

Swedish national income pension buffer fund uses NAG in portfolio analysis.

The Fixed Income and FX team at Första AP-fonden has developed an in-house portfolio analysis system for managing the Fixed Income and the FX portfolios.

Första AP-fonden is one of five buffer funds in the Swedish national income pension system. The capital reserves in the AP funds are used to cover the deficit when disbursements from the pension system exceed contributions to the system. Första AP-fonden has assets under management of SEK 253 billion (at 30 June 2014), approximately USD 40 billion, in a global portfolio consisting of equities, fixed income securities and alternative investments that include real estate, private equity funds and hedge funds.

The Fixed Income and FX team has used the NAG Library since 2005 for optimizations and interpolations. The system is highly dependent on the speed and accuracy of the NAG Library. For example, advanced yield curve modelling within the system uses a number of NAG functions; these yield curves are essential for the management of the Fixed Income portfolio. In addition to this application, the NAG Library is used for optimizing fixed duration indices, another tool that the management of the Fixed Income portfolio relies on.

Quote:

When asked about the NAG Library, Katarina Paschal, Portfolio Manager Fixed Income and FX at Första AP-fonden, states: "As long time users of NAG, both as developers and as end users, we are very satisfied with the performance of the Library and we are happy to recommend NAG to others."