Importing and Reconciling Tax Lot Data in Morningstar Office

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Importing and Reconciling Tax Lot Data in Morningstar Office

Morningstar has developed a cost basis reconciliation tool that allows users to reconcile the **Overview** cost basis and lot information in Morningstar Office compared to that of certain custodians. This document explains how to import and reconcile these lots in Morningstar Office. This can be done as part of the regular import process. The following topics are covered: What is a tax lot ▶ What the advantages are of importing and reconciling tax lot data, and ► How to import and reconcile tax lot data. In Morningstar Office, a portfolio's realized and unrealized gains and losses are calculated What is a tax lot? based on the per-share cost basis for a security. The per-share cost basis is the price at which the share, or a "lot" of shares, were purchased. The original purchase date of shares (or the "lot" of shares) can also be used to differentiate between long- and short-term gains and losses in reports. Two te: Performance calculations (both IRR and TWR) are not dependent on per-share cost basis. The per-share cost basis is usually populated in advisors' accounting systems from their data. This data is usually imported from the custodians' or data aggregators' transaction files and/or can be manually entered using a transaction wizard or blotter. When cost basis and lot information is reconciled, the tool is basically comparing everything in Morningstar Office's accounting system to the cost basis file from the advisors' custodian(s). Note: Be sure to download the cost basis file from your custodian. The cost basis file from a custodian on a particular day contains the cost basis and lot

information of all the positions that are held across portfolios as of that particular day.

The following table details which custodians offer importing and reconciling cost basis lots, and which file(s) you need to be sure to download from each custodian:

For this custodian	Be sure to download this file
Fidelity Wealth Central	fimmddyy.UGL
Pershing InfoDirect	mmddyy.POTL
Schwab	CRSyyyymmdd.ULT – Unrealized Gain/Loss Open Lot Taxable file CRSyyyymmdd.ULN – Unrealized Gain/Loss Open Lot Non-taxable file
TD Ameritrade	TDyymmdd.CBL – Cost Basis Open Lot file.

For which custodians can cost basis lots be reconciled?

How does cost basis reconciliation fit within the usual import process?

Before conducting cost basis reconciliation, users need to both initialize client positions (or have their previous database converted to Morningstar Office), and import any transactions prior to the date of your cost basis files. After initializing and reconciling the transaction data, you can bring in the cost basis data.

Note the following important points:

- ► The easiest time to perform the cost basis reconciliation is immediately after the initialization process, as this allows you to use the Split Initialized Lots function, based on the existing deliver-in transactions prior to any sell transactions posting.
- Once a sell transaction posts for a holding, you can no longer use the Split Initialized Lots function, which is the optimal method, since this provides cost basis for the entire history of an account in Morningstar Office.
 - Only users who are first importing for a custodian that offers cost basis reconciliation within Morningstar Office will be able to take advantage of this optimal timing.

What if I do not have

a transactions file on

the day I want to reconcile cost basis?

To ensure an accurate share balance prior to reconciling the cost basis, all necessary transactions must have been imported prior to cost basis reconciliation. Note the following points about transactions and cost basis:

- ► If you can delay reconciling your cost basis, you can wait until the next day you have a transaction file to reconcile your cost basis.
- If you need to reconcile your cost basis, but you do not have a transaction file, you can create a blank transaction file for the day you are importing. To do this, look at the previous day's transaction file, and mimic the naming convention for the date you are importing. Do the following:
 - 1. Open a **Notepad** document.
 - 2. Save the file with the proper file naming convention, as shown in the following table:

Custodian	Format
TD	TDyymmdd.TRN
Schwab Portfolio Contor	Centerpiece formatted files - CSmmddyy.TRD
	Portfolio Center formatted files – PCmmddyy.SLT

3. When you import for the day, the Transaction File box should be checked on the Custodian dialog box, and you should have no transactions in your Transactions blotter.

No, it is not possible to exclude certain holdings in an account from being reconciled.

If you exclude a holding from being included in the normal share balance reconciliation, then it is also excluded from cost basis reconciliation, and will show up in this blotter. These holdings would typically be ones not held at the custodian, but are in the client's account in Morningstar Office.

To exclude a holding from the normal share balance reconciliation (which also excludes it from cost basis reconciliation) do the following:

- 1. Go to your Failed Blotter.
- 2. Select the holding by checking the **box** to the left of its name.
- 3. From the toolbar above the grid view, select **Action**...**Exclude Holding**. A dialog box opens, asking "Are you sure you want to exclude the selected holdings from all future reconciliation?
- 4. Click Yes to exclude the selected holdings; click No to cancel.

Can I choose to not reconcile a particular security in an account?

