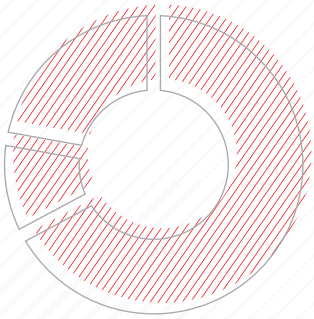
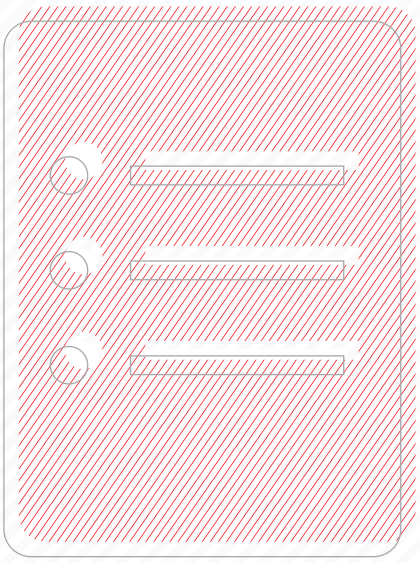
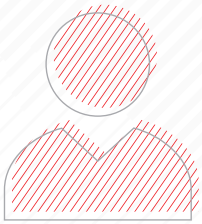
Creating Screens

Exercise Guide







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Contents

Overview 5

Creating and Saving Screens for Stocks 6

Overview 6
Exercise 1: Screen for 5-star stocks 6
Exercise 2: Save the screen you created 10
Exercise 3: Screen for stocks by P/E Ratio 12

Creating and Saving Screens for Funds 16

Overview 16
Exercise 4: Screen for Gold-rated funds 16
Exercise 5: Save the screen you created 20
Exercise 6: Modify a screen to find only large cap funds 21
Exercise 7: Save funds from a screen to a list 23
Exercise 8: Find passively managed funds 25
Exercise 9: Find socially responsible separate accounts and CITs. 27

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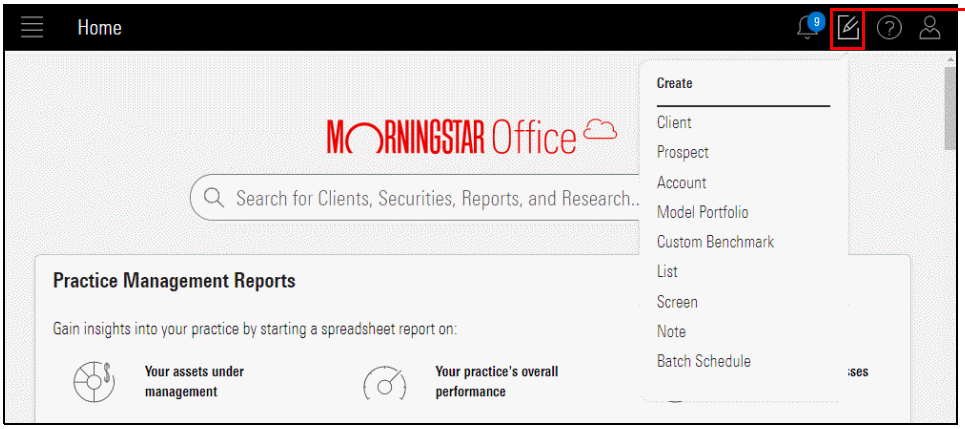
Screening for Investments in Morningstar Office℠ Cloud

Overview

By now, you should have completed the Creating Lists manual, where you learned how to save a static set of investments as a list. In this manual, you will learn how to create a screen. A screen allows you to define the criteria investments must meet to be seen in a grid.

Unlike a list, whose members never change unless you manually add or remove them, a screen is dynamic. That is, it always reflects the investments which currently match the criteria you have defined. For example, you create a screen in February to find undervalued stocks and it returns 140 stocks, but when you open it in March it could result in just 90 stocks being found, or as many as 150.

This guide provides practice in creating several different screens, and you will also learn new capabilities related to analytical views and working with the Grid.



A screen can be created via this icon on the header

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Creating and Saving Screens for Stocks

Overview

The same basic process is used for each screen you create:

1. Select an **investment type** (for example, stocks, funds) as the basis for the screen.
2. Choose a **data point** related to those investment types to search for.
3. Determine acceptable **values** for that data point.
4. Click **OK** to accept the data point and its value.
5. **Repeat steps 2-4** until all data points and criteria have been entered.
6. Click **Done** to close the Screener window and see the results in a workbook.

This section provides practice in not only creating a screen, but also the following:

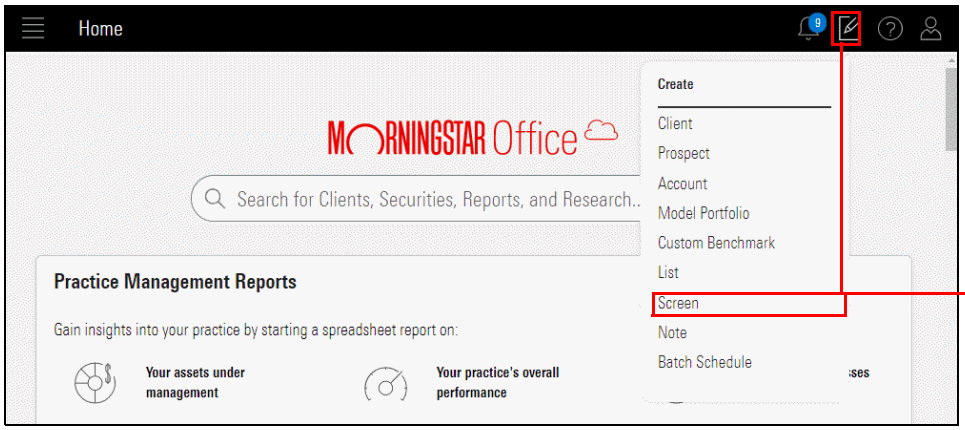
- changing the data set associated with a screen's results
- saving a screen
- modifying a screen
- changing the settings for a data point
- saving a modified screen with a new name, and
- saving a workbook.

Exercise 1: Screen for 5-star stocks

Stocks assigned a 5-star rating are those that Morningstar's Analysts believe are the most deeply undervalued. Because the Morningstar Rating for Stocks is updated everyday, creating and saving a screen to track 5-star stocks is helpful. Doing so allows you to open this screen each day to see which new stocks are now in 5-star territory, and thus discover new investment opportunities.

As with a list, a screen can be created from anywhere in Morningstar Office℠ Cloud by clicking the Create icon on the header. To find 5-star stocks traded in the U.S., do the following:

1. On the header, click the **Create** icon, then select **Screen**. The Screener window opens.



2. Select the option for **Equity**.

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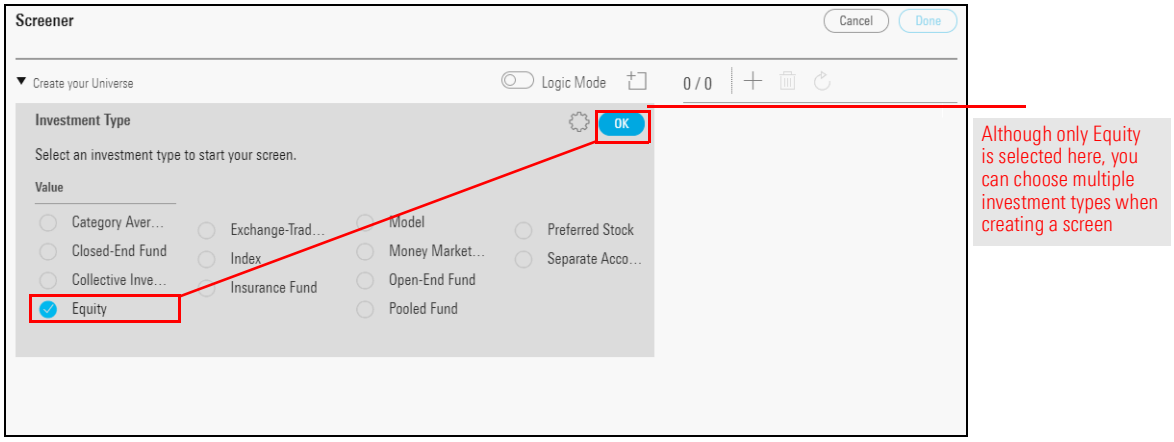
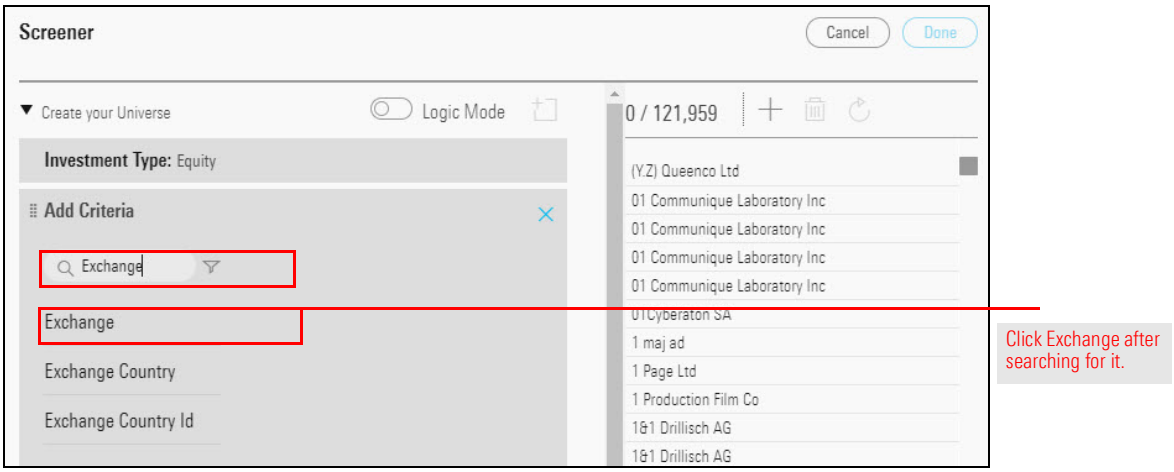
3. Click **OK**. As you make selections, all investments matching the criteria appear in the Screener window's left-hand pane.



4. The system shows every instance of a stock, including every exchange it trades on; which results in some stocks appearing on the list more than once. To address this, narrow the results by adding more search criteria. In the Add Criteria area, in the **Search for data points** field, type **Exchange**, then select the **Exchange** data point when it appears.



