

# Importing Historical Returns into Morningstar Office

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# Importing Historical Returns into Morningstar Office


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This manual explains how to Import Historical Returns into Morningstar Office using Microsoft Excel. The following topics are covered:

- ▶ preparing a Microsoft Excel spreadsheet of historical returns to be imported
- ▶ importing a historical returns spreadsheet into Morningstar Office, and
- ▶ using imported historical return data in Morningstar Office

Historical returns are the values for securities your clients owned prior to the inception date when your firm's data was initialized or converted into Morningstar Office.

Historical returns allow you to show return data in reports that date back farther than the transaction history you have imported into Morningstar Office.

 Note: Using historical imported return data as the sole source for client reporting is **not** recommended. It is strongly advised that imported historical returns are followed by all subsequent transactional data, so the full reporting capabilities of Morningstar Office are available.

You can import either daily or monthly returns. When calculating return data, you must use Time-Weighted Return methodology. You cannot use Internal Rate of Return when importing historical returns.

 Note: If you import monthly returns, use month-end data.

## Overview

## What are historical returns?

## Why would I want to use historical returns?

## What limitations exist for importing historical returns?

## Preparing Your Microsoft Excel Spreadsheet

This section describes how to prepare your Microsoft Excel spreadsheet prior to importing historical return data. The following topics are covered:


- ▶ what data points to use in your spreadsheet, and
- ▶ how to set up your spreadsheet.

Before importing historical returns into Morningstar Office, you must prepare an Excel spreadsheet containing the data points described in the following table:

This data point...	Is...
Account Name	the name of the account for which you are importing historical return data
Account number	the account number of the account for which you are importing historical return data
Date	the return date for each day or month; when using monthly returns, use the month-end date.
Gross Performance	the time-weighted return percentage for the portfolio, gross of fees
Net Performance	the time-weighted return percentage for the portfolio, net of fees (This data point is optional.)
Management Fees	the value of all management fees charged to the account for each day or month
Beginning Market Value	for monthly returns, it is the beginning market value on the first day of the month; for daily returns, it is the beginning market value at the start of the day
Ending Market Value	the ending market value for each day or month

The following two data points are optional; however they will not be used on reports or for performance calculations. This is because weighted cash flows are not considered when using time-weighted return methodology. They are included for recording keeping purposes only:

This data point...	Is...
Weighted Gross Flow	the time-weighted cash flow for the period, including management fees and withdrawals
Weighted Net Flow	the time-weighted cash flow for the period, not including management fees or withdrawals

 Note: Cash flows and Beginning and Ending Market Values can be excluded from your historical import. However, if they are excluded, the performance reports run at the client aggregate level will not incorporate imported returns.

### Overview

### What data points should I use in my spreadsheet?

Once complete, your spreadsheet should be similar to the following image:

**What should my spreadsheet look like?**

Note: This example shows a completed spreadsheet containing monthly returns. When importing daily returns, note that the **Period Date** column should be each day in the period you are importing (e.g., April 1, 2014, April 2, 2014, April 3, 2014).

	A	B	C	D	E	F	G	H	I	J	K
				Ending Market Value	Beginning Market Value	Gross Period Return	Net Period Return	Additions	Withdrawals	Net Cash Flow	Management Fees
1	Account Number	Account Name	Period Date								
2	56783967	Imported Historic	April-14	194833	185500	0.070070026088150	0.070070026088150	0	3425	-3425	0
3	56783967	Imported Historic	May-14	195499	194833	0.003418312092921	0.003418312092921	0	0	0	0
4	56783967	Imported Historic	June-14	181426	195499	-0.072356923743166	-0.072356923743166	194796.78	194723.65	73.13	0

## Importing a Historical Returns Spreadsheet

This section describes how to import your completed historical returns spreadsheet into Morningstar Office. The following topics are covered:

