

Introduction to **Sabadell** **Asset Management**

December 31st, 2017

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Highlights

Highlights

Sabadell Asset Management

30 years of investing experience are the foundations of a bright future

- In 2017, **Sabadell Asset Management** has clocked up **30 years** managing Investment Funds within a banking group that has been more than 135 years in business.

30
years
1987-2017

 **Sabadell**
Asset Management

Highlights

Sabadell Asset Management

Broad set of investment solutions and products, serving individual and institutional customer needs



- Investment Funds under Spanish Law: € 16,435 M
- Third-party Funds under advisory: € 8,185 M
- Qualified Pension Funds: € 3,571 M
- Discretionary Portfolio Management: € 3,353 M
- Life Insurance Managed Products: € 2,949 M
- Dedicated Investment Companies «SICAV»: € 2,138 M
- Discretionary Portfolio Management from the US: € 617 M
- Investment Funds under Andorra Law: € 412 M
- Investment Funds under Luxembourg Law: € 99 M
- Private Equity Funds under Spanish Law: € 60 M
- Direct Real Estate Funds under Spanish Law: € 15 M
- Third-party Funds administration: € 2 M

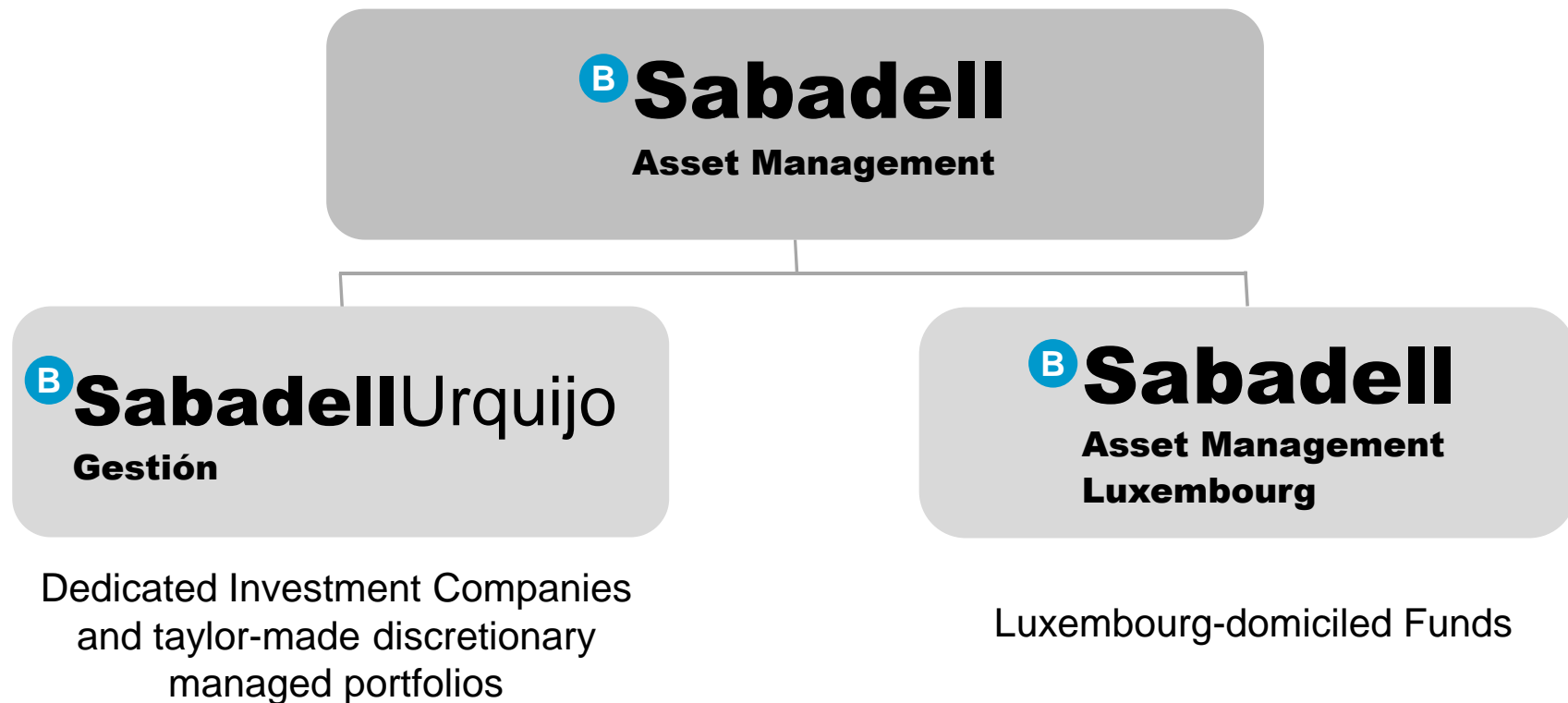
**Assets in excess of € 37
billions under management**