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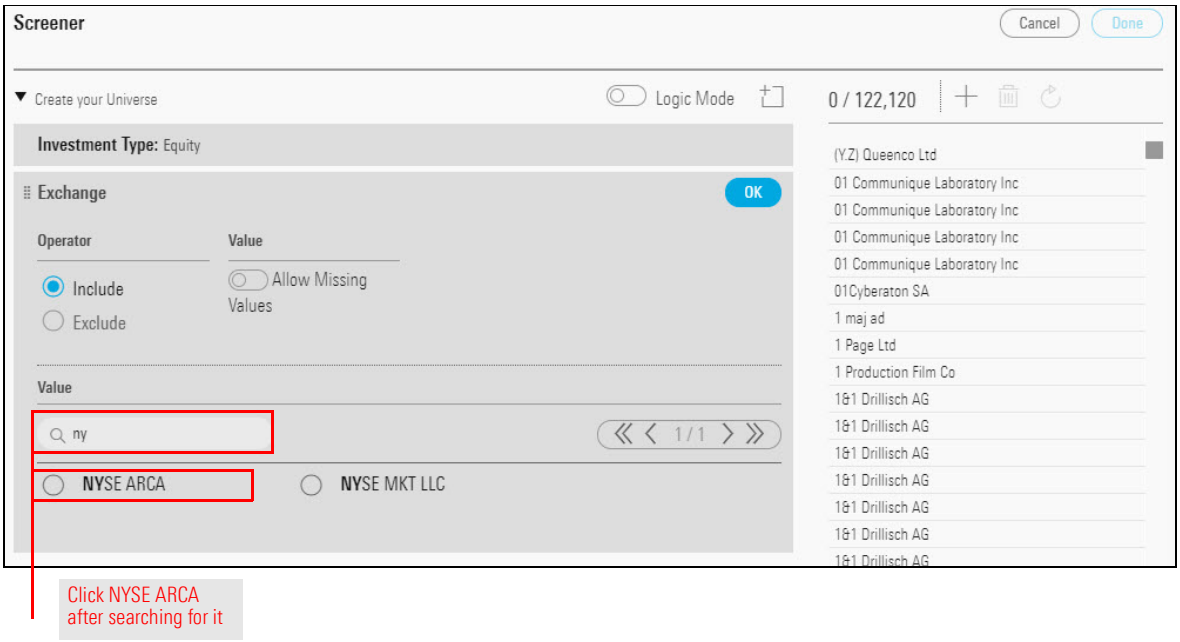
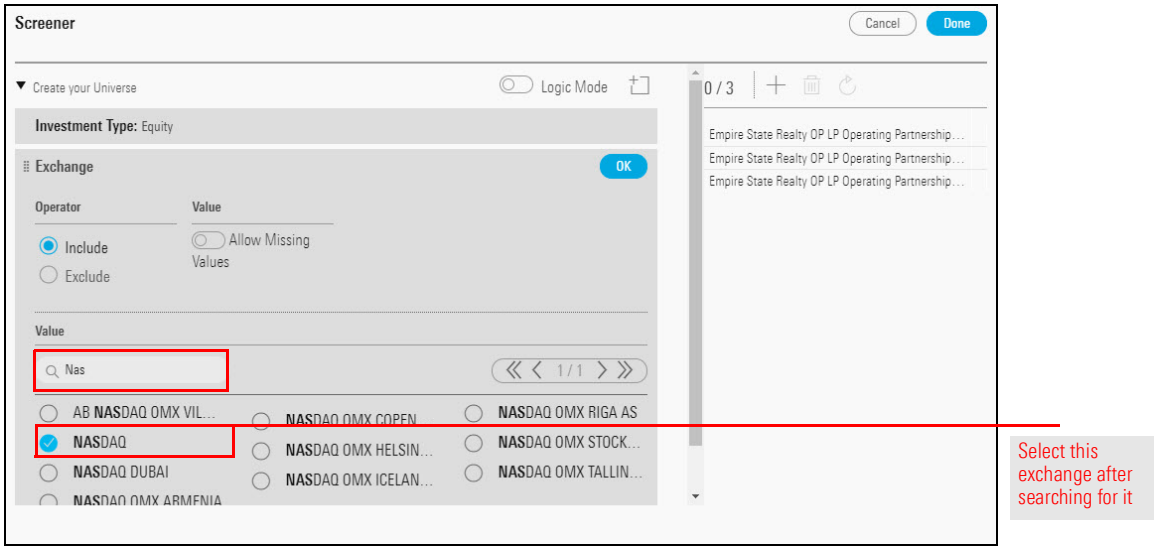
5. In the Value area, search for **NYSE ARCA**, then click to select its option.



6. Clear the **Filter** field, then enter **NASDAQ** and click it to select its option.



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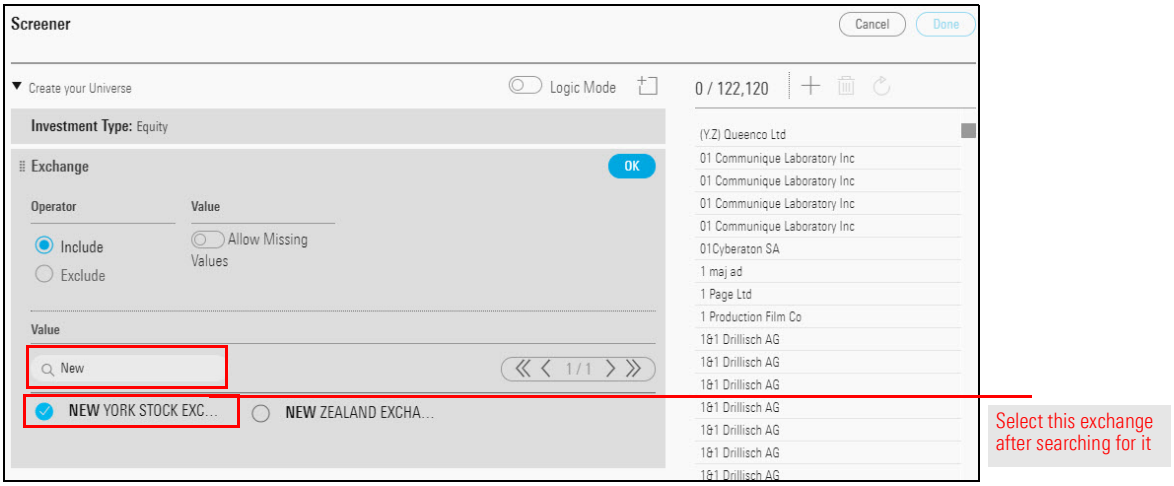
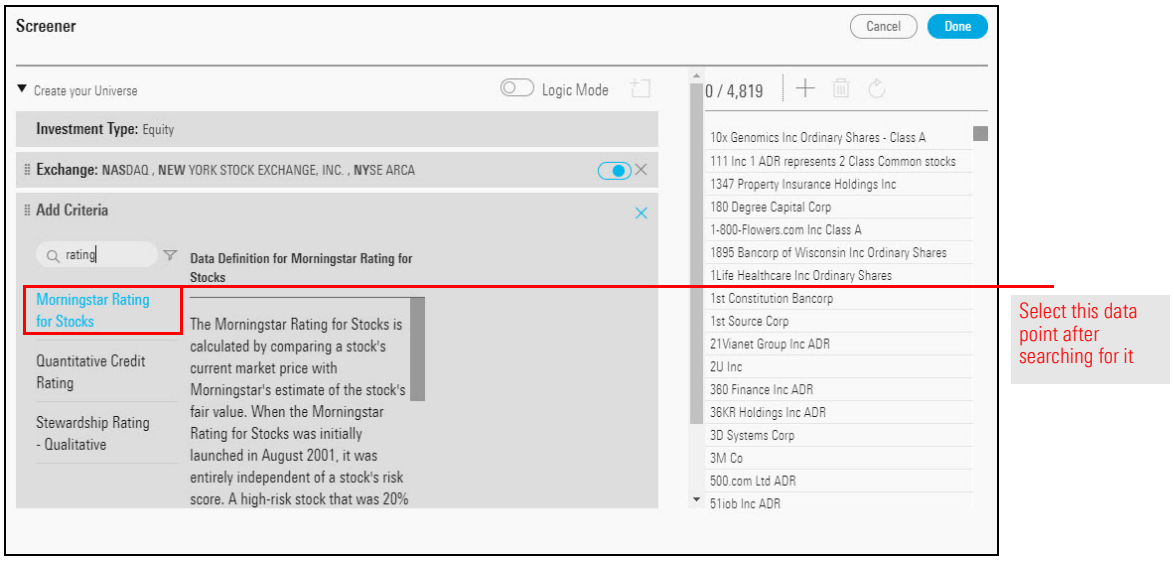
7. Clear the **Filter** field, then enter **New York** and click **New York Stock Exchange, Inc.** to select its option.



8. Click **OK**. Note that the number of matching stocks shrinks considerably.
9. To find stocks with a 5-star rating, in the Add Criteria area, in the **Search for data points** field, type **Rating**, then select **Morningstar Rating for Stocks**.



10. Select the option for ★★★★★.

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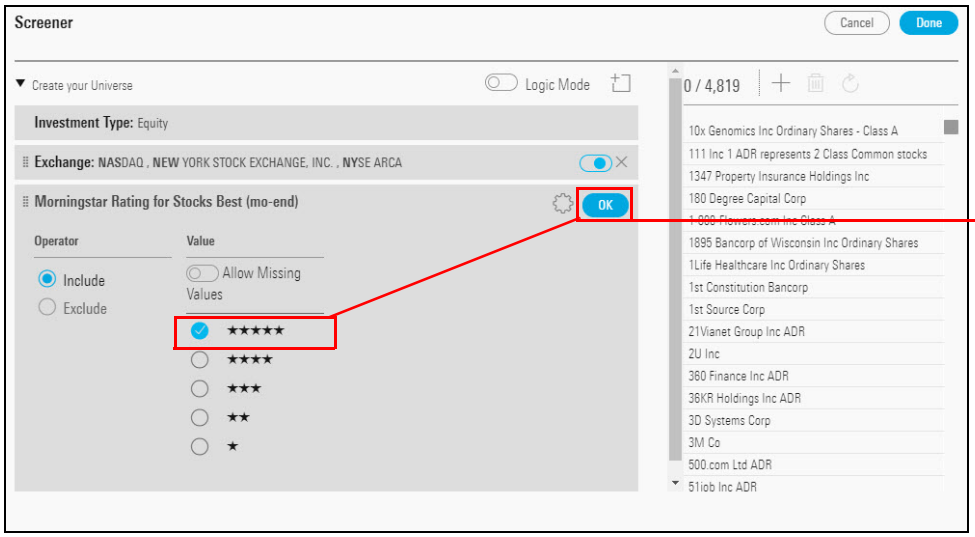
11. Click **OK**.

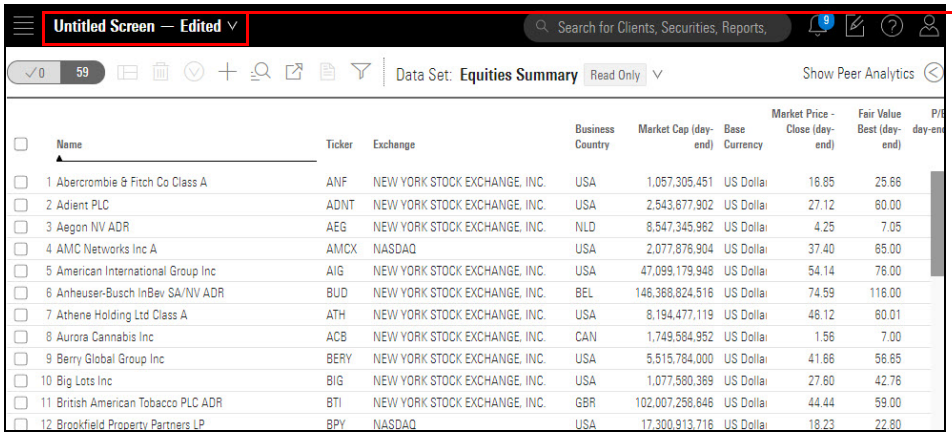


Select the value for the data point, then click **OK** and **Done** to complete the screen

12. Click **Done**. The Screener window closes, and the Grid opens.

Exercise 2: Save the screen you created

A screen is not automatically saved when you create it. In the upper-left corner of the window, note the name of the screen. The word Edited indicates that the screen has not been saved.



