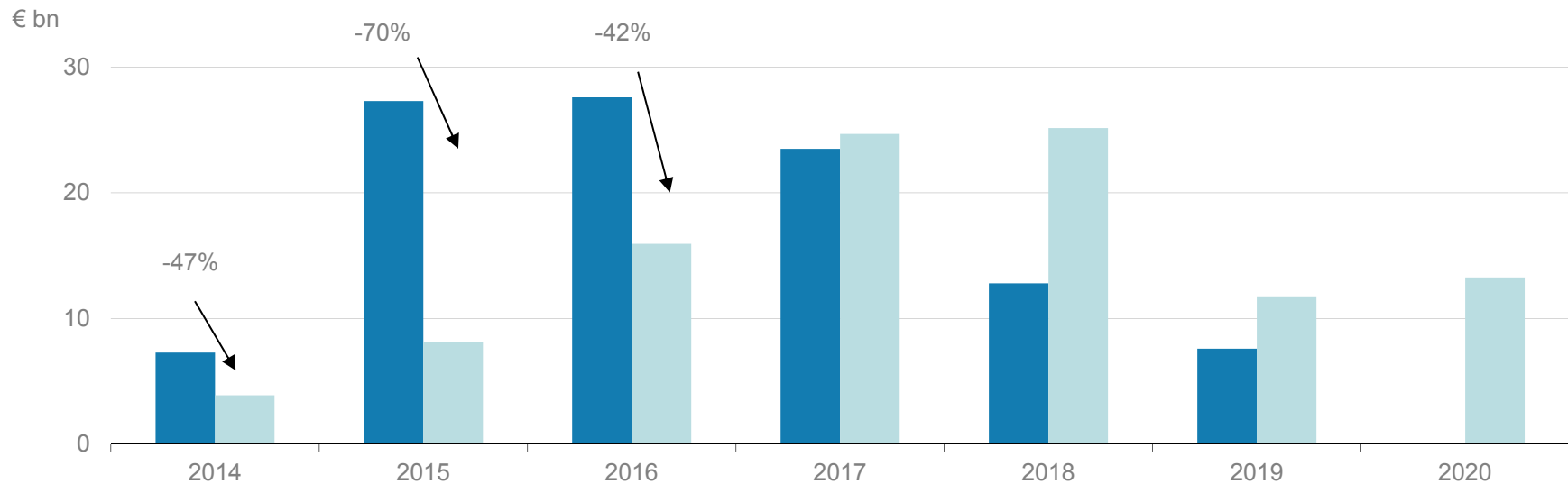


Source: ISI Group, Data as of 8/30/14

DISTRESSED OPPORTUNITY SET

European Leveraged Loan Maturity Wall

■ Estimated European Leveraged Loan Maturities as of December 2012
■ Estimated European Leveraged Loan Maturities as of December 2013



- European banks continue to sell foreign assets and limit new lending to foreign companies
- Widespread corporate distressed opportunity in Europe driven by economic slowdown
- Bank deleveraging requirements remain given the introduction of Basel III
 - Trend of Amend & Extend could continue, but Basel III makes it more challenging going forward

Data as of December 31, 2013

The market environment information presented is for confidential use only. It is not to be redistributed or reproduced, in whole or in part. The slide is for informational purposes only and does not contend to address the financial objectives, situation or specific needs of any individual investor. Any forecasts or opinions reflect the views of the analyst as of the date noted, keeping in mind that these views are subject to change in response to changing circumstances and market conditions.

Source: Morgan Stanley, LCD Comps

DIVERSE CREDIT OPPORTUNITIES

Restructurings / Re-Org Equities

- Still seeing creation of new re-org equities
- Potential for equity upside in late stage restructurings
- Exit via IPO or sale to a sponsor or corporate

Bankruptcies / Liquidations / NPLs

- Substantial Icelandic opportunity set
- Attractive NPLs in Spain and periphery
 - Due to regulatory pressures, banks are incentivized to dispose of underperforming assets

Hybrids

- Distressed old style hybrids
 - Bail-ins
 - Liability management exercises
- Issuance of new capital instruments

Special Opportunities

- Creative financing solutions in periphery
- Selective situations in shipping and solar
 - Joint ventures in dry bulk and container shipping
 - Asset prices and day rates at a historical trough
- Distressed real estate investment
- Sovereign Debt

DIVERSE CREDIT OPPORTUNITIES (CONT'D)

- **Significant acceleration of asset sales by Sovereign and Financial institutions**
 - Triggers include AQR, regulation, and political pressure
 - €54.9bn of closed transactions during 2014 YTD
 - Includes circa 90 sub Eur 1bn deals and 10 “Mega-deals”
 - €264.0bn of transactions expected in the next 5 years*
- **Although financing markets have improved, financing for complex projects and balance sheets remains limited**
 - Small and Medium Enterprises (“SMEs”) continue to face higher hurdles for financing
- **Real Estate Owned (“REO”)**
 - Hard asset sales have increased from institutions and other owners of loans
 - Less competition in more complex situations
- **Non-Core Asset Sales**
 - Opportunities from liquidations of REIT structures
- **Shipping**
 - Leverage off York’s existing JV with Costamare
 - York has invested extensively across the shipping sector in order to capitalize on a number of off-the-run opportunities

RISK FACTORS

General

The information presented within this presentation is current as of the date noted, is for informational purposes only, and does not contend to address the financial objectives, situation or specific needs of any individual investor. The material is not intended to be, nor should it be construed or used as an investment, tax or legal advice, or an offer to sell, or a solicitation of any offer to buy, an interest in any private fund. All data was obtained from publicly available information, internally developed data and other third party sources believed to be reliable. York Capital Management has not sought to independently verify information obtained from public and third party sources and makes no representations or warranties as to accuracy, completeness or reliability of such information.

This presentation is provided on a confidential basis and is intended solely for the information of the person to whom it has been delivered. It may not be copied, transmitted, or otherwise given to any third person other than your financial, tax and/or investment advisors without the investment manager's consent. Opinions expressed are current opinions as of the date appearing in this material only.

York Capital Management Global Advisors, LLC, is a SEC registered investment advisor, and certain of its affiliated entities are authorized and regulated by one of the following: the U.S. Securities and Exchange Commission; the U.K. Financial Conduct Authority; or the Hong Kong Securities and Futures Commission. The fact that the adviser is registered does not constitute and endorsement or imply any particular level of skill or training.

The information and content of this document have been prepared by York Capital Management.

2483_20141021_OTU