Figures in million euro. Data as of 31 December 2017 for Banco Sabadell Group

Highlights

Sabadell Asset Management

Organisation Structure



Highlights

Sabadell Asset Management

Asset-based rankings

4 Assets under Management **Spanish-domiciled Investment Funds**

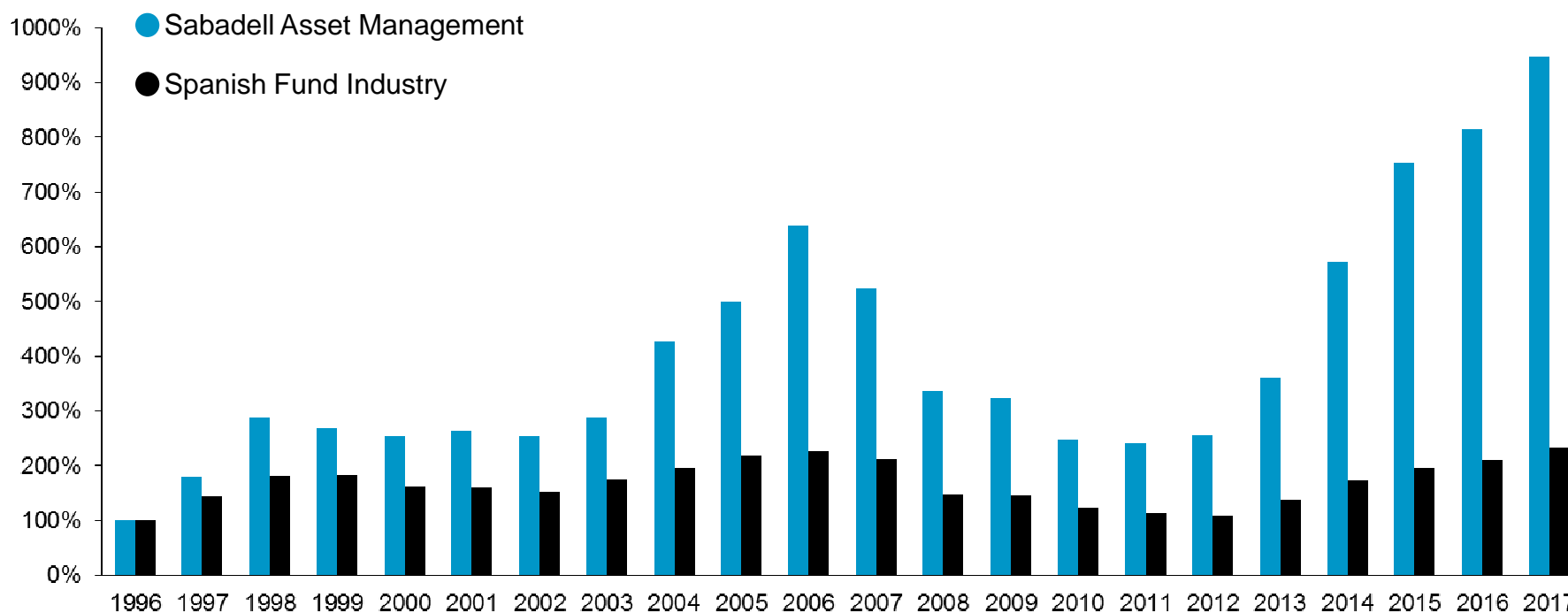
5 Assets under Management **Spanish-domiciled SICAV**

