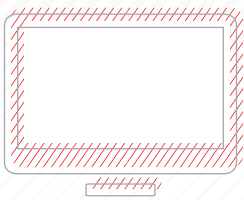
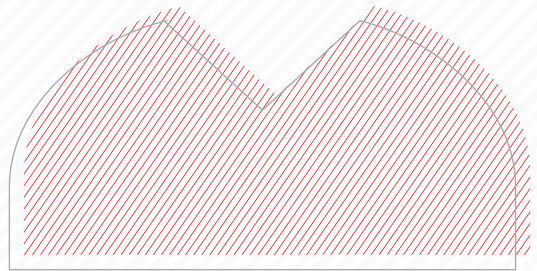
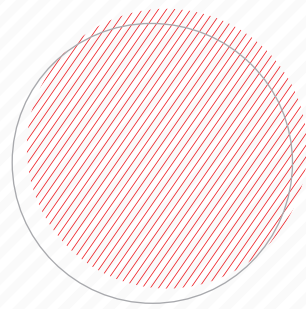
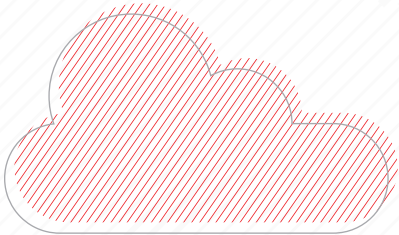
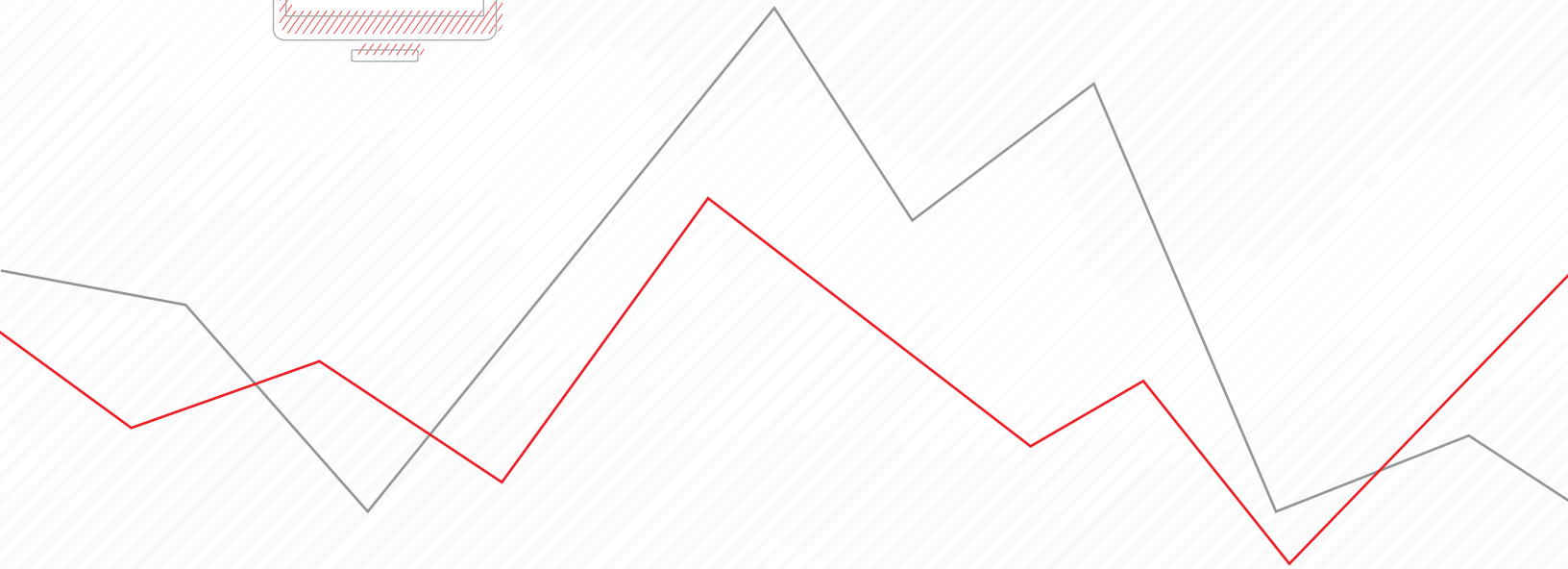