	Name	Ticker	Exchange	Business Country	Market Cap (day-end)	Base Currency	Market Price - Close (day-end)	Fair Value Best (day-end)
1	Abercrombie & Fitch Co Class A	ANF	NEW YORK STOCK EXCHANGE, INC.	USA	1,057,305,451	US Dollar	16.85	25.66
2	Adient PLC	ADNT	NEW YORK STOCK EXCHANGE, INC.	USA	2,543,677,902	US Dollar	27.12	60.00
3	Aegon NV ADR	AEG	NEW YORK STOCK EXCHANGE, INC.	NLD	8,547,345,962	US Dollar	4.25	7.05
4	AMC Networks Inc A	AMCX	NASDAQ	USA	2,077,876,904	US Dollar	37.40	65.00
5	American International Group Inc	AIG	NEW YORK STOCK EXCHANGE, INC.	USA	47,099,179,948	US Dollar	54.14	76.00
6	Anheuser-Busch InBev SA/NV ADR	BUD	NEW YORK STOCK EXCHANGE, INC.	BEL	146,368,824,516	US Dollar	74.59	116.00
7	Athene Holding Ltd Class A	ATH	NEW YORK STOCK EXCHANGE, INC.	USA	8,194,477,119	US Dollar	46.12	60.01
8	Aurora Cannabis Inc	ACB	NEW YORK STOCK EXCHANGE, INC.	CAN	1,749,584,952	US Dollar	1.56	7.00
9	Berry Global Group Inc	BERY	NEW YORK STOCK EXCHANGE, INC.	USA	5,515,784,000	US Dollar	41.66	56.65
10	Big Lots Inc	BIG	NEW YORK STOCK EXCHANGE, INC.	USA	1,077,580,369	US Dollar	27.60	42.76
11	British American Tobacco PLC ADR	BTI	NEW YORK STOCK EXCHANGE, INC.	GBR	102,007,256,846	US Dollar	44.44	59.00
12	Brookfield Property Partners LP	BPY	NASDAQ	USA	17,300,913,716	US Dollar	18.23	22.80

Note the name of the unsaved screen

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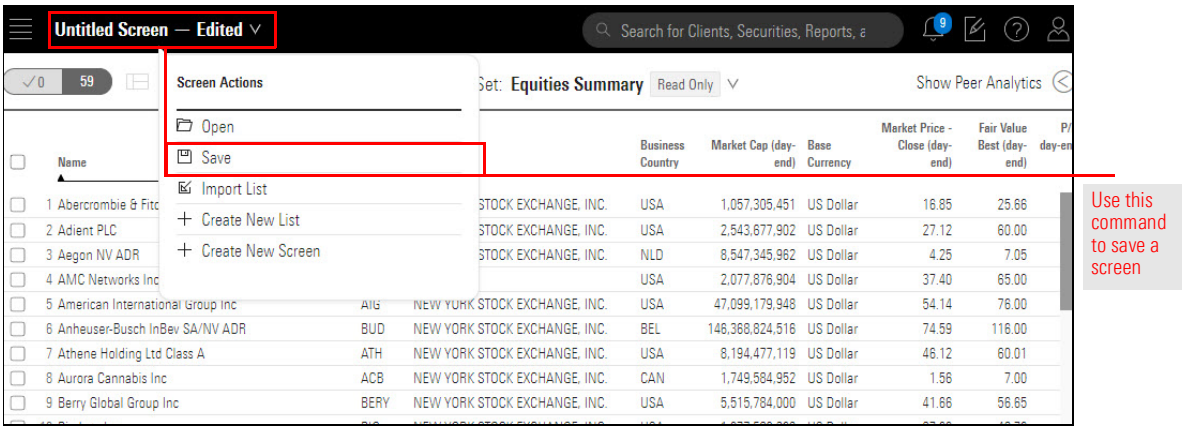
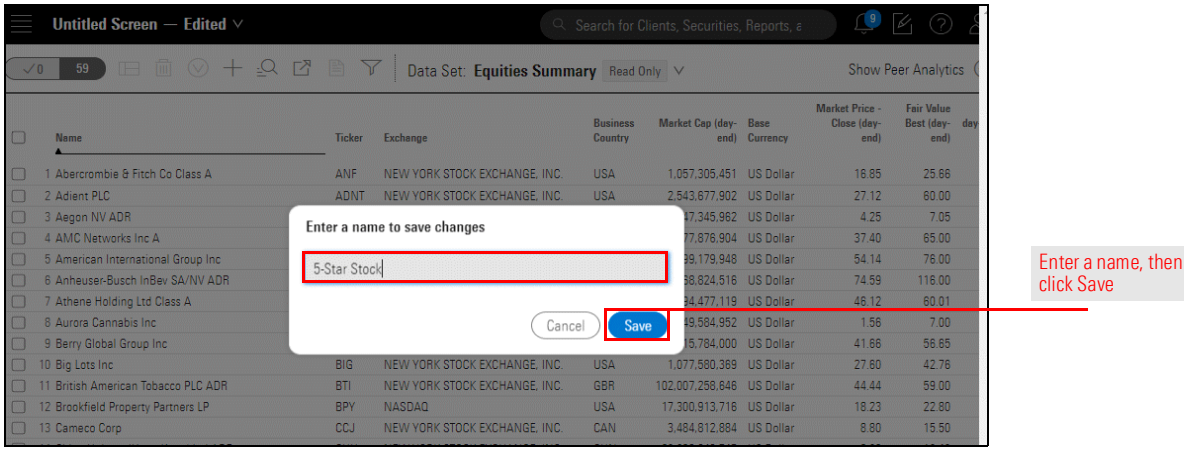
Once saved, the screens you create in Morningstar Office Cloud are dynamic; that is, when you open a screen, it always shows the securities matching the criteria associated with the screen. This allows you to always see the current results of a saved screen you open on a regular basis. To save the screen you created, do the following:

1. On the toolbar above the grid, click the **Lists & Screens** drop-down field, then select **Save**. A dialog box opens.



2. In the **Enter new name** field, type **5-Star Stocks**.
3. Click **Save**. The dialog box closes, and the name of the screen now appears in the field on the toolbar.



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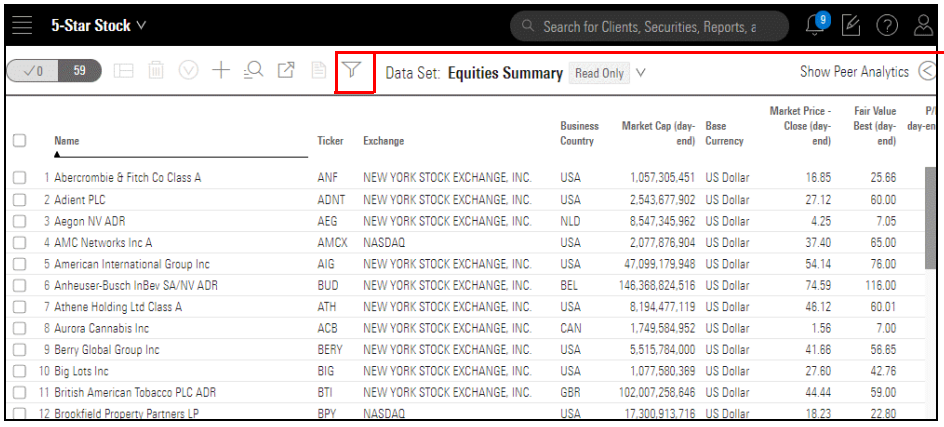
Exercise 3: Screen for stocks by P/E Ratio

Before moving on to creating a screen for funds, one additional exercise on screening for stocks will prove instructive. This exercise allows you to practice the following skills:

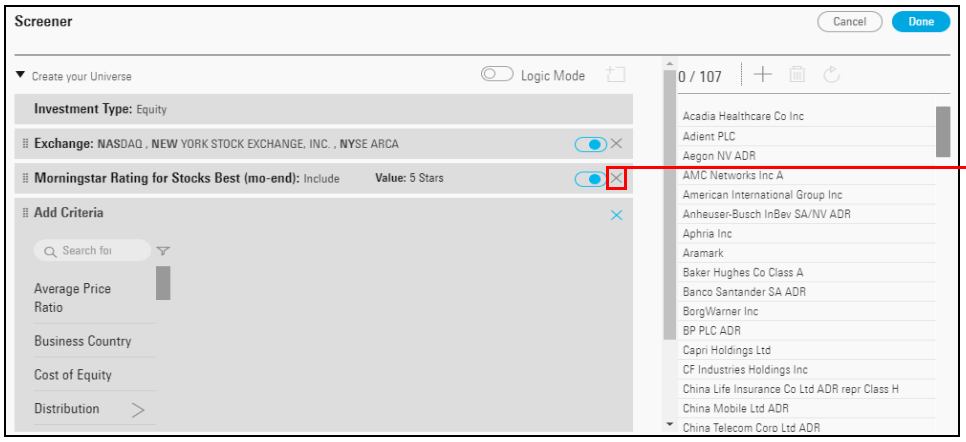
- changing an existing screen
- screening for stocks with a Price-to-Earnings Ratio greater than 20
- saving a new screen without changing an existing saved screen, and
- saving a workbook to preserve a custom sort.

Do the following:

1. From the Grid header row, click the **Open Screener** icon. The Screener window opens.



2. To the right of the Morningstar Rating criterion, click the **X** to remove it.



3. In the Add Criteria area **Search for data points** field, type **P/E**. Note that no results are shown.

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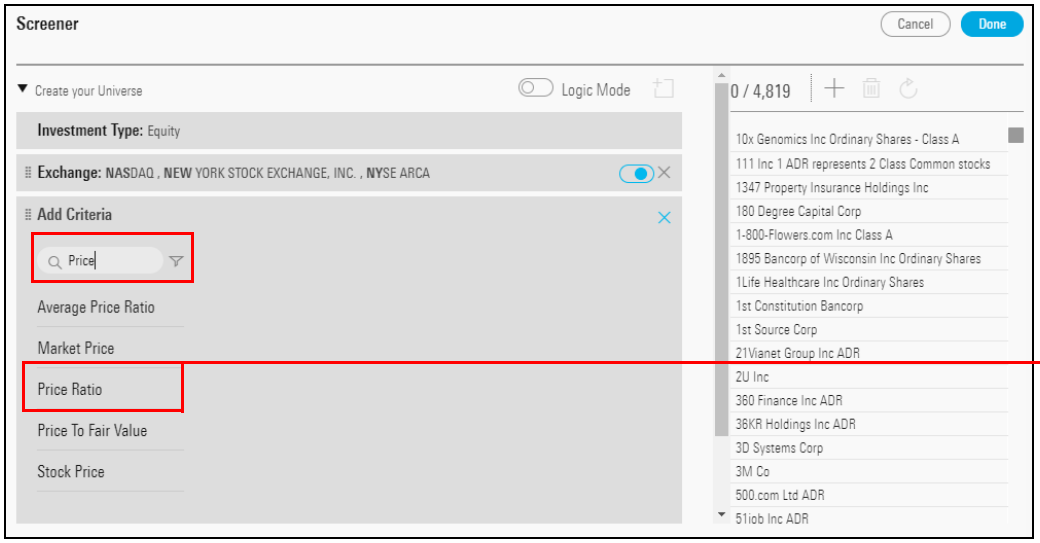
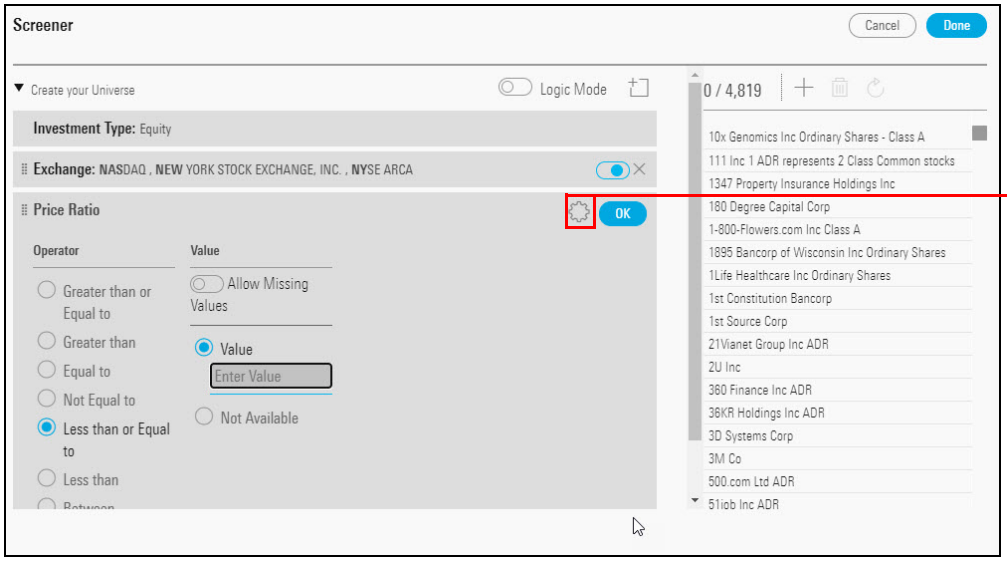
4. In the Search for data points field, type **Price**, then click **Price Ratio**.