Highlights

Sabadell Asset Management

Superior AuM growth, faster than the Fund industry

Assets under Management (“AuM”), Spanish-domiciled Investment Funds



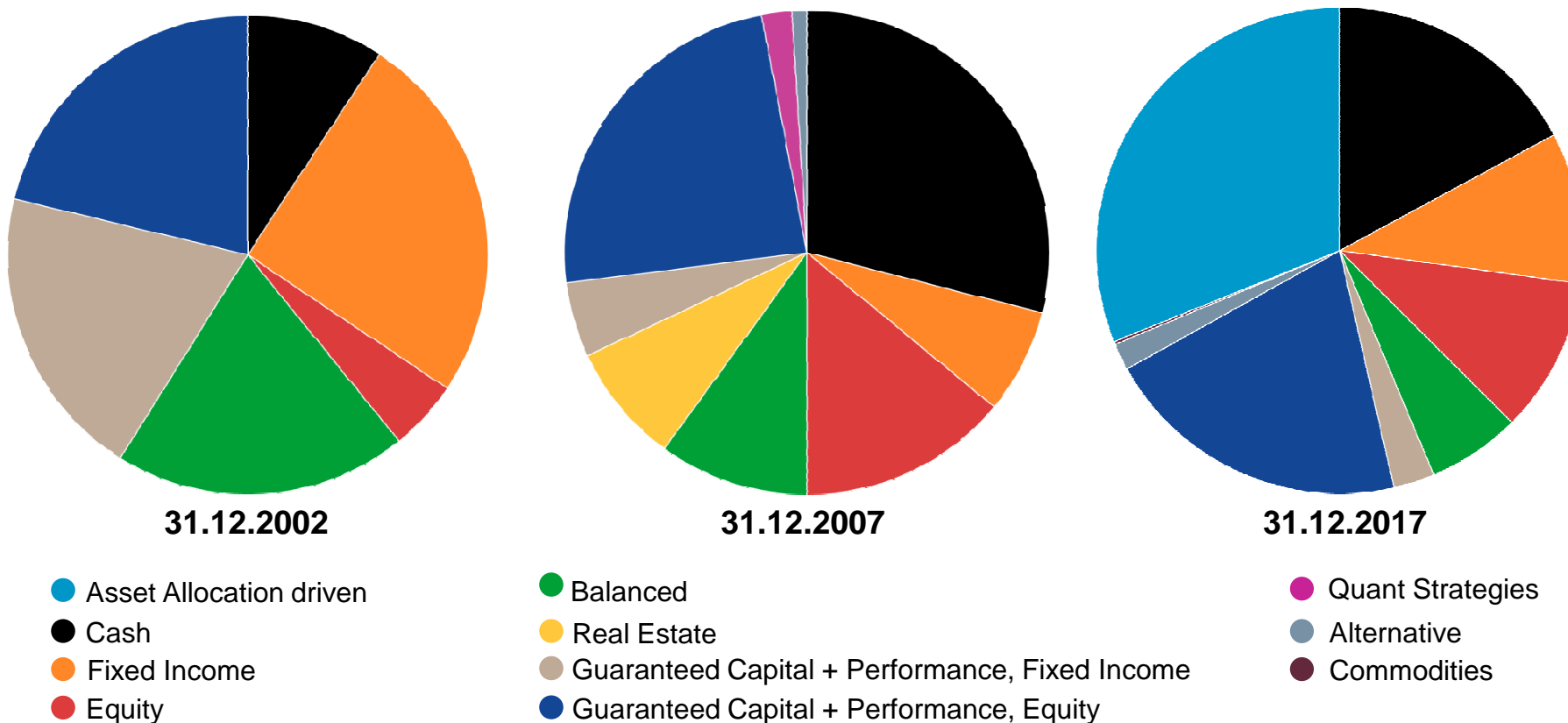
Source: INVERCO and Sabadell Asset Management. Data as of 31 December 2017