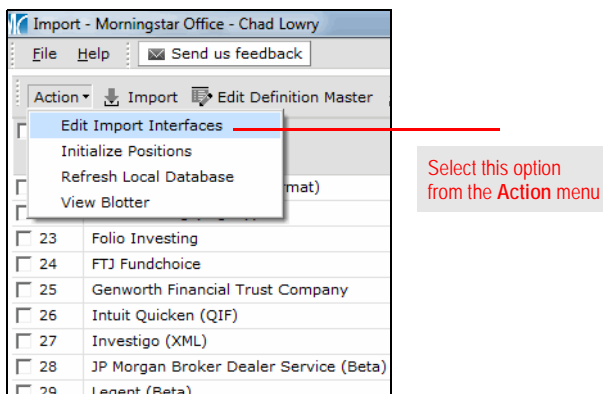
- ▶ how to select the correct interface type from the Import window, and
- ▶ how to import your Microsoft Excel spreadsheet into Morningstar Office.

Before you import your spreadsheet, you must first select the **Morningstar Template -- Historical Account Return Series** interface type. To select this interface type, do the following:

Morningstar Office supports several Excel import interface types. Before beginning the import process, you must add the Morningstar Template - Historical Account Return Series interface to the Import window.

To select the Morningstar Template - Historical Account Return Series interface type, do the following:

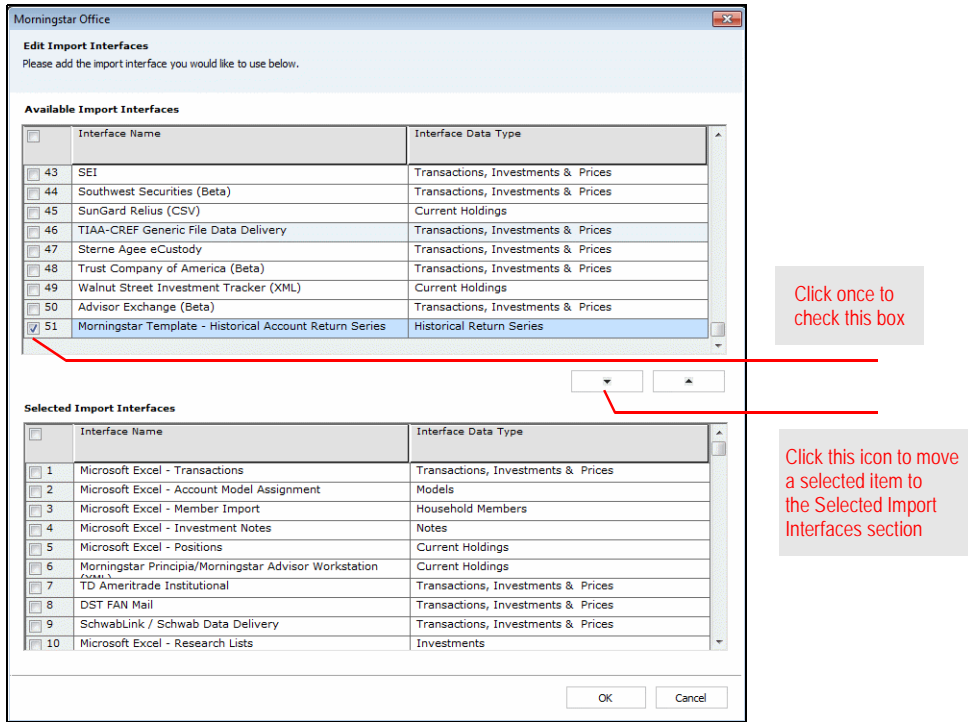
1. From the toolbar at the top of the Morningstar Office window, click **Import**. The Import window opens.
2. From the **Action** menu above the Import spreadsheet area, select **Edit Import Interfaces**. The Edit Import Interfaces dialog box opens.



### Overview

### How do I select the correct Microsoft Excel import interface?

3. From the Available Import Interfaces section (at the top of the dialog box), check the **box** to the left of Morningstar Template - Historical Account Return Series.
4. Click the **down arrow** icon in the middle of the dialog box to add the interface to the Selected Import Interfaces section.

