Create custom classifications for any type of security for application in various areas of Morningstar Direct such as Performance Attribution, Total Portfolio Attribution, Performance Reporting, and Presentation Studio.

Outline

- Create Custom Classifications
- Modify the Custom Database
- Apply Custom Classification to Various Applications

Create Custom Classifications

1. Go to the Workspace folder and click Custom Database.
2. Click Firm-Level Database. This is the location where specific users of a firm have permission to add securities and classifications. These classifications cannot be updated without the permissioned administrative role which Morningstar grants. For users who do not have administrative rights, the firm-level database can still be accessed but not modified.
3. Click *My Database* to create your own classifications. Notice that this view is blank because there are no custom classifications yet made.
4. Let’s proceed and import a spreadsheet. Below is a sample spreadsheet which includes custom asset classes and asset class benchmarks that can be used in Total Portfolio Attribution and custom sector, industry, and research analyst recommendations that can be used for Equity Attribution. Data can be added to a singular master file without having to populate every name with the same classification, as shown by the blank cells. As long as there is one identifier listed for each investment, as shown in column A, the data can be created.
5. Go to Column Management once the spreadsheet needed for importing is complete.

6. Click Add to add the necessary columns that correspond to the spreadsheet.
7. Select a Data Type.

**Definitions:**

<table>
<thead>
<tr>
<th>Data Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended Text (250 Characters)</td>
<td>data point is up to 250 characters.</td>
</tr>
<tr>
<td>Date</td>
<td>a calendar date.</td>
</tr>
<tr>
<td>Numeric</td>
<td>a numeric value.</td>
</tr>
<tr>
<td>Indicator</td>
<td>up to 5 characters (i.e. “yes/no”).</td>
</tr>
<tr>
<td>Free Text</td>
<td>up to 50 characters. Use if values are unique for every security entry.</td>
</tr>
<tr>
<td>Category</td>
<td>a type of grouping. Use if same values for more than one entry.</td>
</tr>
<tr>
<td>Benchmark ID</td>
<td>references benchmarks in the Morningstar database.</td>
</tr>
<tr>
<td>Group Overwrite</td>
<td>intended to overwrite an existing Morningstar data point.</td>
</tr>
<tr>
<td>Morningstar Direct User</td>
<td>assigns name of user to investment.</td>
</tr>
<tr>
<td>Grouping</td>
<td>adds additional classifications but not to overwrite existing ones.</td>
</tr>
</tbody>
</table>
8. Assign a data type for all classifications. When complete, click OK.
9. The columns headings now reflect the data points added in Column Management.

10. Next, import the spreadsheet. To begin, click **Import**.
11. In the Import window, browse for the spreadsheet file name.

![Import window screenshot](image)

12. Modify the import settings if needed.

![Import window screenshot](image)
13. Match the *Import File Column Definitions* to the columns in the imported spreadsheet. For instance, if Column E of the spreadsheet contains Asset Class Benchmark, use the dropdown to locate column E.

14. Notice that Security ID, Symbol, and Security Name are highlighted. It is recommended that at least one identifier (Security ID or Symbol) and the Security Name are included in the import spreadsheet.

- **Security ID** – primary security identifier
- **Symbol** – secondary identifier if primary is not recognized
- **Security Name** – helpful for manually mapping security if Security ID or Symbol is not recognized
15. Choose “Select…” if a Custom Security Data Point is not a column in the imported spreadsheet. In this example, Symbol is not a column in the spreadsheet. Therefore, a corresponding column letter is not selected.

16. When complete, click OK to import the spreadsheet.
17. In the Custom Data view, the imported columns are populated.

18. Notice the Blotter panel located at the left side of the screen. Custom Data (0/34) means that all 34 securities were recognized. Custom Data (2/34) would mean that 2 securities were not recognized and must be manually matched.
19. In the Morningstar-tracked Securities view, the Morningstar security mappings can be viewed. If needed, they can be modified by clicking on the magnifying glass.

20. The New User-Defined Securities and Existing User-Defined Securities views reference custom securities that are not tracked in the Morningstar database.

21. Click Save to return to this blotter at a later time.
22. Click *Post* to upload the data into the Custom Database.

23. A successful import message appears. Click *OK*.

24. Go back to the My Database view and click *Refresh* to view the modified Custom Database.
25. The imported data has been successfully uploaded to the Custom Database.

Modify the Custom Database

1. If needed, the imported data can be altered. For example, **click** one of the drop downs in the My Sector column and make the necessary change.
2. The contents of an investment can be completely cleared and replaced with new data. For example, highlight one of the investments in My Database.

3. Click Action and select Clear Content.
4. A message asks if you are sure you want to remove the classification. Click OK.

5. The custom data associated with this security is now cleared.
6. To delete the entire investment from My Database, click Action and select **Delete**.

7. To add or delete columns, go to **Column Management**.
8. In the column management window, click Add to add a new column or Delete to remove an existing column.

9. Importing is not the only option for adding new investments and custom data into My Database. Investments can also be manually added. Click Add Investments.
10. In the Find Investments window, add an investment to the Selected Records box. When complete, click OK.
11. The investment has been added to My Database. The classification content can then be manually entered.

Apply Custom Classification to Various Applications

Custom classifications can be utilized in Performance Reporting, Equity Attribution, Total Portfolio Attribution, and the batch management tool in Presentation Studio.

Performance Reporting:
Equity Attribution:

Total Portfolio Attribution:
Presentation Studio: