| **No.** | **High-level requirement** | **Optional Requirements (taken from Annex 1)** | **Candidate’s response** |
| --- | --- | --- | --- |
| 1 | Cash P&L and Return calculation | 1. It should be possible to have different cash instruments, for the same currency, earning different remunerations. |  |
| 2 | P&L calculation | 1. It should be possible to enable the upload of fees’ accruals (custody, etc.) that impact the Performance/P&L and to consider them in the performance calculation/attribution. |  |
| 3 | Price Sources | 1. The Software should provide index prices from external index providers or allow the user to upload index prices. |  |
| 4 | Price Sources | 1. Users should be able to define Price Source hierarchies. |  |
| 5 | Fixed Income performance contribution and attribution | 1. It should be possible to select the duration point used for the calculation of the impact from parallel and non-parallel yield curve movement. |  |
| 6 | Fixed Income performance contribution and attribution | 1. Users should be able to overwrite analytics/performance contribution/attribution calculations (e.g. if the user wants an amortised cost instrument to attribute all P&L to the carry effect). |  |
| 7 | Fixed Income performance contribution and attribution | 1. The Software should provide a yield curve decomposition - full repricing performance attribution fixed income model. |  |
| 8 | Portfolio analysis/reporting | 1. It should be possible to create and save custom report layouts and report packages, as well as extract and schedule reports. |  |
| 9 | Portfolio analysis/reporting | 1. Possibility to analyse and split performance based on ESG classification. |  |
| 10 | Benchmark management | 1. The Software should allow the creation of fixed or drifting weights blended benchmark portfolios, composed of indices provided by external index providers, with access to the indices' constituents (look through) and respective prices. 2. The Software should include a portion of cash earning a custom return, changing over time as defined by the user. |  |
| 11 | Benchmark management | 1. Users should be able to choose whether benchmark coupons are immediately reinvested or kept as cash until the next rebalance. |  |
| 12 | Look-through capabilities and portfolio aggregation (to accommodate portfolio trees structures) | 1. The Software should be able to provide P&L and performance analysis (absolute and relative vs the benchmarks), as well as performance attribution, at global portfolio level (grouping different sub-portfolios). |  |
| 13 | Static data | 1. Exchange traded instruments' terms and conditions should be available in the Software, including cashflows (coupon payments, redemptions, etc). |  |
| 14 | Cashflows payment calendars | 1. Users should be able to select different calendars (business centres) as a basis to derive cashflow value dates. |  |
| 15 | Instruments coverage | 1. Users should be able to create cross-currency asset swaps whose cash-flows are directly derived from actual bonds. |  |
| 16 | User Interface | 1. Intuitive and user-friendly interface for both technical and non-technical users. |  |
| 17 | Tracking error Analysis | 1. The Software should be able to calculate portfolio ex-post Tracking error over a period, based on realised P&L between the portfolio and the benchmark. 2. The Software should be able to re-calculate portfolio ex-ante Tracking error for a past date, with simulated position changes. |  |
| 18 | Stress Test & Scenario Analysis | 1. The Software should be able to assess the cumulative impact of a user defined scenario on the portfolio, with a specific reinvestment strategy, over a pre-defined investment horizon. |  |
| 19 | Feedback and Acknowledgement Channels | 1. Support for automated notifications in case of transmission success, failure, or any integrity issues. |  |
| 20 | Feedback and Acknowledgement Channels | 1. Provide mechanisms for delivering feedback on the status of received files (e.g., ACK/NACK messages) through defined feedback channels. |  |
| 21 | Encryption and Data Integrity: | 1. Provide message-level encryption and integrity validation using industry-standard protocols such as PGP or equivalent. |  |
| 22 | Data integration & handling | 1. The users should have the ability to customise dashboards with various widgets, charts, and graphs to visualise data effectively. |  |
| 23 | Data integration & handling | 1. The Software should provide the option to save custom report layouts and dashboard configurations for future use. |  |
| 24 | Data integration & handling | 1. The Software should support automated, scheduled reporting capabilities (e.g. via API or built-in functionalities) to enable data extraction without manual intervention. |  |
| 25 | Data integration & handling | 1. If applicable, the Service Provider should assist in transitioning data to a new system or tool, ensuring continuity. |  |
| 26 | Licences | 1. For cost efficiency purposes, ESM would like to avoid paying licences not in use or not assigned to a user e.g. in case of staff leave, temporary absence or assignment |  |