# Creating Screens

Exercise Guide



MORNINGSTAR Direct



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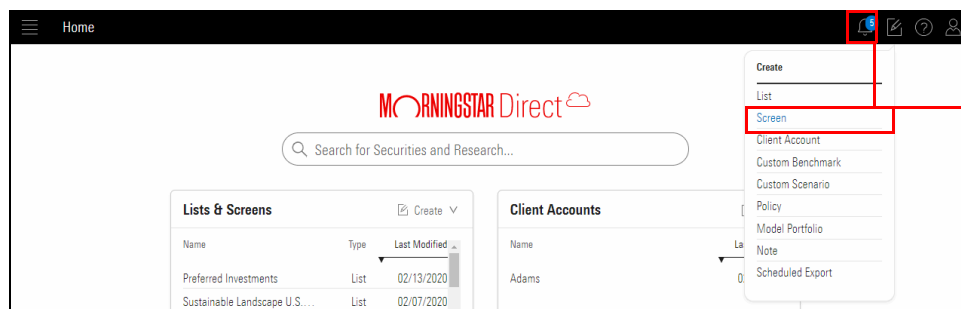
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# Creating Screens

By now, the [Creating Lists](#) manual should have been completed; it teaches users how to save a static set of investments as a list. This exercise guide shows users how to create a screen, which allows users to define specific criteria investments must meet to be seen. Unlike a list, whose members never change unless you manually add or remove them, a screen is dynamic. That is, a screen always displays the investments currently matching the criteria a user has defined. For example, a screen created in February to find undervalued stocks may return 140 stocks, and when it is opened in March, it could result in just 90 stocks being found, or perhaps more than 150, depending on the performance of stocks.

This guide provides practice in creating several different screens, and users will also learn new capabilities related to using Analytical Views.

## Overview



A screen can be created via this icon on the header.

This guide includes the following exercises:

- ▶ [Exercise 1: Screen for 5-star stocks \(page 5\)](#)
- ▶ [Exercise 2: Save the screen you created \(page 10\)](#)
- ▶ [Exercise 3: Screen for stocks by P/B Ratio \(page 11\)](#)
- ▶ [Exercise 4: Screen for Gold-rated funds \(page 15\)](#)
- ▶ [Exercise 5: Save the screen you created \(page 19\)](#)
- ▶ [Exercise 6: Modify a screen to find only U.S. large-cap funds \(page 20\)](#)
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- ▶ [Exercise 10: Find passively managed funds \(page 27\)](#)
- ▶ [Exercise 11: Evaluate the ESG scores for large-cap separate accounts and CITs \(page 29\)](#)

## Creating and Saving Screens for Stocks

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

1. Select an **investment type** (for example, stocks, funds, and so on) 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 data set.

### Overview

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

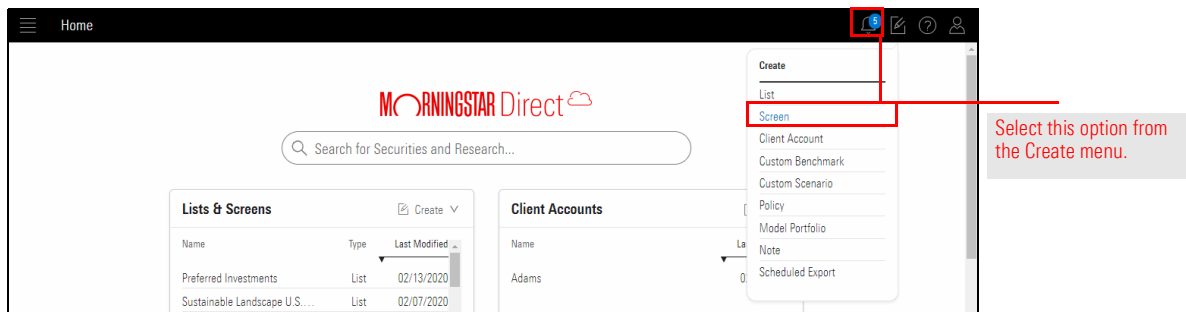
- ▶ changing the data set associated with a screen’s results
- ▶ saving a screen
- ▶ modifying a screen
- ▶ changing the settings for a data point
- ▶ saving a modified screen with a new name, and
- ▶ saving a data set.

Stocks assigned a 5-star rating are those that Morningstar 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.