What is the Excluded Lots blotter for?

When reconciling cost basis lots, one of three outcomes could occur. The table below shows what these outcomes are, and what each means.

Outcome	Explanation
Both the lots and cost basis reconcile successfully	If an account successfully reconciles cost basis and lot information, your unrealized gain/loss calculations in Morningstar Office will be accurate when compared to the custodian. No further action needs to be taken.
	If a security has mismatched lot information, this means the lots of a particular security in Morningstar Office are not matching the lots held in the custodian's cost basis file (which represents what is at the custodian).
	A common reason for this is that the shares in the account in Morningstar Office show as one complete lot (represented by one deliver-in as of the date those shares were transferred into the account, or when the data was initialized), while the custodian has many transactions for purchases of the security.
	Here are some other reasons why mismatched lots occur:
Mismatched lot information is found	 the Closing Transaction matching method differs between Morningstar Office and the custodian a tax lot matching optimization difference a corporate action processing difference (e.g., a different fair market value calculation) a wash sale cost basis adjustment cost basis step up due to death missing original cost basis amortization/accretion difference return of principle, and original issue discount annual accrued income.
	The cost basis reconciliation tool can help fix this discrepancy by splitting lots in Morningstar Office to match those from the custodian.
	This means the cost basis of a particular lot in Morningstar Office is not matching up with the cost basis of the lot in the cost basis file.
Mismatched cost basis is found	The cost basis reconciliation tool can help fix this discrepancy by allowing you to create adjust cost transactions that will allow you to adjust the cost of lots that may not have the same cost basis as is reported in the cost basis file.

What are the possible outcomes when I import and reconcile cost basis lots? After you have imported and posted your client data, you are taken to the Lots blotter. You can use any of the four methods of lot reconciliation which are built in to the Lots blotter. The following table explains the four options available when reconciling lot information: What methods of reconciliation are available?

Method	Description					
	This function breaks up one, complete lot (represented by a deliver-in of shares) in Morningstar Office to multiple deliver-ins. Each deliver-in represents one lot with a unique cost basis and original purchase date.					
Split Initialized Lots	Note: the original purchase date is not the trade date of the transaction being split. The trade date remains the date of the deliver-in, but another field is populated with the custodian's original purchase dates.					
	This tool works only for open positions that have not been partially closed since they came into the account (on the deliver-in date).					
	To address lots for partially closed shares, you might have to manually edit the deliver-in record in Morningstar Office, unless you have cost information for the closed position(s).					
Re-initialize Lots	This tool is the easier and faster way of the two options. If you chose to use this method, the tool will debit out your lot/lots with missing information and credit back in the positions broken down by lots and the correct cost basis as of the day your are reconciling.					
	If you adjust your lot information this way, your gain/loss reports will only be accurate or complete from this day going forward. Historical gain/loss reports may not be accurate.					
Manually Edit a Lot	If the number of lots from the custodian matches the number of lots in Morningstar Office, you may need to simply adjust data such as the Acquisition Date, or Number of Shares, or Price.					
Update Cost to Match Custodian	This option is available in the Mismatched Cost Basis blotter only, and simply updates the Morningstar Cost Per Share with the custodian-provided Custodian Cost Per Share.					

If you are concerned about reporting only on **unrealized** gains and losses, then the reinitialize lots option is probably the least time-consuming option, and relatively easier to use than the others, since the tool simply re-establishes your open lots to match your custodian as of the day you are reconciling.

If, however, you are concerned about reporting **realized** gains and losses, then a combination of splitting lots and manually editing deliver-in transactions will be required to ensure accurate reporting.

To split initialized lots, do the following:

1. Complete the standard import process, and post the data to Morningstar Office; you are automatically taken to the Imported Open Lots blotter.

How do I reconcile using the Split Initialized Lots method?

2. Click the **Reconcile** button. The Choose Accounts to Reconcile dialog box opens.

Blotter	Importe	d Open	Lots			
Accounts New Accounts (0/0) Existing Accounts (8/8) Excluded Accounts (0/0)	Action •	Status	Account Number	Account Name	Client Name	Click the Reconcile in
Positions All Positions (64) E Reconciliation Results			xxx987254 xxx987254	xxx987254 xxx987254	xxx987254 xxx987254	
■ All (0/0) ■ Reconciled (0)			xxx987254	xxx987254	xxx987254	
Excluded Holdings (0)			xxx987254	xxx987254	xxx987254	
Transactions (0/0)			xxx987254	xxx987254	xxx987254	
Securities Morningstar-tracked Securities (0/47)			xxx987254	xxx987254	xxx987254	
New User-Defined Securities (0/0) Existing User-Defined Securities (12)	□ 11 □ 12		xxx987254 xxx987254	xxx987254 xxx987254	xxx987254 xxx987254	
Imported Open Lots (0/119)	□ 13 □ 14		xxx987254 xxx987254	xxx987254 xxx987254	xxx987254 xxx987254	
✓ Reconciliation Results III Matched Lots (0) III Mismatched Lots (0)	□ 15 □ 16		xxx987254 xxx987254	xxx987254 xxx987254	xxx987254 xxx987254	
 Mismatched Cost Basis (0) Excluded Lots (0) 	□ 17 □ 18		xxx987254 xxx987254	xxx987254 xxx987254	xxx987254 xxx987254	

