

Highlights

Client

Aberdeen Asset Management

Business objectives

Derivative trading and hedging strategy for pension liabilities

Requirements

A valuation and risk analytics solution that enables flexible modeling, pricing, analytics and market data integration

FINCAD solution

F3 Excel® Edition

FINCAD features

- Flexible modeling for complete control over the real-time valuation and hedge workflow
- On-demand analytic risk

Client benefits

- More accurate and real-time trade pricing
- Intra-day risk reports

Aberdeen Asset Management's Challenge

Aberdeen Asset Management PLC (Aberdeen), LSE: ADN, is a global investment management group headquartered in Scotland that manages over US\$270 billion of assets for institutional and retail clients.

Aberdeen manages multi-currency, multi-asset OTC derivative portfolios including rate swaps, credit default swaps, spreadlocks, and swaptions in segregated, closed and open-ended pooled structures in addition to running a sizable European property business. The group employs over 1,800 staff with offices in four countries around the world.

Prior to seeking a new solution, Aberdeen was using proprietary systems to value its derivatives, but needed a new system that would allow it to value and risk-manage its entire portfolio of instruments on a real-time basis for all of its OTC positions.

The team at Aberdeen required a future-proof solution that enabled them to build and modify models and new trades on the fly and quickly adapt to new regulation. Additionally, this new system needed to integrate easily with Aberdeen's existing infrastructure and deliver the extensive multi-currency, multi-assets coverage capable of valuing and risk-managing their entire book of assets.

FINCAD's Solution

Aberdeen selected F3 SDK, as its future-proof, multi-currency, and multi-asset derivative valuation and risk system.

F3's simple API allowed for easy integration with Aberdeen's internal infrastructure, and it provided the asset manager with the flexibility it needs to value its multi-currency, multi-asset class derivatives portfolio.

With F3, virtually any trade applicable to Aberdeen can be valued under one system and accessed globally. The dedicated .NET interface significantly enhances integration and scales across their entire organization.

Additionally, Aberdeen utilized FINCAD Client Services for in-depth training and implementation services. By leveraging FINCAD's team of market, quant, and software experts based out of its (conveniently located) Dublin office, Aberdeen was able to accelerate its implementation process and get back to focusing on their core business.

About FINCAD

An established leader with more than 25 years of experience, FINCAD provides innovative and trusted valuation and risk analytics to organizations worldwide. With deep market understanding, a client-centered business approach, and unmatched quantitative and software engineering expertise, FINCAD is uniquely positioned to lead the market in enterprise valuation and risk analytics.

For more information, please visit fincad.com

Global Support

Vancouver
New York
London
Dublin



FinancialCAD Corporation

USA/Canada 1 800 304 0702
Vancouver 1 604 957 1200
New York 1 646 435 5920
Europe 00 800 304 07020
London 44 20 7495 3334
Dublin 353 1 400 3100

Fax 1 604 957 1201
Email info@fincad.com

fincad.com

FINCAD[®]

The Results

With F3 SDK, Aberdeen has been able to run strategic LDI solutions alongside existing Excel models to price exotic and structured trades in a single system able to be accessed and controlled globally.

Aberdeen uses F3 SDK to build applications and incorporate its analytics library into existing systems to retrieve live data feeds from established market data providers that also have C# SDK products available. This has enabled Aberdeen to reduce the numbers of systems used for live swap pricing processes,

“What attracted us to F3 was the ability to model derivatives through a generic approach. This enables us to model virtually any type of trade without relying on software updates for each instrument.”

Matthew Lynes, Portfolio Manager, Aberdeen Asset Management

Aberdeen is currently using both Excel and C# based applications for the valuation and risk analysis of their rate, inflation-linked, and credit swap portfolios but plans to expand their use of F3 to introduce Monte Carlo valuation for structured trades, inflation-linked products, and scenario analysis in the near future.

“Virtually any swap type can be valued without the need to rely on providers to update the software for each new instrument.”