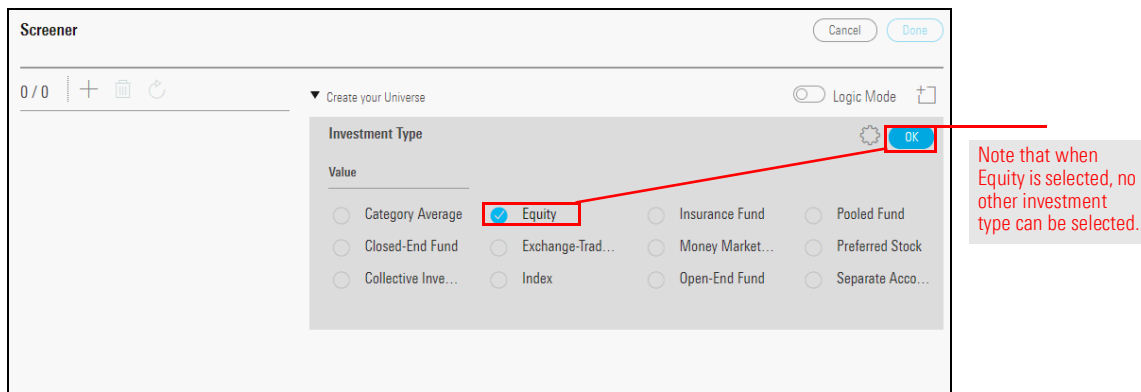
### Exercise 1: Screen for 5-star stocks

As with a list, a screen can be created from anywhere in Morningstar Direct for Wealth Management<sup>SM</sup> by clicking the Create icon on the header. To find 5-star stocks traded in the U.S., do the following:

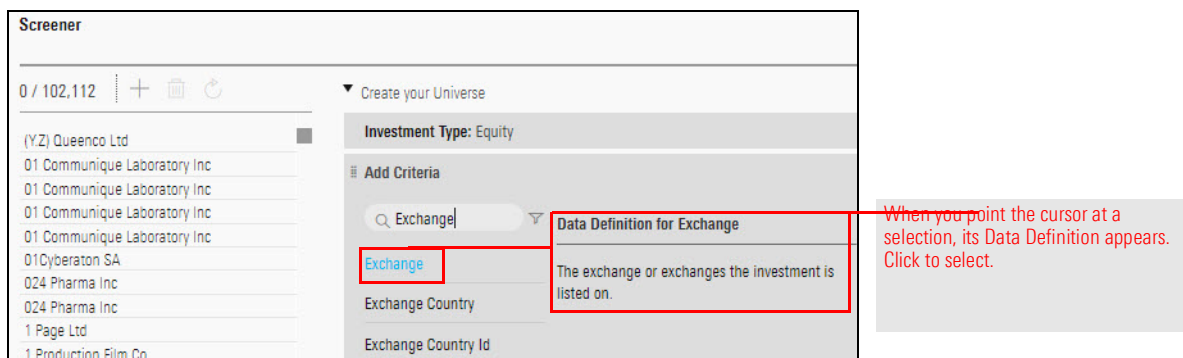
1. On the header, click the **Create** icon, then select **Screen**. The Screener window opens.



2. In the Investment Type area, Select **Equity**.
3. Click **OK**. 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**.
5. Point your cursor at Exchange. Its data point definition appears so you can be sure this is the data point you want.
6. Click **Exchange**.



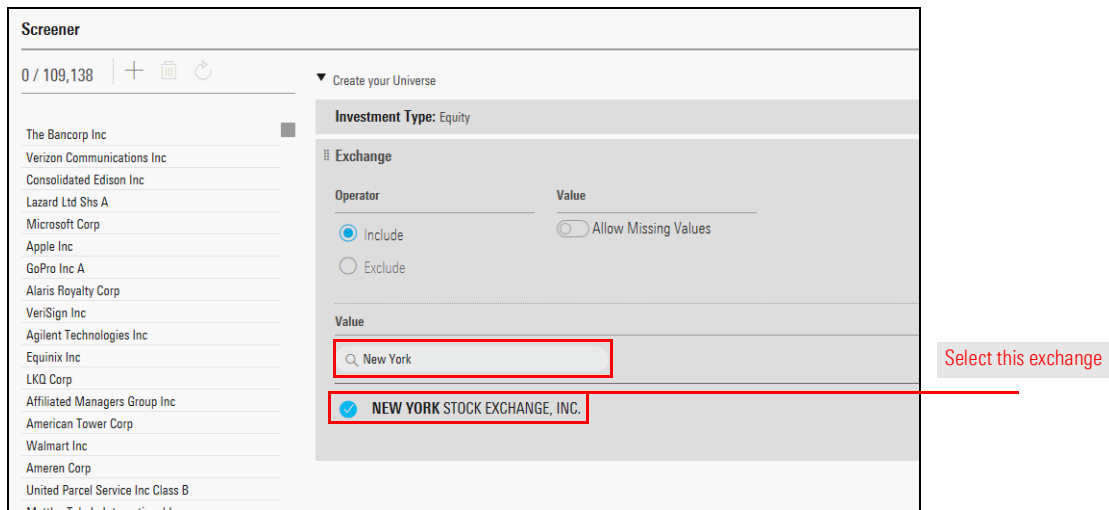
7. In the **Value** search field, search for **NYSE**, then click to select **NYSE ARCA**.