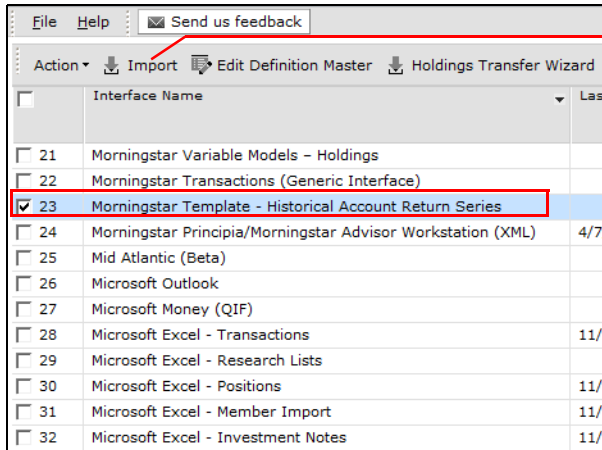


5. Click **OK** to close the dialog box.

To import your spreadsheet of historical returns into Morningstar Office, do the following from the Import window:

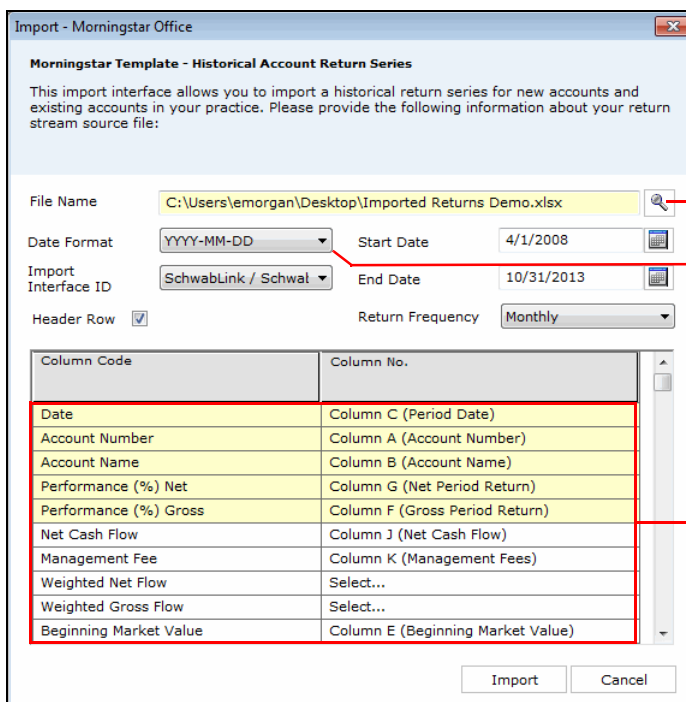
### How do I import a spreadsheet into Morningstar Office?

1. Check the box to the left of **Morningstar Template - Historical Account Return Series**.
2. Click the **Import** icon at the top of the window. The Import dialog box opens.



Select the correct interface, then click this icon

3. Click the **magnifying glass** icon next to the File Name field. The Open dialog box opens.
4. Navigate to where you saved the spreadsheet, select the **spreadsheet file**, then click **Open** to return to the Import dialog box.
5. From the **Date Format** drop-down field, select the **Date Format** you used in the spreadsheet.
6. Enter the **Start Date** and **End Date** represented in the spreadsheet.
7. From the **Import Interface ID** drop-down field, select your **custodian**.
8. From the **Return Frequency** drop-down field, select **Monthly** or **Daily**.
9. Under the Column No. column, click inside each **field**, and map each column in the Excel spreadsheet to the corresponding Column Code in its row.



Click here to locate and select the Excel spreadsheet with the historical return information

Select the date format you would like to use here

Map the columns from the spreadsheet to the corresponding column in Morningstar Office



10. Click **Import**. The Import blotter window opens.
11. From the Import Blotter, review the data in each blotter to make sure that its correct.
  - ☞ Note: Review the New Accounts blotter. If an existing account appears here, you need to map it to the existing account.
12. Once ensuring the data is correct, click **Post**.