Highlights

Sabadell Asset Management

Extensive, customer-focused and versatile Fund offering

Aggregate portfolio of all managed Investment Funds under Spanish Law, by Fund category

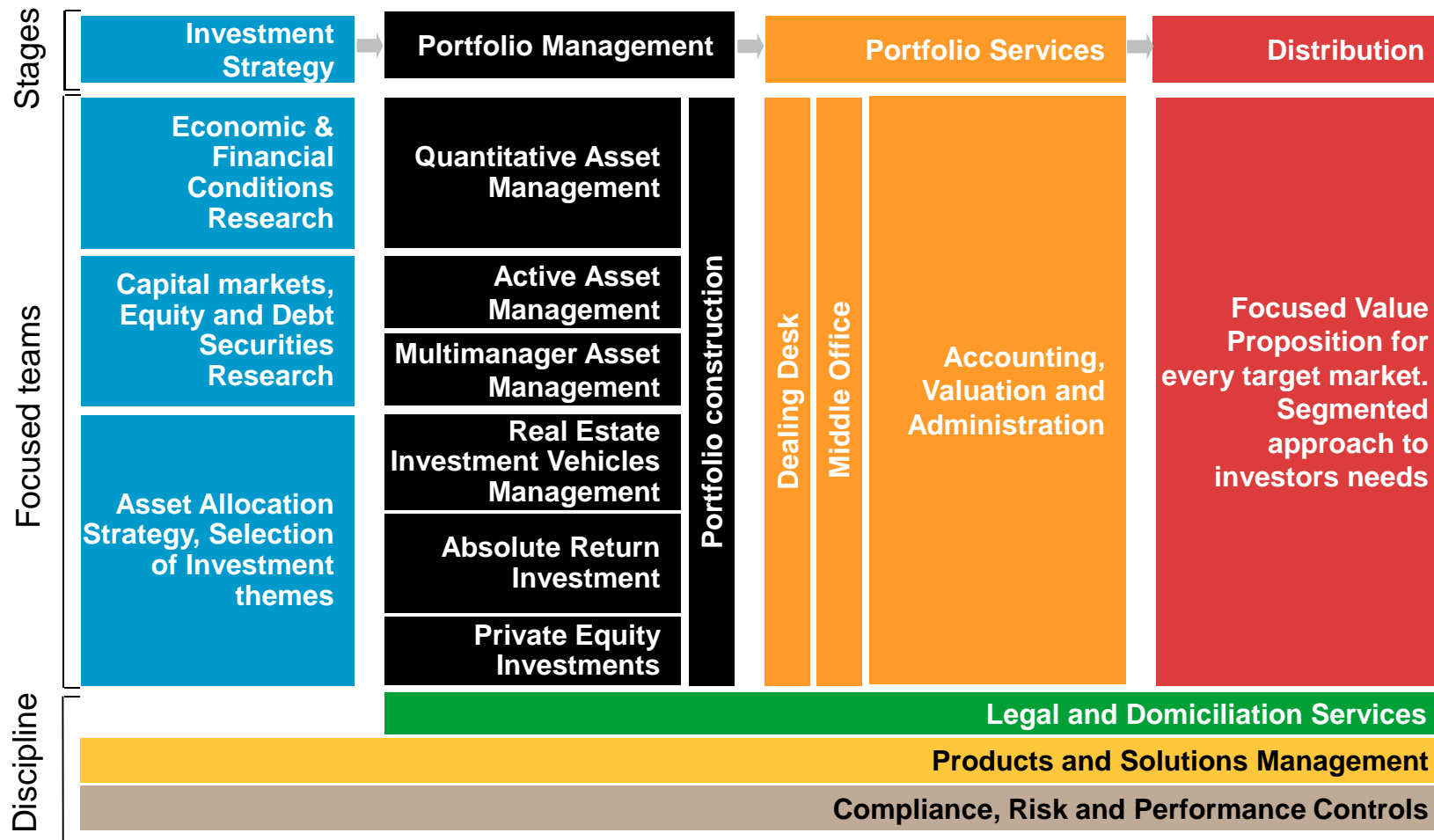


2

Capabilities

Capabilities

Full-equipped Asset Management muscle:
investment professionals + toolset = Process