The screenshot shows the 'Screener' interface with the 'Exchange' section expanded. The 'Operator' is set to 'Include' and 'Allow Missing Values' is checked. In the 'Value' search field, 'NYSE' is entered. Below the search field, 'NYSE ARCA' is selected with a blue checkmark, while 'NYSE MKT LLC' is unselected. A red box highlights the search field and the 'NYSE ARCA' option. A red arrow points from a callout box labeled 'Select NYSE ARCA' to the selected option.

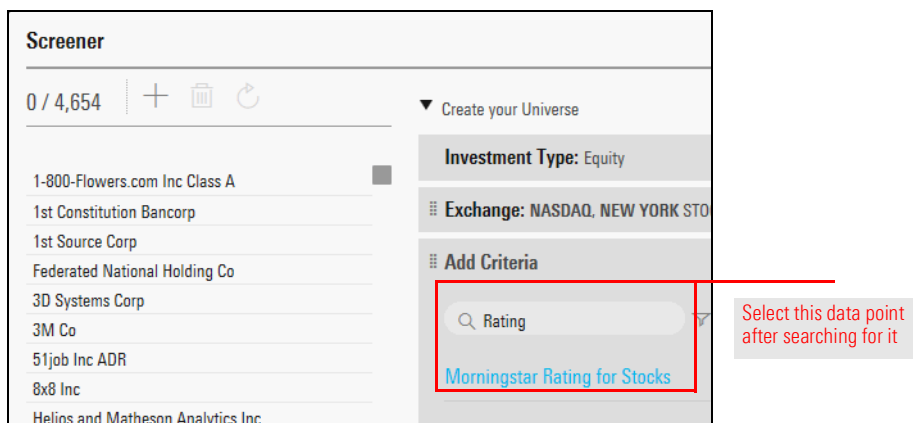
8. Clear the **Value** search field, then enter **NASDAQ** and click it to select its option.

The screenshot shows the 'Screener' interface with the 'Exchange' section expanded. The 'Operator' is set to 'Include' and 'Allow Missing Values' is checked. In the 'Value' search field, 'NASDAQ' is entered. Below the search field, 'NASDAQ' is selected with a blue checkmark. Other options like 'NASDAQ OMX VILNIUS', 'NASDAQ OMX COPENHAGEN A/S', 'NASDAQ OMX HELSINKI LTD.', and 'NASDAQ OMX ICELAND HF.' are visible but unselected. A red box highlights the search field and the 'NASDAQ' option. A red arrow points from a callout box labeled 'Select this exchange' to the selected option.

- Clear the Value search field, then enter **New York** and click **New York Stock Exchange** to select its option.



- Click **OK**. Note that the number of matching stocks is reduced considerably.
- 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**.



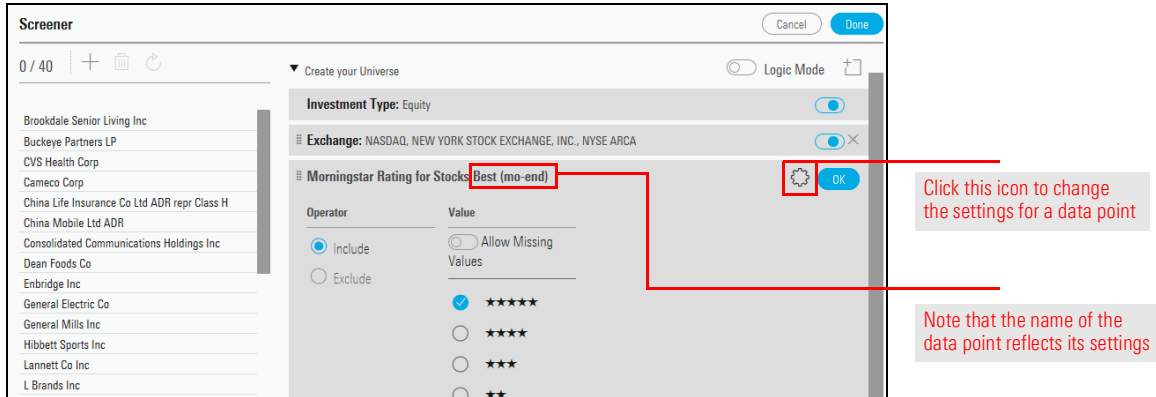
- Select the option for ★★★★★.