5. The system defaults to the P/B Price Ratio (Price-to-Book). To change this to the P/E Price Ratio, click the **Settings** icon.



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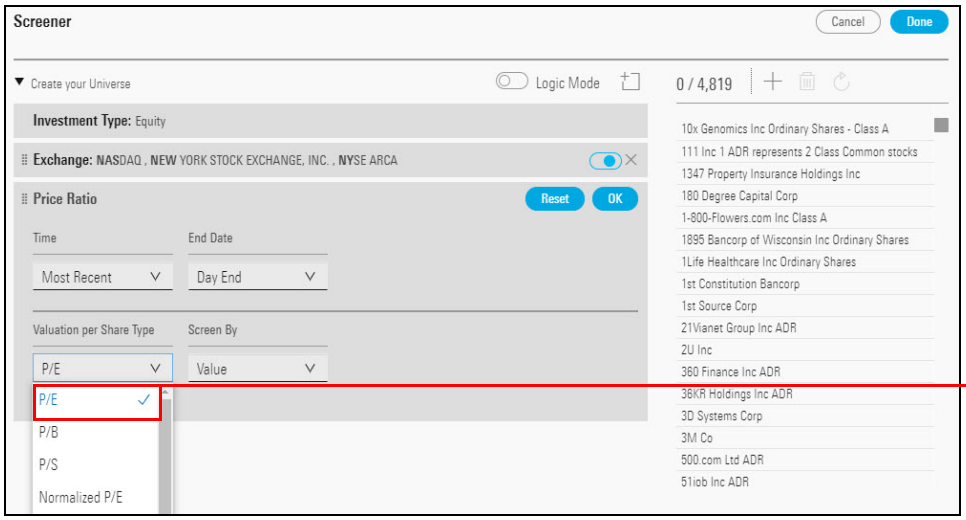
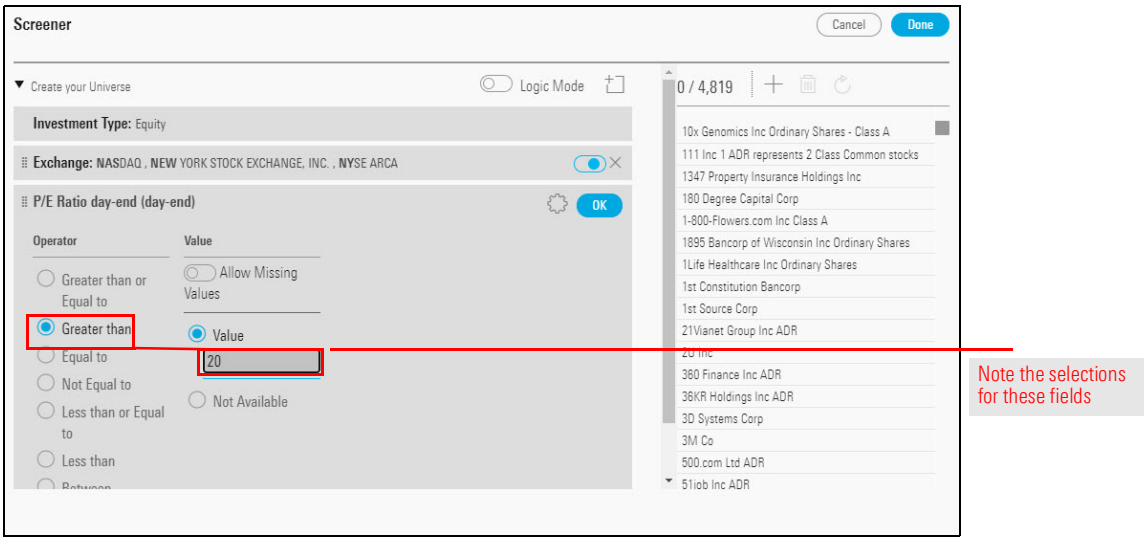
6. From the **Valuation per Share Type** drop-down field, select **P/E**.



7. Click **OK**.
8. From the Operator column, select **Greater than**.
9. In the **Value** field, enter **20**.



10. Click **OK**.
11. Click **Done**. The Screener window closes, and the Grid is displayed.

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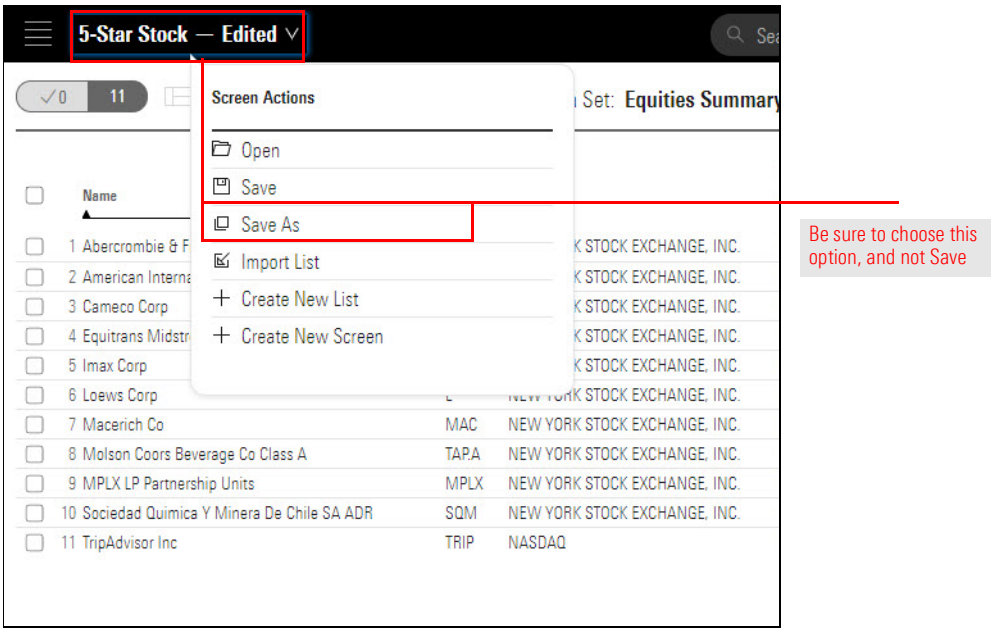
12. Note the word Edited to the right of the screen's name; this indicates the saved screen has changed. To save this screen with a new name, click the drop-down field and select **Save As**.



13. In the **Enter a new screen name** field, enter **Growth Stock**, then click **Save**. The name of the screen changes automatically.

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Creating and Saving Screens for Funds

Overview

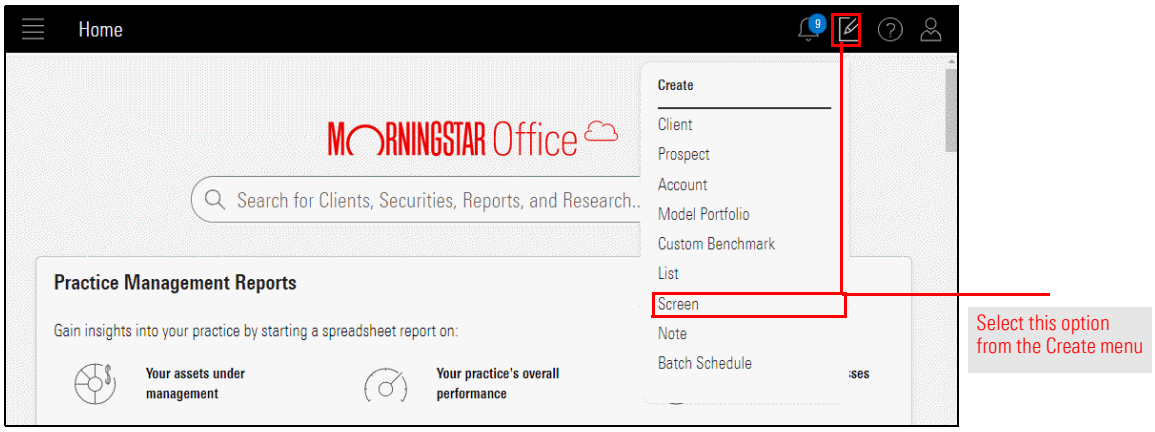
The process of creating and saving screens for funds is identical to that for stocks. The only difference is the set of data points available for screening. In addition to practicing building additional screens, the exercises in this section also show you how to do the following:

- save investments from a screen to a list
- group funds by category in the Grid
- change a screen's name, and
- find a data point if it does not automatically appear when searching for it by name.

Exercise 4: Screen for Gold-rated funds

For this exercise, you will create a new screen, this time for open-end funds and ETFs with a Gold rating from a Morningstar analyst. The funds must also be open to new investors. To screen for investments meeting these criteria, do the following:

1. On the header, click the **Create** icon, then select **Screen**. The Screener window opens.



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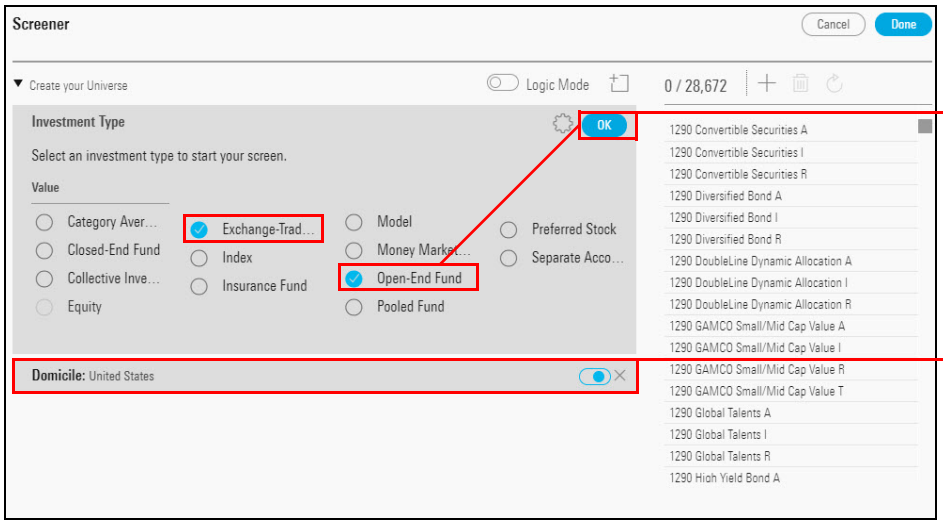
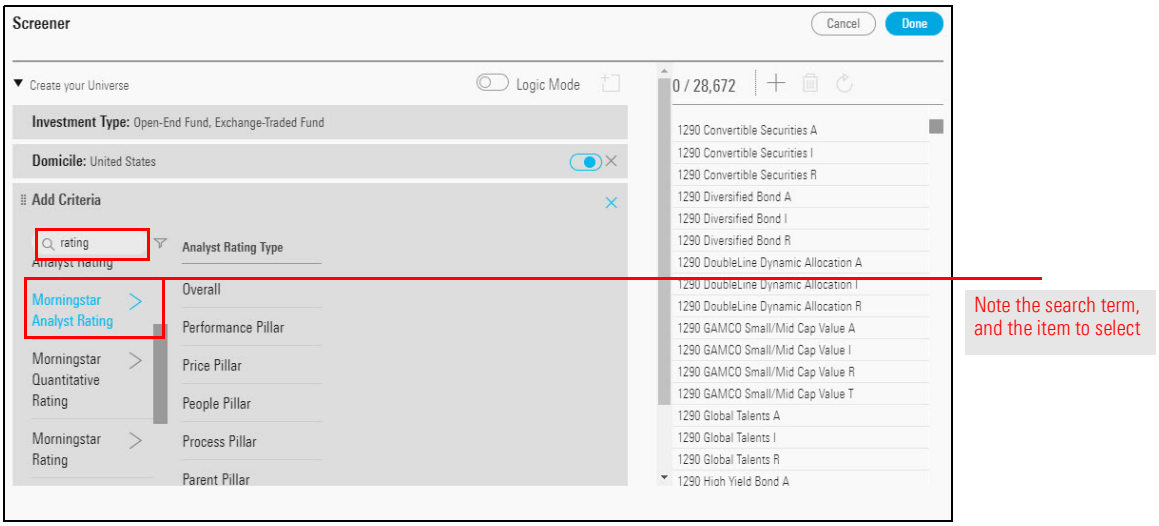
2. In the Investment Type area, click **Exchange-Traded Fund** and **Open-End Fund**, then click **OK**.



3. To find funds with a Gold Morningstar Analyst Rating, in the Add Criteria **Search for data points** field, type **rating**.
4. Select **Morningstar Analyst Rating**.



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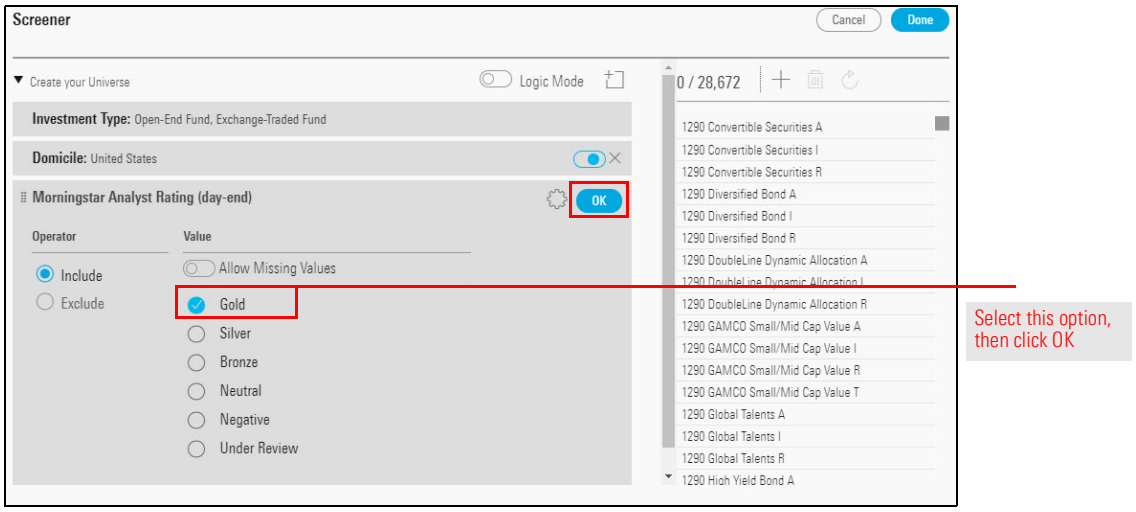
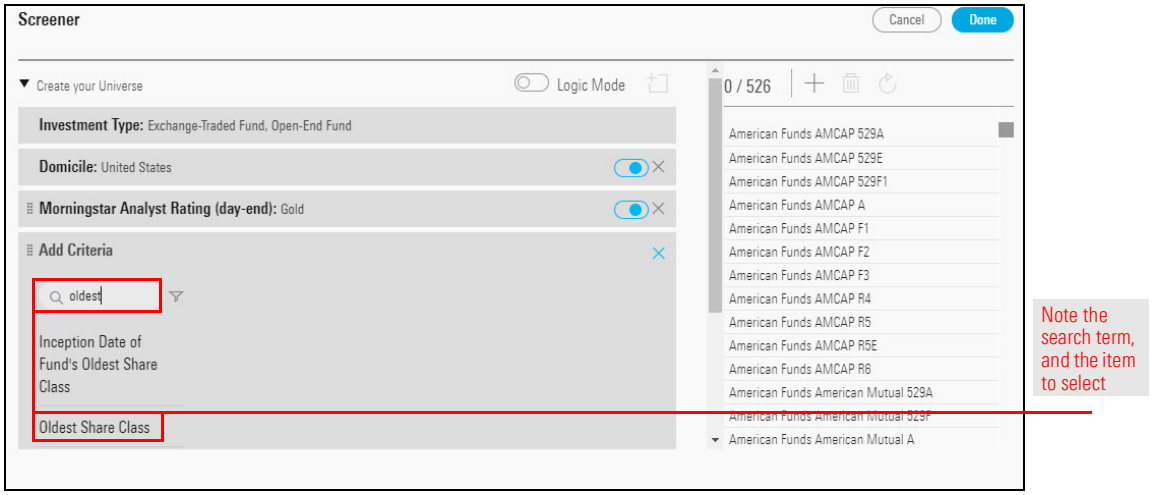
5. Select **Gold**, then click **OK**.



6. To find a single instance of each fund, in the Add Criteria **Search for data points** field, type **old**. Select **Oldest Share Class**. Some additional fields now appear.



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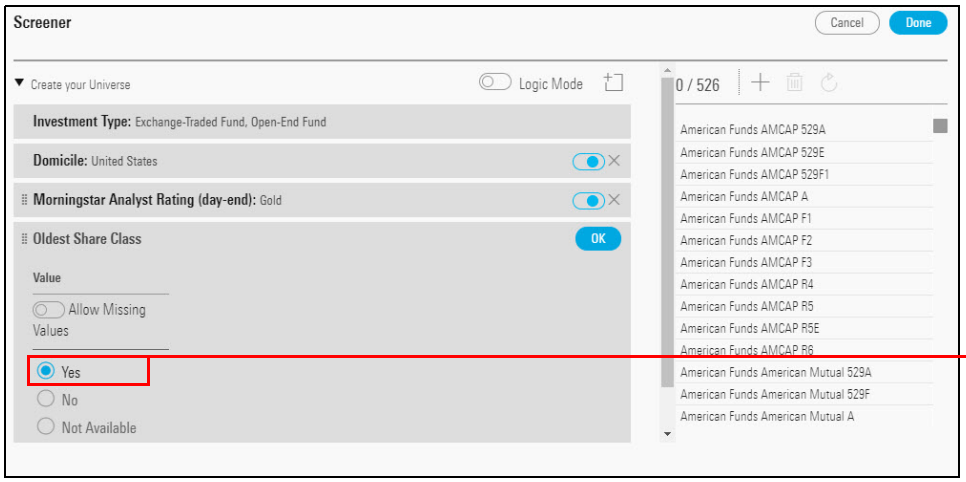
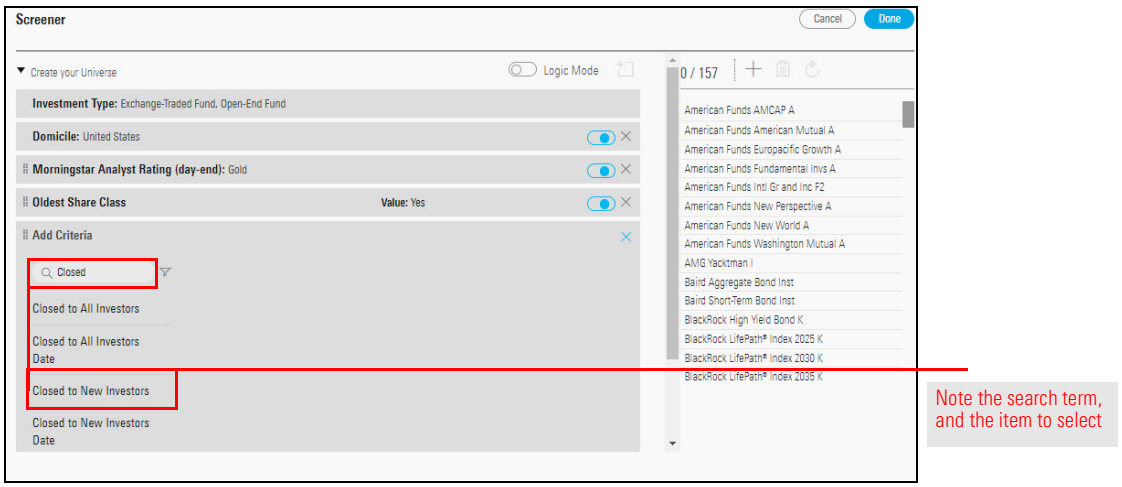
7. The option for Yes should be selected already; click **OK**.



8. To find funds open to new investors, in the Add Criteria **Search for data points** field, type **open**. Note that the data point you are looking for does not appear.
9. Clear the Search for data points field and enter **closed**.
10. Select **Closed to New Investors**.



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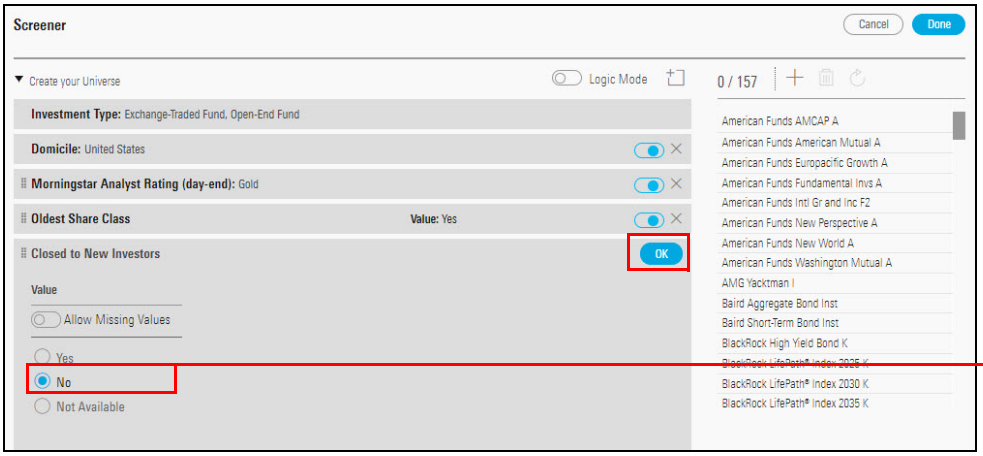
11. Select the option for **No**, then click **OK**.