3

Investment philosophy

Investment Philosophy

Fundamental, active and risk-disciplined investment process

- Based on the principle that economic fundamentals determine **equilibrium prices of assets in the long run**. **Risk control and active risk-adjusted expected returns** are the pillars of the investment process discipline.
- The investment process follows a top-down approach to determine the **total risk exposure and to decide the asset allocation**, while a bottom-up approach is applied for investment selection to build-up well-diversified portfolios.
- The investment process focuses on the expected long-term **risk-premia**.
- For each asset class, the process starts with the analysis of the macroeconomic scenarios and the key economic variables.
- Strategic and tactical positions are taken and managed following a market-oriented style focused on capturing all sources of excess return.
- The investment process covers: **Asset Planning, Tactical Asset Allocation, Investment Selection and Investment Execution**.

4

Accolades

Accolades

The awards granted confirm very competitive returns and the quality of the investment process

In 2017

18 Top Funds by Lipper Fund Awards*



2 Funds rated with five stars by Morningstar*



5 Funds rated with four stars by Morningstar*



Sabadell Asset Management is finalist for the Best Spanish Asset Manager Award and for the Best Equity Asset Manager Award by *Premios Fondos de Inversión Expansión – AllFunds Bank*



*Data as of 31 December 2017

Accolades

Sabadell Asset Management capabilities and performance are scrutinised and assessed by external Fund rating agencies

In 2017



- Fitch Ratings has assigned five **Sabadell Asset Management** Mutual Funds a “**Proficient**” **Fund Quality Rating** result. Three of these Funds are Fixed Income Funds, the other two are Equity Funds.
- Fitch Ratings are based on an **operational assessment, a qualitative assessment of (i) the investment process, (ii) the resources, (iii) the company structure and an overall assessment of the performance track-record.**
- Fitch Ratings highlights in its full rating report:
 - *“The investment processes are well-executed, being implemented through model portfolios established by the portfolio managers based on proprietary fundamental research”.*
 - *“The investment teams are well-staffed and stable, with segregation of roles between portfolio management, portfolio construction and dealing. The process-driven management and team- based approach reduces key person reliance and allows scalability”.*

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Width of investment options

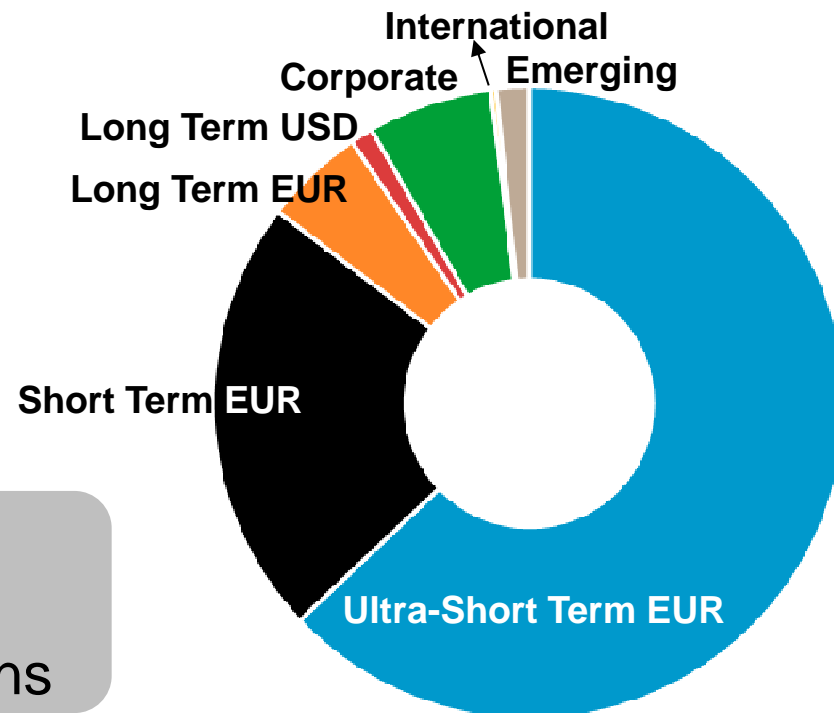
Width of investment options

Fixed income investing

Proven, acknowledged investment experience

- More than € 4.4 billions managed in Fixed Income Funds.
- Investment process combines fundamental and quantitative analysis, emphasizing risk control.