- 3. In the Choose Accounts to Reconcile dialog box, select one or more accounts.
- 4. From the toolbar above the grid view, click the **Reconcile** icon. A warning message opens, informing you some lots did not reconcile.

Impo	rt - Morningstar Office			X]
Cho	ose Accounts to Reconcile				
Pleas	e choose which accounts you would nciliation process.	d like to reconcile the open lots. The	accounts you do not select will be autor	natically excluded from the	
	Account Name	Account Number	Client Name	_	
T	xxx046102	xxx046102	xxx046102		
	xxx971385	xxx971385	xxx971385		
	xxx973095	xxx973095	xxx973095		
	xxx973119	xxx973119	xxx973119		
	xxx987254	xxx987254	xxx987254		
	xxx989878	xxx989878	xxx989878		
					Click the Reconcile button
			F	Leconcile Cancel	

5. Click **OK** to clear the warning message. You are taken to the Mismatched Lots blotter, listing the securities with unreconciled lots.



- 6. On the Mismatched Lots blotter, **select one or more of the securities** with mismatched lots.
 - Note: Selecting multiple or all securities makes the process more efficient., since you won't have to return to this step for other securities.
- 7. From the toolbar above the grid view, click the **Split Initialized Lots** icon. The Unmatched Deliver-Ins dialog box opens.

Blotter	Mismatched Lots								
- 🚔 Accounts	Account Please Select View								
New Accounts (0/0)	Actio	Click the Split							
Existing Accounts (8/8) Excluded Accounts (0/0) Excluded Accounts (0/0) Excluded Accounts (0/0)		View Transactions	Account Number	Client Name	Holding Name	Initialized Lots i			
All Positions (64)	□ 1	٩	xxx973119	xxx973119	BREITBURN ENERGY PARTNERS L				
Reconciliation Results	2	a,	xxx973119	xxx973119	GENESIS ENERGY L.P. COM				
□ All (0/0)	<u>П</u> 3	a,	xxx973119	xxx973119	GREAT PLAINS ENERGY INC COM				
E Reconciled (0)	□ 4	a,	xxx973119	xxx973119	KIMCO REALTY CORP COM				
Excluded Holdings (0)	5	a,	xxx973119	xxx973119	MPG OFFICE TRUST INC REITS 7.				
Transactions (0/0)	F 6	هر	xxx973119	xxx973119	NORTHSTAR REALTY FINANCE CO				
Prices (0/0)	□ 7	هر	xxx973119	xxx973119	NORTHSTAR REALTY FINANCE CO				
Securities	□ 8	۹	xxx973119	xxx973119	VERIZON COMMUNICATIONS CO				
Morningstar-tracked Securities (0/47)	9	۹	xxx973119	xxx973119	WESTERN GAS PARTNERS LLP CO				
New User-Defined Securities (0/0)	□ 10	a,	xxx973119	xxx973119	XCEL ENERGY INC COM				
In Horimigsan rotacket Securities (0/4) In we User-Defined Securities (1/2) Existing User-Defined Securities (1/2) Existing User-Defined Securities (1/2) Imported Open Lots (0/119) Wie Matched Lots (29) Im Mismatched Lots (10) Im Mismatched Lots (0) Im Kended Lots (0)									

8. The Unmatched Deliver-Ins dialog box shows the lot data currently in Morningstar Office, as well as the data provided by the custodian. Click the **Split** button.

nport -	Morningstar Office					×	
Inmat	ched Deliver-ins						
n some neir sug	cases two or more lots have been combined ggested custodian component lots, then click	l under a single deliver- ("split" to split lots.	in transaction in Off	ice. Please review the del	ver-ins below, and		
ccount	xxx973119						
Offic	e Lots			Custodian Lots		-	
	Holding	Deliver-in Date	Open Shares	Lot Acquisition Date	Open Shares		
7	▼ GENESIS ENERGY L.P. COM	09/04/2012	357.00		357.00		
				04/05/2010	357.00		
7	▼ NORTHSTAR REALTY FINA	09/04/2012	208.00		208.00		
				03/02/2009	8.00		
				01/26/2007	200.00		
•	▼ KIMCO REALTY CORP COM	09/04/2012	28.00		28.00		
				11/01/2006	28.00		
•	• BREITBURN ENERGY PARTN	09/04/2012	200.00		200.00		
				06/29/2012	200.00		
	▼ MPG OFFICE TRUST INC RE	09/04/2012	181.00		181.00		
				02/20/2004	181.00		
▼	▼ VERIZON COMMUNICATION	09/04/2012	200.00		200.00		
				01/26/2012	200.00		
▼	▼ XCEL ENERGY INC COM	09/04/2012	100.00		100.00		
				08/03/2006	100.00		
▼	▼ GREAT PLAINS ENERGY IN	09/04/2012	120.00		120.00		Click
				01/01/2001	120.00		CIICK
-	· ···	00/04/0040	015.00		045.00		
				Split Ne	ext Cance	el 🛛	

9. The Deliver-in Date or Open Shares columns in the Office Lots area of the grid view will populate with the custodian-provided data. Click **Next** to close the Unmatched Deliver-Ins dialog box.

Unmat	ched Deliver-ins						
n some heir sug	cases two or more lots have been combined ggested custodian component lots, then click	l under a single deliver s "split" to split lots.	in transaction in Offi	ce. Please review the deli	ver-ins below,and		
Account	xxx973119						
0.00							
Offic	e Lots			Custodian Lots			
	Holding	Deliver-in Date	Open Shares	Lot Acquisition Date	Open Shares		
₹	▼ GENESIS ENERGY L.P. COM	09/04/2012	357.00		357.00		
		04/05/2010	357.00	04/05/2010	357.00		
₹	▼ NORTHSTAR REALTY FINA	09/04/2012	208.00		208.00		
		03/02/2009	8.00	03/02/2009	8.00		
		01/26/2007	200.00	01/26/2007	200.00		
7	▼ KIMCO REALTY CORP COM	09/04/2012	28.00		28.00		
		11/01/2006	28.00	11/01/2006	28.00		
☑	* BREITBURN ENERGY PARTN	09/04/2012	200.00		200.00		
		06/29/2012	200.00	06/29/2012	200.00		
7	▼ MPG OFFICE TRUST INC RE	09/04/2012	181.00		181.00		
		02/20/2004	181.00	02/20/2004	181.00		
7	▼ VERIZON COMMUNICATION	09/04/2012	200.00		200.00		
		01/26/2012	200.00	01/26/2012	200.00		
7	▼ XCEL ENERGY INC COM	09/04/2012	100.00		100.00		
		08/03/2006	100.00	08/03/2006	100.00		
◄	▼ GREAT PLAINS ENERGY IN	09/04/2012	120.00		120.00		Click
		01/01/2001	120.00	01/01/2001	120.00	-1	CIICK

10. The next screen allows you to review the new data for the security or securities. If you are satisfied, click the **Post** button. A confirmation message opens.

	bort -							
Status	Account Number	Account Name	Holding Name	Ticker	Security ID	Transaction Date	Transaction Type	Net Amou
□ 1	xxx973119	xxx973119	GENESIS ENERGY L.P. COM	GEL		9/4/2012	Deliver-in	11,541.81
2	xxx973119	xxx973119	NORTHSTAR REALTY FINANCE CO	NRF		9/4/2012	Deliver-in	47.12
3	xxx973119	xxx973119	NORTHSTAR REALTY FINANCE CO	NRF		9/4/2012	Deliver-in	1,178.00
4	xxx973119	xxx973119	KIMCO REALTY CORP COM	KIM		9/4/2012	Deliver-in	573.72
5	xxx973119	xxx973119	BREITBURN ENERGY PARTNERS L	BBEP		9/4/2012	Deliver-in	3,832.00
6	xxx973119	xxx973119	MPG OFFICE TRUST INC REITS 7.	MPGPRA		9/4/2012	Deliver-in	4,159.38
7	xxx973119	xxx973119	VERIZON COMMUNICATIONS CO	VZ		9/4/2012	Deliver-in	8,740.00
8	xxx973119	xxx973119	XCEL ENERGY INC COM	XEL		9/4/2012	Deliver-in	2,808.00
9	xxx973119	xxx973119	GREAT PLAINS ENERGY INC COM	GXP		9/4/2012	Deliver-in	2,601.60
10	xxx973119	xxx973119	WESTERN GAS PARTNERS LLP CO	WES		9/4/2012	Deliver-in	15,041.25

11. Click **OK**.

To re-initialize lots, do the following:

1. Complete the standard import process and post the data to Morningstar Office; you are automatically taken to the Imported Open Lots blotter.