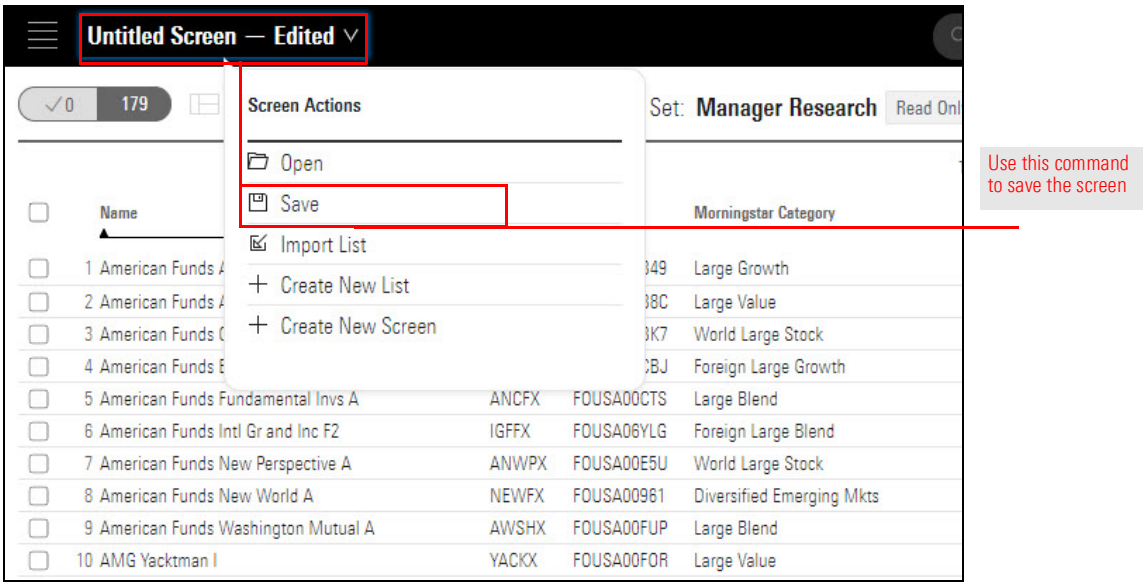


12. Click **Done**. The Screener window closes and the workbook opens.

To save the screen you created for Gold-rated funds, do the following:

Exercise 5: Save the screen you created

1. Click the **Lists & Screens** drop-down field and select **Save**. A dialog box opens.



2. In the **Enter a screen name** field, type **Analyst Rated Funds**.
3. Click **Save**. The name of the screen updates automatically.

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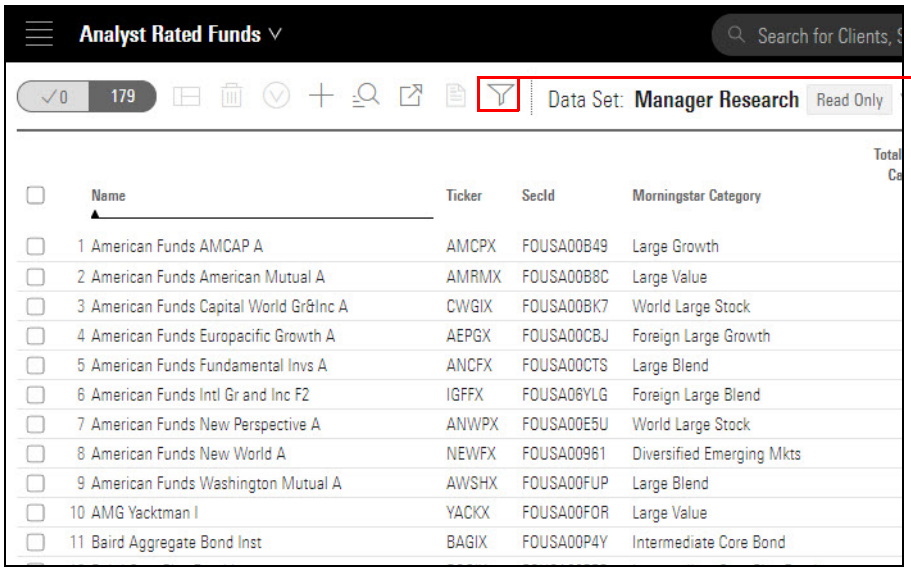
Exercise 6: Modify a screen to find only large cap funds

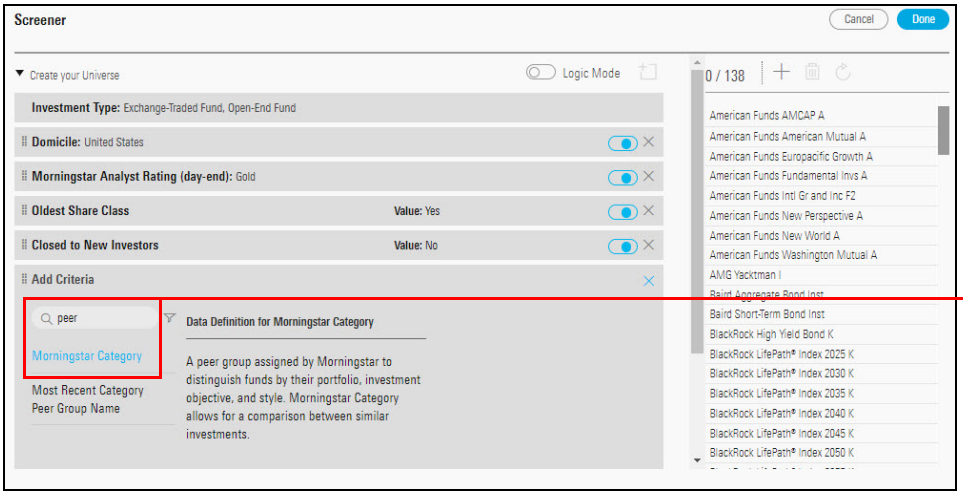
In this exercise, the screen you saved will be modified to look for only large cap funds, and then re-saved. You will also learn an alternate way to screen for a popular data point.

Do the following:

1. On the grid header, click the **Open Screener** icon. The Screener window opens.



2. To find only large cap funds, in the Add Criteria **Search for data points** field, type **peer**.
3. Select **Morningstar Category**. Some additional fields now appear.



4. In the Value **Search** field, type **large**. The list of available categories updates to match your search term.

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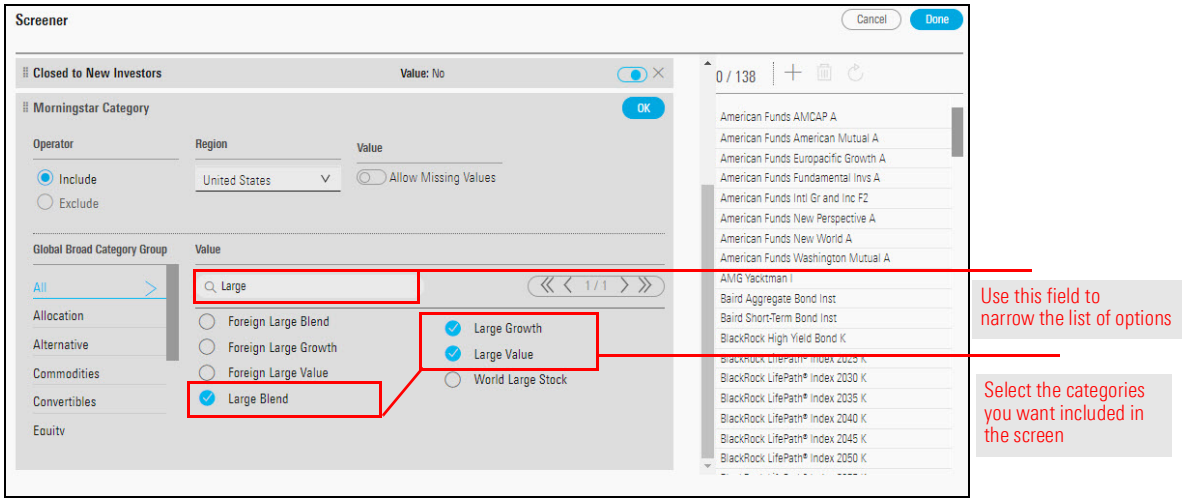
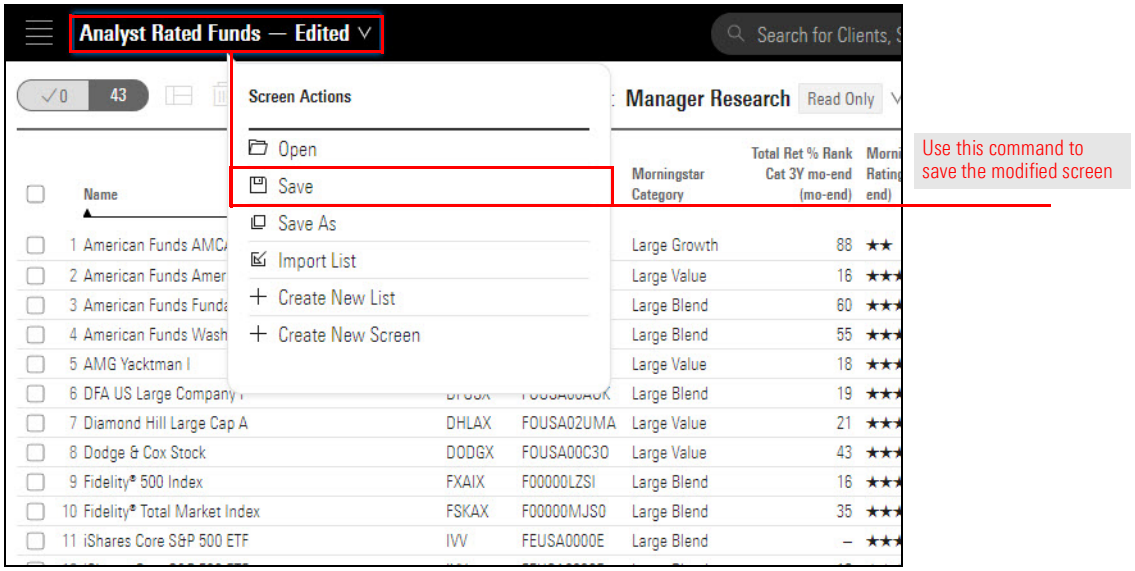
5. Select **Large Blend**, **Large Growth**, and **Large Value**.



6. Click **OK**.
7. Click **Done**. The Screener window closes and the workbook is displayed.
8. From the drop-down field, select **Save**. (In this exercise, it is OK to overwrite the previously saved screen.)