## Using Imported Historical Return Data

Once the import process is complete, you can then view your data, make edits, and use it in performance reports. This section describes how to use your historical return data after you've imported it into Morningstar Office. The following topics are covered:

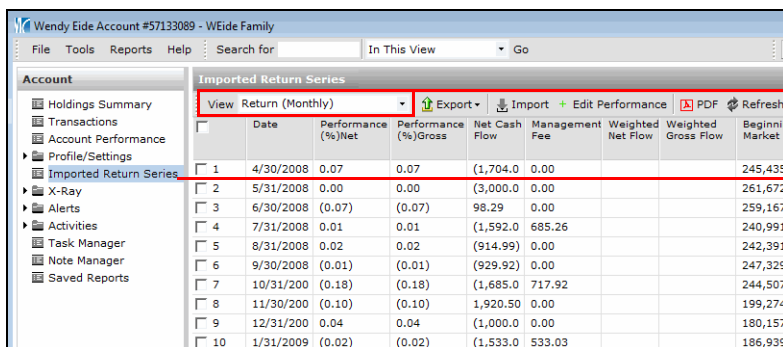
- ▶ how to view imported historical return data
- ▶ how to edit historical data after importing it
- ▶ what to update in an account's profile, before running performance reports
- ▶ which standard performance reports incorporate imported historical returns, and
- ▶ which Report Studio components can incorporate imported historical returns.

### Overview

After you post your historical data into Morningstar Office, this data will be stored within the Account window for Client/Account you imported this data for. To view imported historical account data for an account, do the following:

1. From the **Portfolio Management** tab, select the **Accounts** page.
2. From the **Accounts** page, **double-click** the **Account** for which you imported historical data. The Account window opens.
3. From the Account window, click on the **Imported Return Series** page.
4. From the **View** drop-down menu, select **Monthly** or **Daily** return. Your Imported Historical Return data is displayed in the spreadsheet area.

### How do I view my imported historical return data?



	Date	Performance (%)Net	Performance (%)Gross	Net Cash Flow	Management Fee	Weighted Net Flow	Weighted Gross Flow	Beginn Market V
1	4/30/2008	0.07	0.07	(1,704.0)	0.00			245,435
2	5/31/2008	0.00	0.00	(3,000.0)	0.00			261,672
3	6/30/2008	(0.07)	(0.07)	98.29	0.00			259,167
4	7/31/2008	0.01	0.01	(1,592.0)	685.26			240,991
5	8/31/2008	0.02	0.02	(914.99)	0.00			242,391
6	9/30/2008	(0.01)	(0.01)	(929.92)	0.00			247,329
7	10/31/200	(0.18)	(0.18)	(1,685.0)	717.92			244,507
8	11/30/200	(0.10)	(0.10)	1,920.50	0.00			199,274
9	12/31/200	0.04	0.04	(1,000.0)	0.00			180,157
10	1/31/2009	(0.02)	(0.02)	(1,533.0)	533.03			186,939

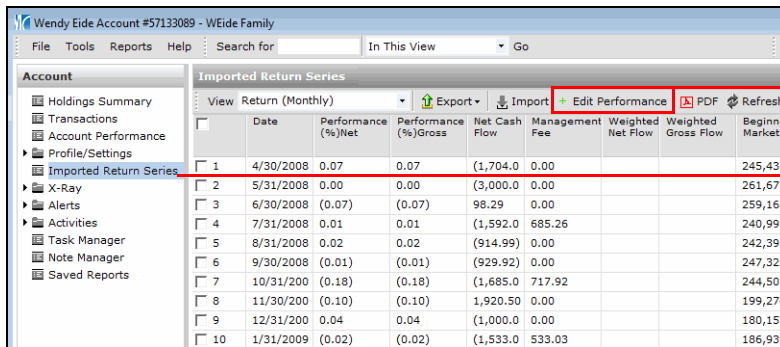
Use this drop-down field to select **Daily** or **Monthly**

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To edit historical data after it's imported, do the following:

**How do I edit historical data after it is imported?**

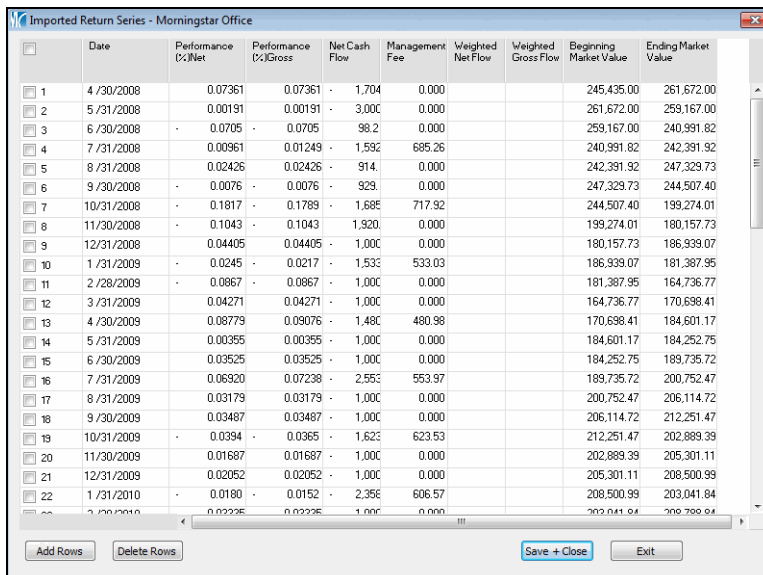
1. From the **Portfolio Management** tab, select the **Accounts** page.
2. From the **Accounts** page, **double-click** the **Account** for which you imported historical data. The Account window opens.
3. From the Account window, click on the **Imported Return Series** page.
4. From the toolbar above the spreadsheet area on the Imported Return Series page, click the **Edit Performance** icon. The Imported Return Series dialog box opens.



Click this icon to edit the historical data you imported

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5. Locate the item(s) you want to edit in the spreadsheet area.
6. Click inside the **field(s)** you want to edit, and type your changes directly into the field.
7. When you're finished making changes, click **Save + Close**.




Click directly in a cell to change its value

In order for historical return data to appear in performance reports, you must first update the account's Account Profile page to accommodate the imported data.

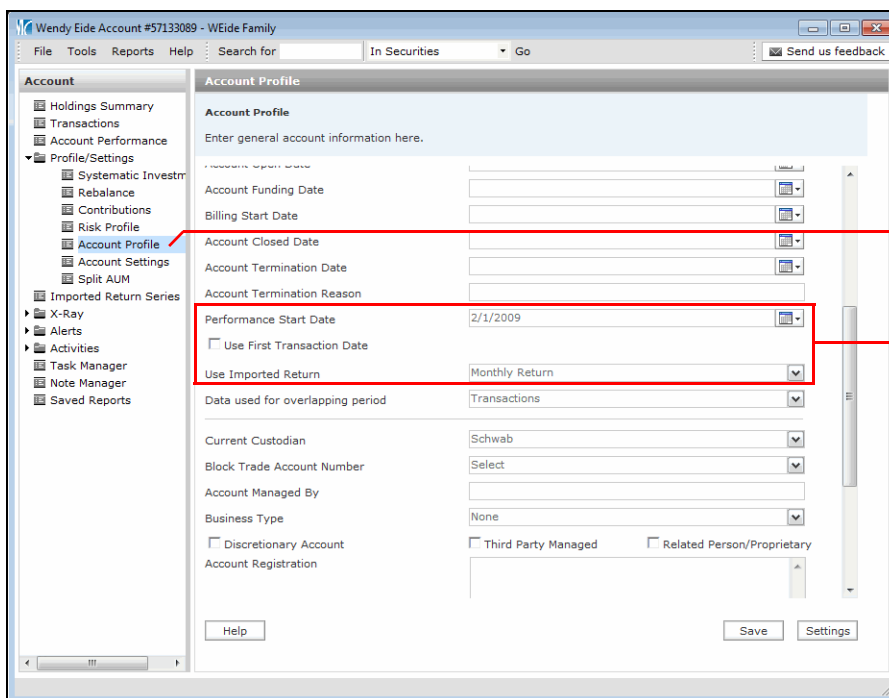
To update the Account Profile page, do the following:

1. From the **Portfolio Management** tab, select the **Accounts** page.
2. From the **Accounts** page, **double-click** the **Account** for which you imported historical data. The Account window opens.
3. From the Account window, click the **Profile/Setting** folder to expand it, then select the **Account Profile** page.
4. Scroll down to locate the **Performance Start Date** field.
5. In the Performance Start Date field, enter the **starting date** of your imported return series.