How do I reconcile using the Re-Initialize Lots method?

2. From the toolbar above the grid view, click the **Reconcile** icon. The Choose Accounts to Reconcile dialog box opens.

Blotter	Impor	ted Oper	Lots				
Accounts	Action 🔻 🕸 Reconcile 🛛 层 Save 🟦 Export 🗸 🖶 Print 🔛 Post						
New Accounts (0/0) Existing Accounts (8/8) Excluded Accounts (0/0)		Status	Account Number	Account Name	Client Name	Click the Reconcile ic	
Positions	□ 1		xxx971385	xxx971385	xxx971385		
All Positions (64)	2		xxx987254	xxx987254	xxx987254		
Reconciliation Results	□ 3		xxx987254	xxx987254	xxx987254		
All (0/0)	□ 4		xxx987254	xxx987254	xxx987254		
Reconciled (0)	5		xxx987254	xxx987254	xxx987254		
Failed (0)	□ 6		xxx987254	xxx987254	xxx987254		
Excluded Holdings (0)	□ 7		xxx987254	xxx987254	xxx987254		
E Transactions (0/0)	□ 8		xxx987254	xxx987254	xxx987254		
Securities	□ 9		xxx987254	xxx987254	xxx987254		
Morningstar-tracked Securities (0/47)	□ 10		xxx987254	xxx987254	xxx987254		
New User-Defined Securities (0/0)	11		xxx987254	xxx987254	xxx987254		
Existing User-Defined Securities (12)	T 12		xxx987254	xxx987254	xxx987254		
E Lots	13		xxx987254	xxx987254	xxx987254		
Imported Open Lots (0/119)	□ 14		xxx987254	xxx987254	xxx987254		
Reconciliation Results	T 15		xxx987254	xxx987254	xxx987254		
Matched Lots (0)	☐ 16		xxx987254	xxx987254	xxx987254		
Mismatched Lots (0)	17		xxx987254	xxx987254	xxx987254	1	
Excluded Lots (0)	1 8		xxx987254	xxx987254	xxx987254	1	
	E 19		vvv987254	vyv987254	vvv987254		

- 3. In the Choose Accounts to Reconcile dialog box, **select one or more accounts** to reconcile.
- 4. Click the **Reconcile** button. A warning message opens, informing you some lots did not reconcile.

Account Name	Account Number	Client Name	
xxx046102	xxx046102	xxx046102	
xxx971385	xxx971385	xxx971385	
xxx973095	xxx973095	xxx973095	
xxx973119	xxx973119	xxx973119	
xxx987254	xxx987254	xxx987254	
xxx989878	xxx989878	xxx989878	

5. To clear the warning message, click **OK**. The Mismatched Lots blotter opens, listing the securities that did not reconcile.



- 6. Select one or more of the securities with mismatched lots.
 - Note: Selecting multiple or all securities makes the process more efficient, since you will not have to return to this step for other securities.
- 7. From the toolbar above the grid area, click the **Re-initialize Lots** icon. A dialog box opens, describing the process and consequences of Re-Initializing.

Import - Morningstar Office - Michael Moster						
Eile Help 📰 Corporate Action WareHouse I	🗉 Edit De	finition Master	Search for		• G	50
Blotter	Misma	tched Lots				
✓ ■ Accounts	Acco	unt Please Sele	ct	 View 		
New Accounts (0/0)	Actio	n 🔹 🤹 Reconcile	e 🛛 🖾 Split Initiali	zed Lots	Re-initialize Lots 🛛 🗔 Save 🏦 E	Export -
Excluded Accounts (0/0)		View Transactions	Account Number	Client Name	Holding Name	
All Positions (64)		ع	xxx973119	xxx973119	BREITBURN ENERGY PART	NERS L
Reconciliation Results	□ 2	٩	xxx973119	xxx973119	GENESIS ENERGY L.P. CON	M
□ All (0/0)	□ 3	هر	xxx973119	xxx973119	GREAT PLAINS ENERGY IN	C COM
E Epiled (0)	□ 4	۹	xxx973119	xxx973119	KIMCO REALTY CORP COM	м
Excluded Holdings (0)	5	۹	xxx973119	xxx973119	MPG OFFICE TRUST INC R	EITS 7.
Transactions (0/0)	F 6	ه	xxx973119	xxx973119	NORTHSTAR REALTY FINAN	NCE CO
E Prices (0/0)	□ 7	ه	xxx973119	xxx973119	NORTHSTAR REALTY FINAN	NCE CO
Securities	□ 8	ه	xxx973119	xxx973119	VERIZON COMMUNICATIO	ONS CO
Morningstar-tracked Securities (0/47)	□ 9	a,	xxx973119	xxx973119	WESTERN GAS PARTNERS	LLP CO
New User-Defined Securities (0/0)	□ 10	هر	xxx973119	xxx973119	XCEL ENERGY INC COM	
Existing User-Defined Securities (12) Lots						
Imported Open Lots (0/119)						
Reconciliation Results						
Matched Lots (29)						
Mismatched Lots (10)						
Mismatched Cost Basis (1) Fixeluded Lets (0)						
E Excluded Lots (0)						