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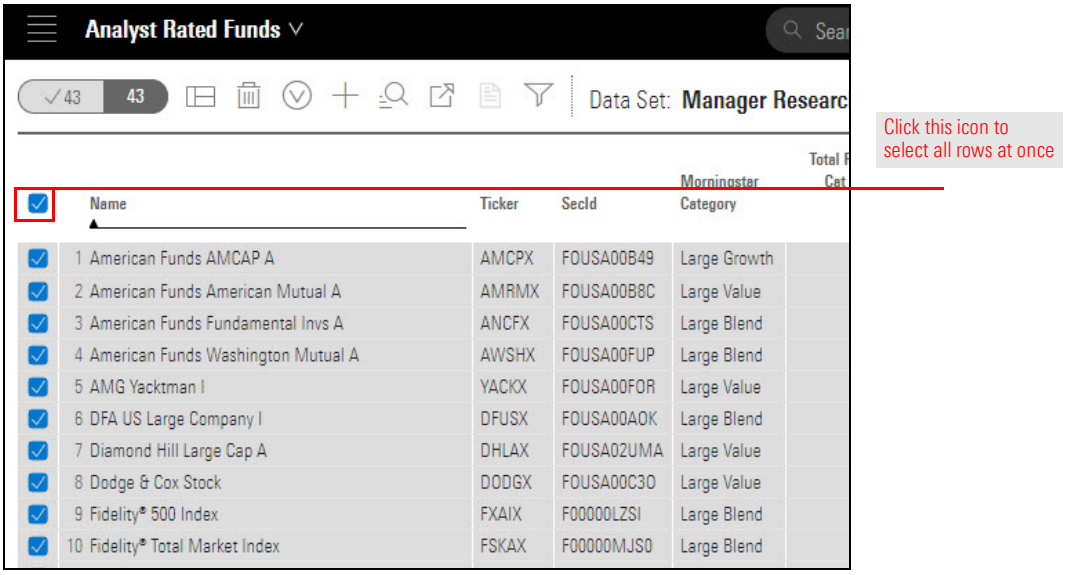
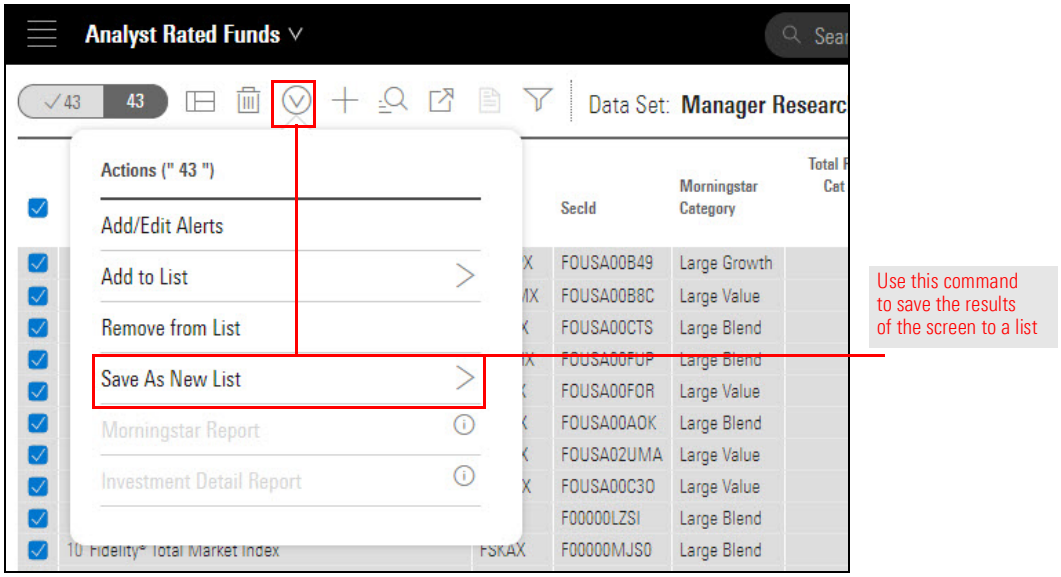
Exercise 7: Save funds from a screen to a list

Remember that the results of a screen are dynamic. Depending on the criteria you include, the investments found via a screen could change from day-to-day. This exercise shows you how to save the results of a screen to a list, in case you want to maintain a static list of items as well. Do the following:

1. To choose the investments to be included in the list, click the **Select all** button above the grid view.



2. On the grid header, click the **Actions** icon and select **Save As New List**.



3. In the **Enter list name** field, type **Gold-Rated Large Cap Funds**.

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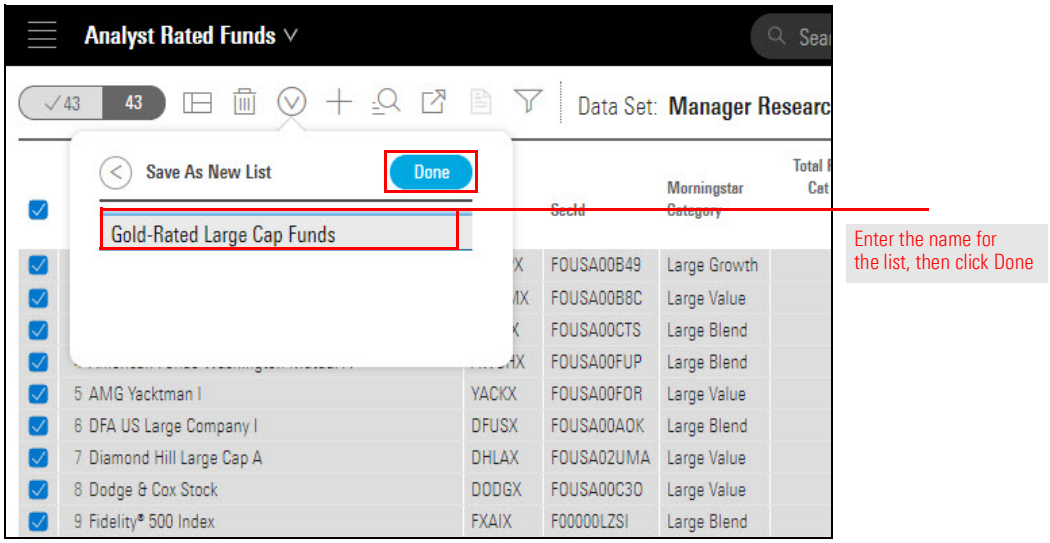
4. Click **Done**.



5. Click the **Select all** button again to deselect the rows.

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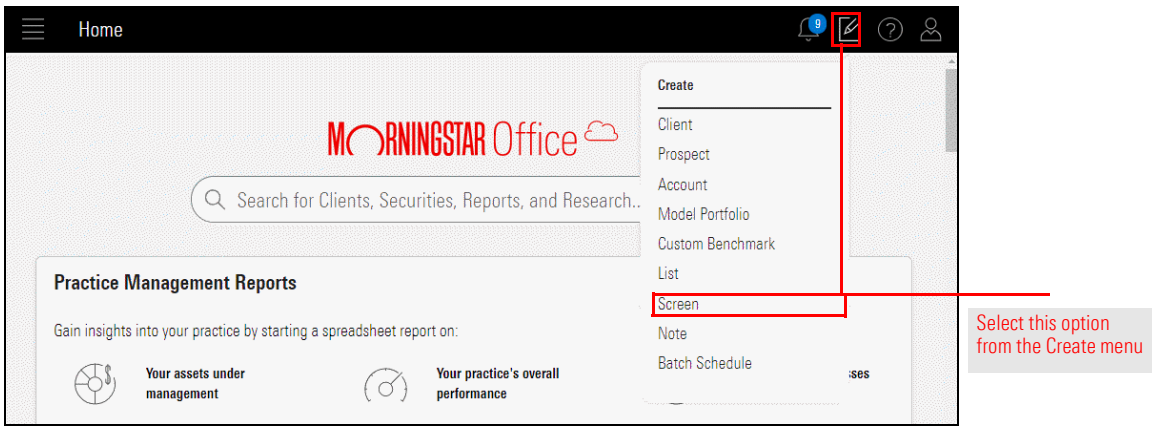
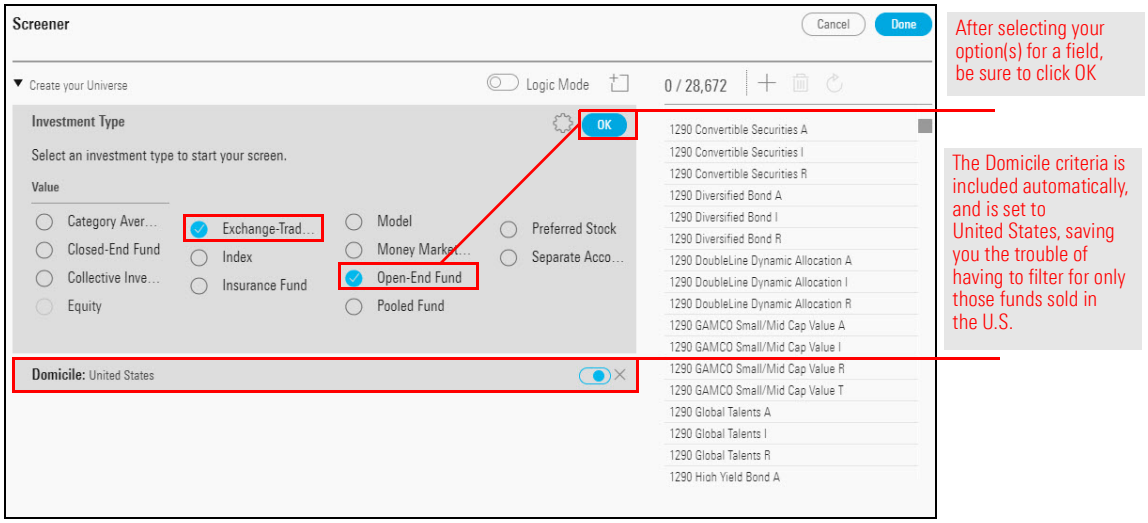
Exercise 8: Find passively managed funds

How many passively managed open-end funds and ETFs are in the Mid-Cap Value category? This exercise not only provides additional practice in creating and saving a screen, but also shows you another smart search term you can use to find a particular data point. Do the following:

1. On the header, click the **Create** icon, then select **Screen**. The Screener window opens.



2. Select **Exchange-Traded Fund** and **Open-End Fund**.



3. Click **OK**.
4. In the Add Criteria area, in the **Search for data points** field, enter **peer**, then select **Morningstar Category**.

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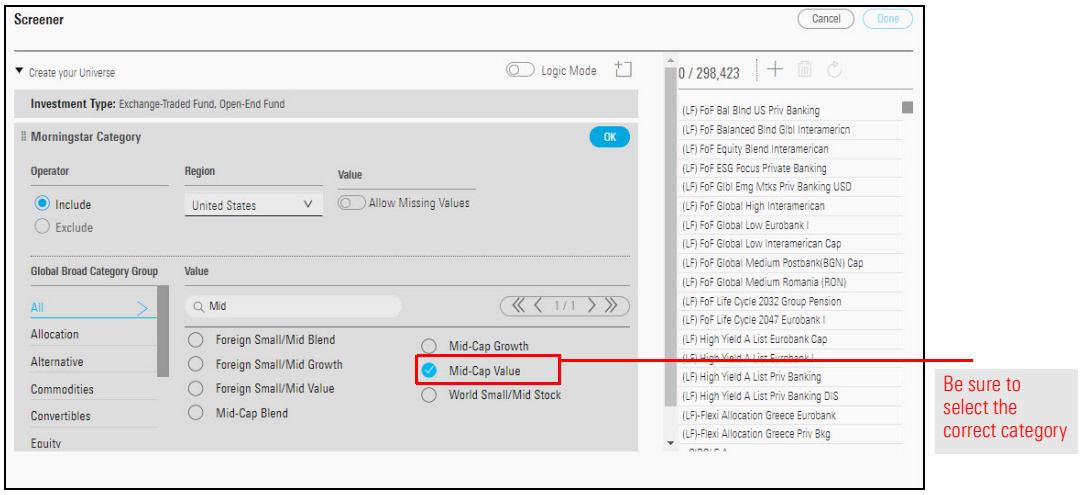
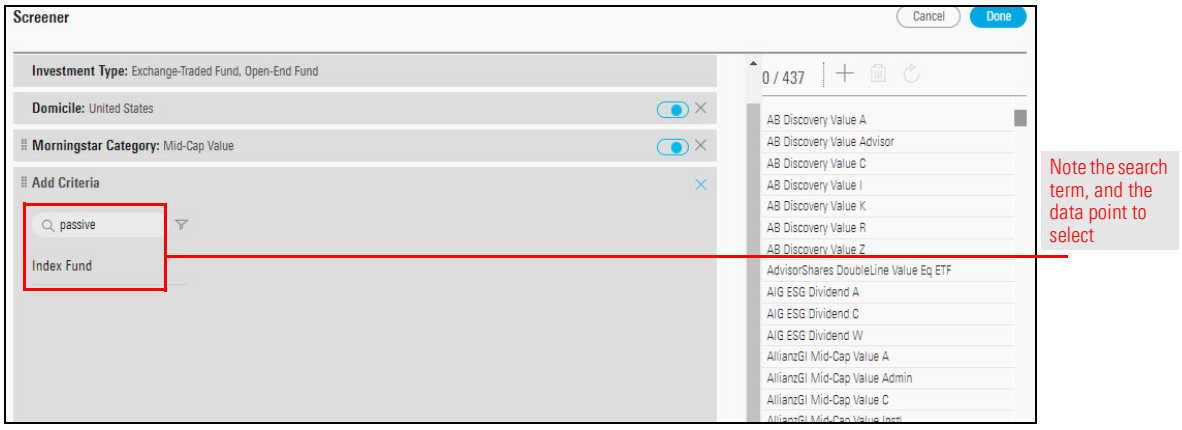
5. In the **Filter** field under the Value area, type **mid**, then select **Mid-Cap Value**.