 Note: When using imported monthly returns, enter the first day of the first month you imported.

6. Make sure the **Use First Transaction Date** box is unchecked.
7. From the **Use Imported Returns** drop-down field, select the type of returns you imported.

### What do I need to update in an account's profile before I run performance reports?



The screenshot shows the 'Account Profile' page for 'Wendy Eide Account #57133089 - WEide Family'. The 'Performance Start Date' field is highlighted with a red box and contains the date '2/1/2009'. Below it, the 'Use First Transaction Date' checkbox is unchecked. The 'Use Imported Return' dropdown menu is set to 'Monthly Return'. The 'Data used for overlapping period' dropdown menu is set to 'Transactions'. A red box highlights these three fields. Red lines connect these fields to callout boxes on the right.

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Edit these three fields before running any performance reports

8. Click **Save**.

The performance reports in the following table incorporate the historical returns you have imported:

**Which standard performance reports incorporate imported historical returns?**

Report	Data points that display imported historical return data
Client Return Summary	<p>Imported returns are used to calculate data points in the following data tables:</p> <p>Account Details table:</p> <ul style="list-style-type: none"> <li>▶ Beginning Market Value</li> <li>▶ Ending Market Value</li> <li>▶ Net Investment</li> </ul> <p>Asset Allocation table:</p> <ul style="list-style-type: none"> <li>▶ Ending Market Value</li> <li>▶ Ending Asset %</li> </ul> <p>Account Value Change table:</p> <ul style="list-style-type: none"> <li>▶ Beginning Market Value</li> <li>▶ Net Investment</li> <li>▶ Management Fees</li> <li>▶ Period Investment Gain/Loss</li> <li>▶ Ending Market Value</li> </ul>
Performance Summary	<p>Imported historical returns are used to calculate the Time Weighted Return Investment Graph.</p> <p>Historical returns are also used to calculate the following data points within the Portfolio Summary:</p> <ul style="list-style-type: none"> <li>▶ Beginning Market Value</li> <li>▶ Ending Market Value</li> <li>▶ Period Investment Gain/Loss</li> <li>▶ Ending Market Value</li> <li>▶ Money Weighted Return %, and</li> <li>▶ Average Annualized Return %.</li> </ul> <p>Imported returns also affect the Total Portfolio Trailing Returns table.</p>
Performance History by Account	Imported returns are used to calculate all data points within this report.
Benchmark Comparison	Imported returns are used to calculate the Total Portfolio data point.
Account Snapshot	Imported returns are used to calculate the Investment Activity Graph.
Account Overview	<p>Imported Returns are used to calculate the following report elements under the Performance section:</p> <ul style="list-style-type: none"> <li>▶ Trailing Returns table</li> <li>▶ Best/Worst Time Periods table, and</li> <li>▶ Investment Activity Graph.</li> </ul>

The Report Studio components in the following table will incorporate the historical returns you import:

**Which Report Studio components incorporate my imported historical returns?**

Component	Data points that display imported historical return data
Portfolio Evaluation	Imported returns are used to calculate the following data points: <ul style="list-style-type: none"> <li>▶ Ending Market Value, and</li> <li>▶ Percent Asset.</li> </ul>
Portfolio Period Performance	Imported returns are used to calculate the following data points: <ul style="list-style-type: none"> <li>▶ Beginning Market Value</li> <li>▶ Net Investment</li> <li>▶ Management Fee</li> <li>▶ Period Investment gain/loss, and</li> <li>▶ Ending Market Value.</li> </ul>
Comparative Performance	Imported returns are used to calculate the following data points: <ul style="list-style-type: none"> <li>▶ Beginning Market Value</li> <li>▶ Management Fee</li> <li>▶ Total Gain after Management Fees</li> <li>▶ Total Gain before Management Fees, and</li> <li>▶ Ending Market Value.</li> </ul>