8. After reading the message, click **OK** to continue. The Re-initialize Lots dialog box

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and cost iis option.
ing(s) you t action will Iding ian.
g them to
lot and that have
e, the d.
rt with the rect cost. nod is ach.

opens.

9. In the Re-initialize Lots dialog box, review the debits and credits provided by the custodian, then click **Post**. A confirmation message opens.

Actio	n v fit Evr	oort - 🕮 Print							
	Status	Account Number	Account Name	Holding Name	Ticker	Security ID	Transaction Date	Transaction Type	Net Amou
1		xxx973119	xxx973119	GENESIS ENERGY L.P. COM	GEL		9/28/2012	Debit of Secur	12,005.91
2		xxx973119	xxx973119	GENESIS ENERGY L.P. COM	GEL		9/28/2012	Credit of Secu	12,005.91
□ 3		xxx973119	xxx973119	GREAT PLAINS ENERGY INC COM	GXP		9/28/2012	Debit of Secur	2,671.20
4		xxx973119	xxx973119	GREAT PLAINS ENERGY INC COM	GXP		9/28/2012	Credit of Secu	2,671.20
5		xxx973119	xxx973119	KIMCO REALTY CORP COM	KIM		9/28/2012	Debit of Secur	567.56
6		xxx973119	xxx973119	KIMCO REALTY CORP COM	KIM		9/28/2012	Credit of Secu	567.56
7		xxx973119	xxx973119	NORTHSTAR REALTY FINANCE CO	NRF		9/28/2012	Debit of Secur	1,322.88
8		xxx973119	xxx973119	NORTHSTAR REALTY FINANCE CO	NRF		9/28/2012	Credit of Secu	50.88
9		xxx973119	xxx973119	NORTHSTAR REALTY FINANCE CO	NRF		9/28/2012	Credit of Secu	1,272.00
10		xxx973119	xxx973119	VERIZON COMMUNICATIONS CO	VZ		9/28/2012	Debit of Secur	9,114.00
11		xxx973119	xxx973119	VERIZON COMMUNICATIONS CO	VZ		9/28/2012	Credit of Secu	9,114.00
12		xxx973119	xxx973119	XCEL ENERGY INC COM	XEL		9/28/2012	Debit of Secur	2,771.00
13		xxx973119	xxx973119	XCEL ENERGY INC COM	XEL		9/28/2012	Credit of Secu	2,771.00
14		xxx973119	xxx973119	BREITBURN ENERGY PARTNERS L	BBEP		9/28/2012	Debit of Secur	3,886.00
15		xxx973119	xxx973119	BREITBURN ENERGY PARTNERS L	BBEP		9/28/2012	Credit of Secu	3,886.00
16		xxx973119	xxx973119	MPG OFFICE TRUST INC REITS 7.	MPGPRA		9/28/2012	Debit of Secur	4,079.74
17		xxx973119	xxx973119	MPG OFFICE TRUST INC REITS 7.	MPGPRA		9/28/2012	Credit of Secu	4,079.74
18		xxx973119	xxx973119	WESTERN GAS PARTNERS LLP CO	WES		9/28/2012	Debit of Secur	15,879.15
		xxx973119	xxx973119	WESTERN GAS PARTNERS LLP CO	WES		9/28/2012	Credit of Secu	15,879.15

10. To clear the message, click **OK**.



To manually edit a lot, do the following:

How do I manually edit a lot?

- 1. Complete the standard import process and post the data to Morningstar Office; you are automatically taken to the Imported Open Lots blotter.
- 2. From the toolbar above the grid view, click the **Reconcile** icon. The Choose Accounts to Reconcile dialog box opens.