6. Click **OK**.
7. In the Add Criteria area, in the **Search for data points** field, enter **passive**, then select **Index Fund**. The Value for this data point defaults to Yes.



8. Click **OK**.
9. Click **Done**. The Screener window closes, and you are returned to the workbook.
10. **Save** the screen with the name **Passive Mid-Cap Value Funds**.

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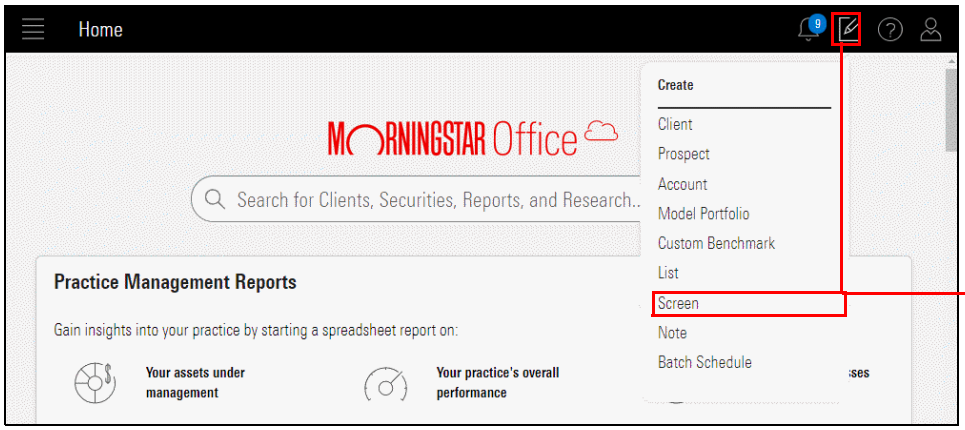
Exercise 9: Find socially responsible separate accounts and CITs

How many separate accounts and collective investment trusts (CITs) self-identify as socially responsible funds, with a focus on the environment?

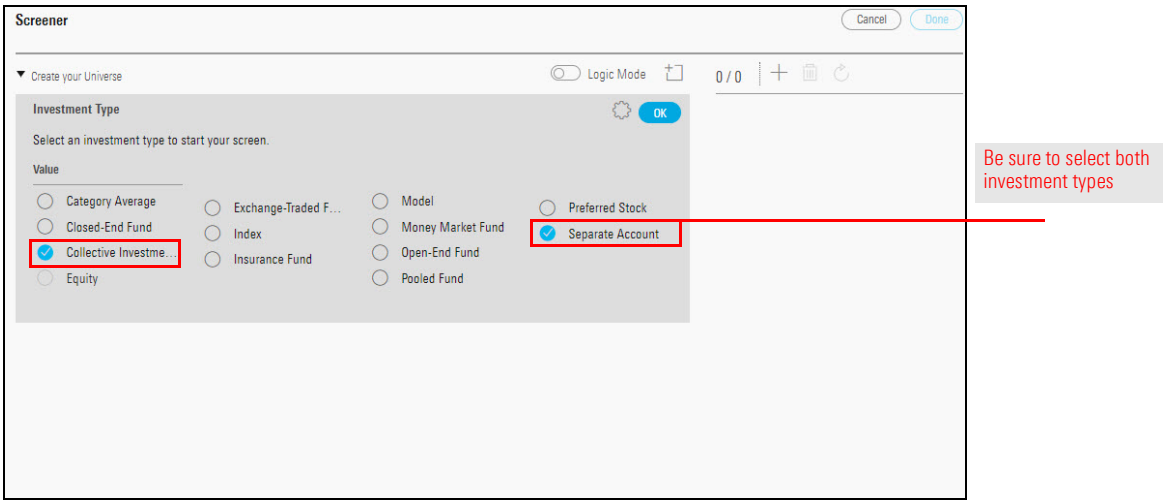
This exercise allows you to screen for two new investment types, and shows you a trick for finding a data point if it doesn't automatically appear when you search for it.

1. On the header, click the **Create** icon, then select **Screen**. The Screener window opens.

   ☞ Note: If you are prompted to save the workbook, click **Don't Save**.



2. Select **Collective Investment Trust**, and **Separate Account**, then click **OK**. The investment type (or types) you select determine the subsequent data points available to you in a screen. For example, after selecting these two investment types, you cannot use "Morningstar Stock Star Rating" as a criterion for the screen because that data point does not exist for these two investment types.



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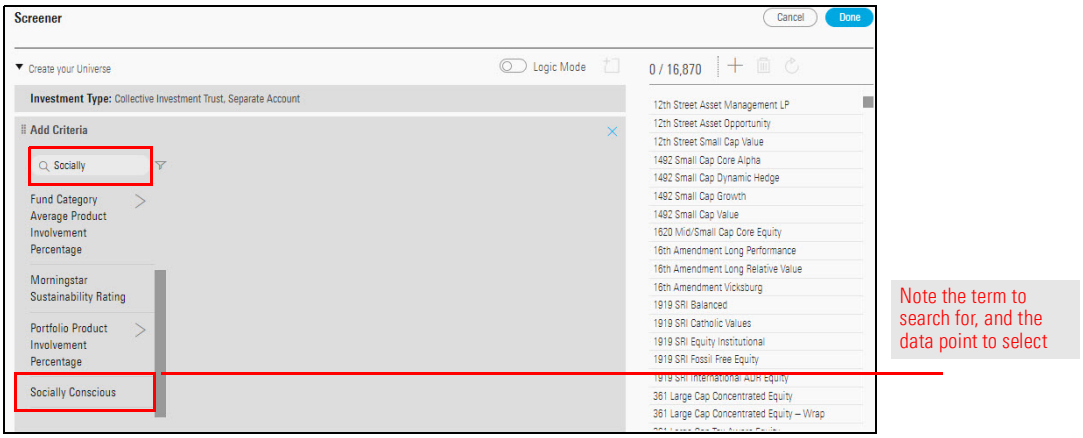
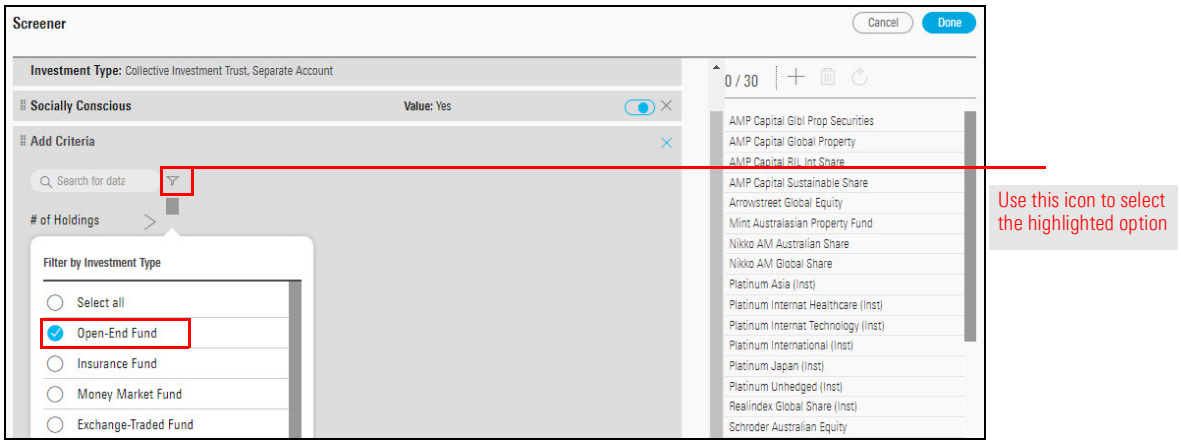
3. In the Add Criteria area, in the **Search for data points** field, enter **social**, then select **Socially Conscious**. The Value defaults to Yes.



4. Click **OK**.
5. The next data point is Ethical Issue Strategy Focus, which helps find investments particularly focused on the environment. In the Add Criteria area, in the **Search for data points** field, enter **focus**. Note that only Product Focus appears as a data point.
6. To the right of the search field, click the **filter** icon. The Filter by Investment Type menu opens.
7. Select **Open-End Fund**. This allows you to see data points for that universe as well.



8. Click outside the Filter by Investment Type menu to close it.
9. Select **Ethical Issue Strategy Focus**.

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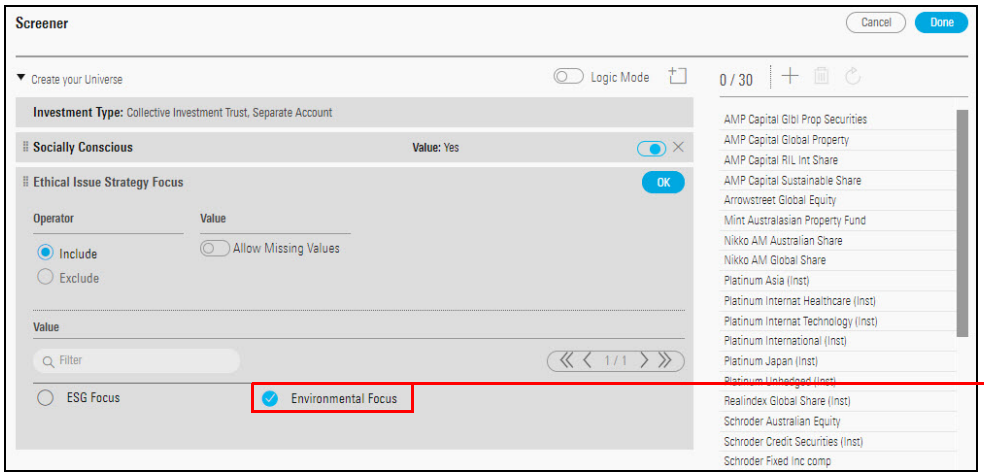
10. Select **Environmental Focus**.



11. Click **OK**.
12. Click **Done**. The Screener window closes, and the workbook is displayed.
13. **Save** the screen as **Environmentally Focused CITs/SAs**.

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