Honoured in several occasions:
8 top-notch Fund awards and
numerous performance distinctions



Width of investment options

Equity investing

Broad offering, Funds invested over main economic blocks/investment themes

Equity Spain	Sabadell España Bolsa, FI
Equity Spain – Value	Sabadell España Dividendo, FI
Equity Spain – Free investment	Sabadell España 5 Valores, FIL
Equity Euro Zone	Sabadell Euroacción, FI
Equity Europe	Sabadell Europa Bolsa, FI
Equity Europe – Value	Sabadell Europa Valor, FI
Equity United States	Sabadell Estados Unidos Bolsa, FI
Equity Japan	Sabadell Japón Bolsa, FI
Equity Emerging LatAm	Sabadell América Latina Bolsa, FI
Equity Emerging Europe	Sabadell Europa Emergente Bolsa, FI
Equity Emerging Asia	Sabadell Asia Emergente Bolsa, FI

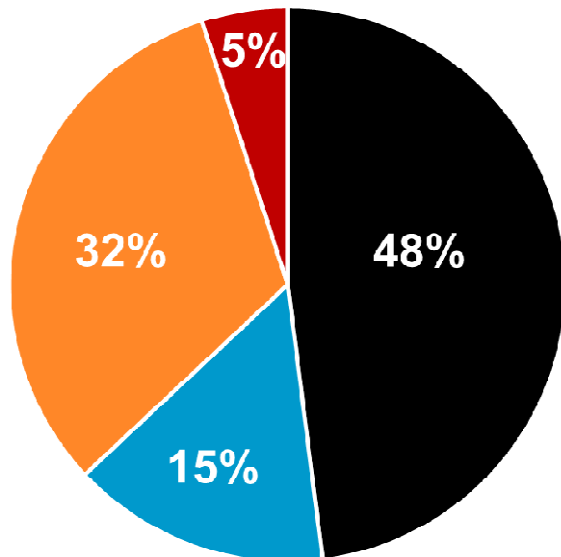
Width of investment options

Active Asset Allocation is the driver for risk-profiled Funds

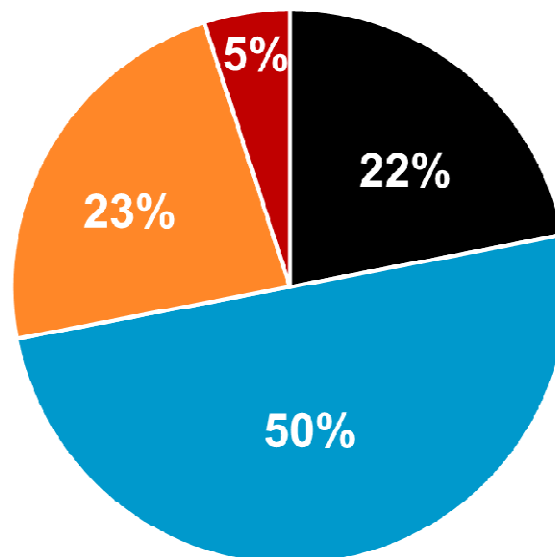
Diversifying away from low-yield domestic fixed income