Import - Morningstar Office - Michael Moster							
<u>F</u> ile <u>H</u> elp I Corporate Action WareHouse	🖽 Edit Def	inition Ma	ster Se	arch for			
Blotter	Impor	ted Oper	Lots				
✓ Accounts	Actio	n • 🤹 Re	concile 🛛 🖪 Sav	/e 🟦 Export •	Print 🔛 Post	Click the Peconcil	a io
New Accounts (0/0) Existing Accounts (8/8) Excluded Accounts (0/0)		Status	Account Number	Account Name	Client Name	CIICK THE RECONCIRC	; I(
▼ ■ Positions	□ 1		xxx971385	xxx971385	xxx971385		
All Positions (64)	□ 2		xxx987254	xxx987254	xxx987254		
- Reconciliation Results	□ 3		xxx987254	xxx987254	xxx987254		
III All (0/0)	4		xxx987254	xxx987254	xxx987254		
Reconciled (0)	5		xxx987254	xxx987254	xxx987254		
Failed (0)	6		xxx987254	xxx987254	xxx987254		
Excluded Holdings (0)	T 7		xxx987254	xxx987254	xxx987254	-	
Transactions (0/0)	Г 8		xxx987254	xxx987254	xxx987254		
Prices (0/0)	Г 9		xxx987254	xxx987254	xxx987254		
 Securities Mensionates tended Growthing (2017) 	L 10		xxx987254	xxx987254	xxx987254		
Morningstar-tracked Securities (0/47)	□ 11		xxx987254	xxx987254	xxx987254		
Existing User-Defined Securities (0/0)	L 12		xxx987254	xxx987254	xxx987254		
✓■ Lots	□ 13		xxx987254	xxx987254	xxx987254		
Imported Open Lots (0/119)	T 14		xxx987254	xxx987254	xxx987254		
Reconciliation Results	E 15		xxx987254	xxx987254	xxx987254		
Matched Lots (0)	E 16		xxx987254	xxx987254	xxx987254	-	
Mismatched Lots (0)	L 17		xxx987254	xxx987254	xxx987254	-	
Mismatched Cost Basis (0)	1 18		xxx987254	xxx987254	xxx987254	-	
Excluded Lots (0)	1 10		1007254	1007234	1007254	-	

- 3. In the Choose Accounts to Reconcile dialog box, **select one or more accounts** to reconcile.
- 4. Click the **Reconcile** button. A warning message opens, informing you some lots did not reconcile.

_	Account Name	Account Number	Client Name	
7	xxx046102	xxx046102	xxx046102	
	xxx971385	xxx971385	xxx971385	
	xxx973095	xxx973095	xxx973095	
	xxx973119	xxx973119	xxx973119	
	xxx987254	xxx987254	xxx987254	
_	xxx989878	xxx989878	xxx989878	
				Click Reconcil

5. To clear the warning message, click **OK**. The Mismatched Lots blotter opens, listing the securities with mismatched lots.



ield

6. Click in the View Transactions field for a security. The Transactions dialog box opens.

Manager - Morningstar Office - Michael Moster						
Eile Help 🖻 Corporate Action WareHouse	🗉 Edit Def	inition Master	Search for	r		▼ Go
Blotter	Misma	tched Lots				
✓ Accounts	Accou	Int Please Selec	st	 View 		
New Accounts (0/0)	Action	n 👻 🤣 Reconcile	🔄 Split Initial	ized Lots 🛛 🖾 Re	-initialize Lots	🖪 Save 🟦 Export -
 Existing Accounts (8/8) Excluded Accounts (0/0) Positions 		View Transactions	Account Number	Client Name	Holding Nam	ne
All Positions (64)		٩	xxx973119	xxx973119	BREITBURN	ENERGY PARTNERS L
Reconciliation Results	2	9	xxx973119	xxx973119	GENESIS EN	IERGY L.P. COM
□ All (0/0)	□ 3	a,	xxx973119	xxx973119	GREAT PLAI	NS ENERGY INC COM
B Reconciled (0)	□ 4	a,	xxx973119	xxx973119	KIMCO REAL	LTY CORP COM
Excluded Holdings (0)	5	هر	xxx973119	xxx973119	MPG OFFICE	TRUST INC REITS 7.
Transactions (0/0)	□ 6	هر	xxx973119	xxx973119	NORTHSTAR	REALTY FINANCE CO
Prices (0/0)	□ 7	ه	xxx973119	xxx973119	NORTHSTAR	REALTY FINANCE CO
✓ ■ Securities	<mark>∏</mark> 8	۹	xxx973119	xxx973119	VERIZON CO	OMMUNICATIONS CO
Morningstar-tracked Securities (0/47)	F 9	ه	xxx973119	xxx973119	WESTERN G	AS PARTNERS LLP CO
New User-Defined Securities (0/0)	10	۹	xxx973119	xxx973119	XCEL ENERG	SY INC COM
Existing User-Defined Securities (12) ■ Lots Emported Open Lots (0/119) ● Reconciliation Results E Matched Lots (29) E Matched Lots (29) E Mismatched Lots (10) E Mismatched Lots (10) E Excluded Lots (0)						

 Using the data displayed in the Transactions dialog box, you need to determine on a case-by-case basis how to solve the mismatched lots. Solving the issue might involve right-clicking on a transaction and selecting Edit, or to create a New transaction.

Transa	ctions	_		_	_	_		_		
Actio	n = III Nei	w Transaction	🔮 Export + 🖷 Print							
	Status	Account Number	Holding Name	Ticker	Security ID	Transaction Date	Transaction Type	Net Amount	Number o Shares	
1		xxx973119	BreitBurn Energy Partners LP Edit New Duplicate Transaction Delete	BBEP	106776107	9/4/2012	Deliver-in	3,832.00	200.00	
				1						Click once on one of these options

To use the Update Cost to Match Custodian method to reconcile your lot data, do the following:

- 1. Complete the standard import process and post the data to Morningstar Office; you are automatically taken to the Imported Open Lots blotter.
- How do I reconcile using the Update Cost to Match Custodian method?
- 2. From the tollbar above the grid view, click the **Reconcile** icon. The Choose Accounts to Reconcile dialog box opens.

Blotter	Impor	ted Oper	Lots			
 ▲ Accounts ■ New Accounts (0/0) ■ Existing Accounts (8/8) ■ Excluded Accounts (0/0) ✓ Positions ■ All Positions (64) ✓ ■ Reconciliation Results ■ All (0/0) ■ Reconciled (0) ■ Failed (0) ■ Excluded Holdings (0) ■ Transactions (0/0) ■ Prices (0/0) ✓ Prices (0/0) ■ Normingstar-tracked Securities (0/47) ■ New User-Defined Securities (0/0) 	Action 1 2 3 4 5 6 7 8 9 10 11 12 2 13 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Status	Account Number xxx971385 xxx987254 xxx987254 xxx987254 xxx987254 xxx987254 xxx987254 xxx987254 xxx987254 xxx987254 xxx987254 xxx987254	Account Name Xxx971385 Xxx987254 XXX987254 XXX98725 XX98725 XXX98725 XXX98725	Print E Post Client Name xxx971385 xxx987254 xxx987254	Click the Reconcile ic
- Lots	□ 13		xxx987254	xxx987254	xxx987254	
Imported Open Lots (0/119)	14		xxx987254	xxx987254	xxx987254	
Reconciliation Results	15		xxx987254	xxx987254	xxx987254	
Mismatched Lots (0)	□ 16		xxx987254	xxx987254	xxx987254	
Mismatched Cost Basis (0)	17		xxx987254	xxx987254	xxx987254	
Excluded Lots (0)	18		xxx987254	xxx987254	xxx987254	
	F 19		vvv987254	vyv987254	vvv987254	

- 3. In the Choose Accounts to Reconcile dialog box, **select one or more accounts to reconcile**.
- 4. Click the **Reconcile** button. A warning message opens, informing you some lots did not reconcile.

Account Name	Account Number	Client Name	_
xxx046102	xxx046102	xxx046102	
xxx971385	xxx971385	xxx971385	
xxx973095	xxx973095	xxx973095	
xxx973119	xxx973119	xxx973119	
xxx987254	xxx987254	xxx987254	
xxx989878	xxx989878	xxx989878	
			Oliali Daar

5. To clear the warning message, click **OK**.



- 6. In the Mismatched Cost Basis blotter, select one or more of the securities.
- 7. From the toolbar above the grid view, click the **Update Cost to Match Custodian** icon. The Update Cost to Match Custodian dialog box opens.
 - Note: Selecting multiple or all securities makes this process more efficient, as you will not have to return to this step.



8. In the Update Cost to Match Custodian dialog box, click Post. A confirmation message

🟦 Exp Status	ort + 👼 Print							
Status								
	Account Number	Account Name	Holding Name	Ticker	Security ID	Transaction Date	Transaction Type	Amount
	xxx973095		Royal Dutch Shell PLC Class A	RDSA		9/28/2012	Adjust Cost	8,758.68
		2001973095	xxxx973095	xxx973095 Royal Dutch Shell FLC Class A	xxx973095 Royal Dutch Shell PLC Class A RDSA	xxxx9730995 Royal Dutch Shell PLC Class A RDSA	xxxx9730995 Royal Dutch Shell PLC Class A RDSA 9/28/2012	xxxx973095 Royal Dutch Shell PLC Class A RDSA 9/28/2012 Adjust Cost

opens.

9. To clear the message, click **OK**.