Actively managing Asset Allocation and investment risk throughout the cycle

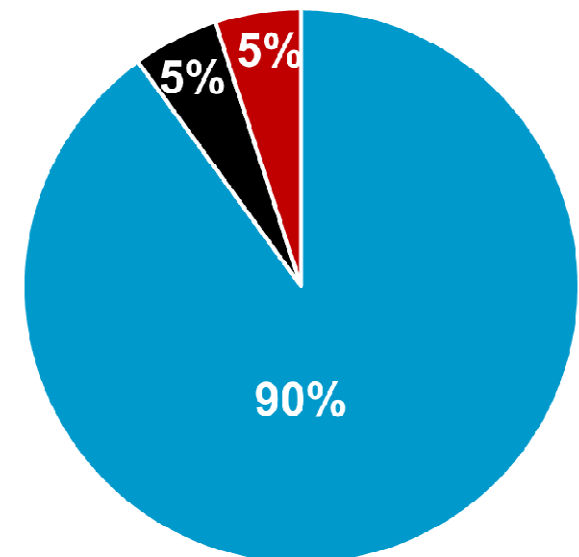
- Fixed Income
- Alternative
- Equity
- Liquidity



Sabadell Prudente, FI



Sabadell Equilibrado, FI



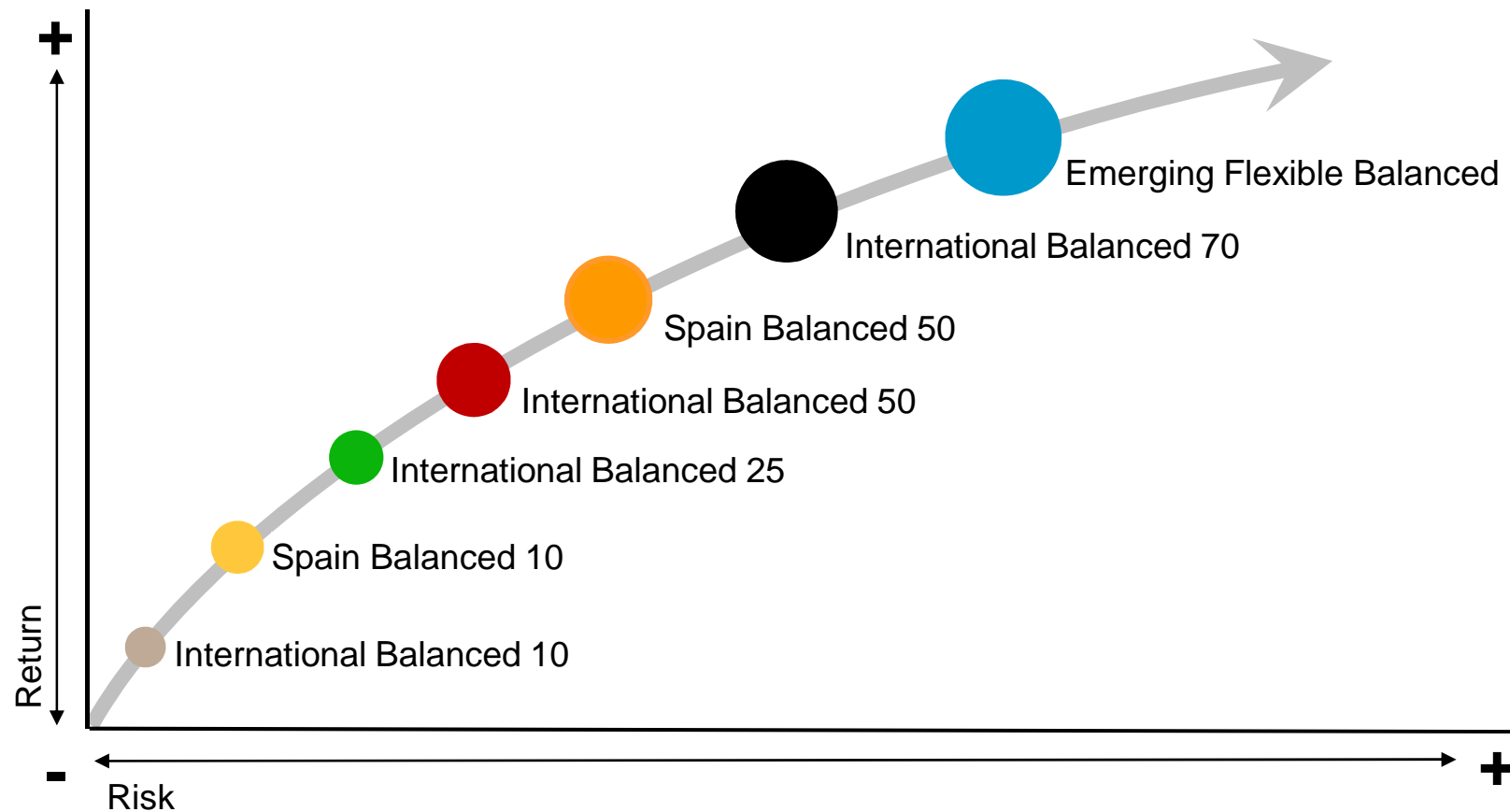
Sabadell Dinámico, FI

Asset invested in Investment Funds and liquidity. Data as of 31 December 2017

Width of investment options

Balanced strategies

Delivering active asset management



Width of investment options

Alternative investments

Guaranteed Investment Funds

- More than € 3,7 billions managed through Guaranteed Investment Funds*.
- An assorted and continuous principal-guaranteed Funds products offering is supplied.



Underlying investment themes

Fixed interest rates and floating interest rates

Investment Funds performance

Equities performance

Headline inflation performance

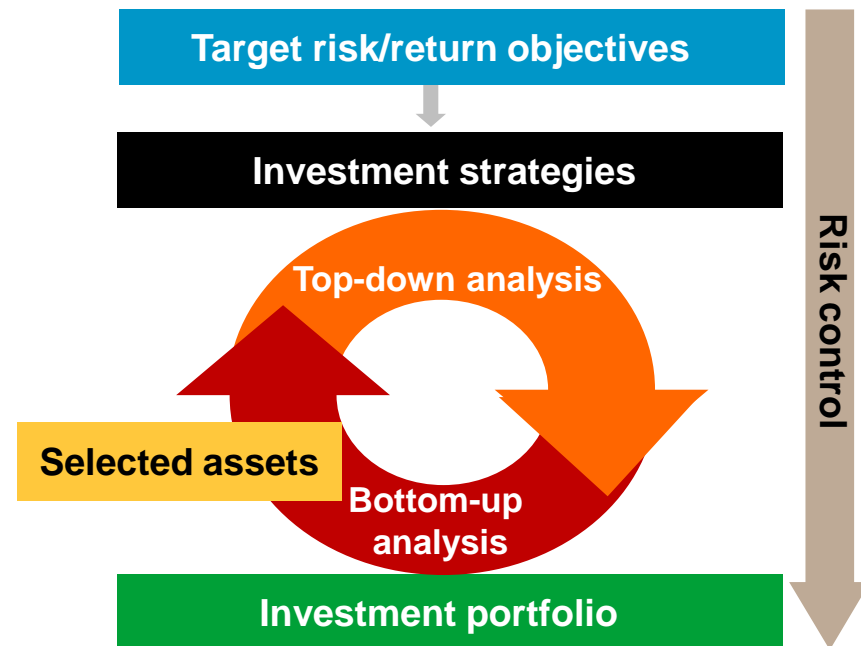
Width of investment options

Alternative investments

Deeply-ingrained in the investment process, well-established capabilities

Direct Real Estate Funds, Funds of Hedge Funds, Funds of Private Equity Funds, Direct Infrastructure Funds, Funds of Infrastructure Funds, Highly-Concentrated AIFs are being managed by **Sabadell Asset Management**. New products in the pipeline.

- Expanding the opportunity set.
- Positioned among the most enduring investment strategies.
- Selecting investment opportunities and managers.
- Access, allocation, execution, track-record are key to success.



6

Strategic outlook

Strategy outlook

Grow the business

Go need-based products. Go real assets. Go international

- Increase market share in the Spanish savings and investments marketplace.
- Increase real assets capabilities and product range.
- Build an international Asset Management franchise.
- Develop our Luxembourg presence and product range to make our products attractive and accessible to sophisticated customers and to non-Spanish institutional investors.

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Sociedad gestora
Sabadell Asset Management, S.A., S.G.I.I.C., Sociedad Unipersonal
Reg. C.N.M.V. nº 58

Entidad depositaria
Banco de Sabadell, S.A.
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