By default, the Morningstar Rating data point is configured to show both qualitative and quantitative values. Additionally, it is set to show the star rating for a stock as of the previous month end, rather than the most recent value. Both of these values will be changed so you are seeing only qualitative ratings from the previous day-end.



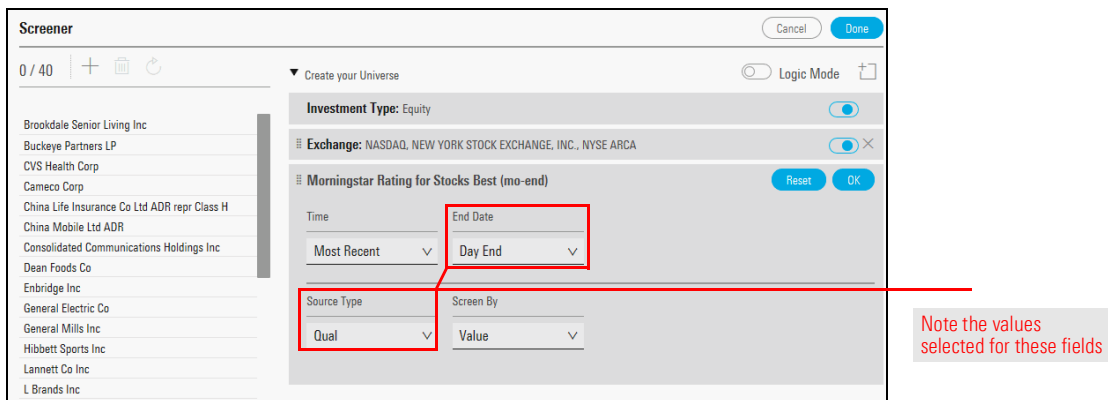
13. Click the **Settings** icon in the data point area. A set of fields opens.

Note: Stocks with a qualitative star rating are covered by a Morningstar analyst. Stocks with a quantitative rating have their rating assigned by an algorithm based on the process Morningstar analysts use to calculate the fair value estimate for a company.



14. From the **End Date** drop-down field, select **Day End**.

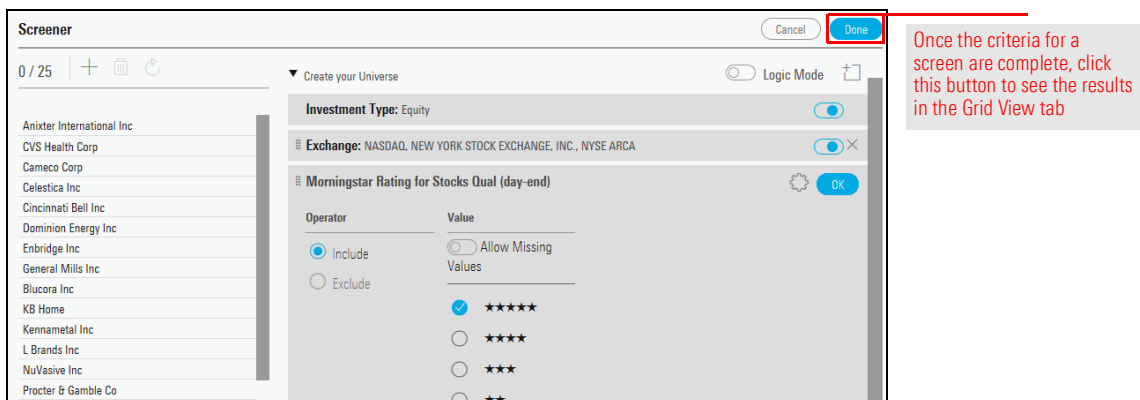
15. From the **Source Type** drop-down field, select **Qual**.



16. Click **OK** to close the Settings window.

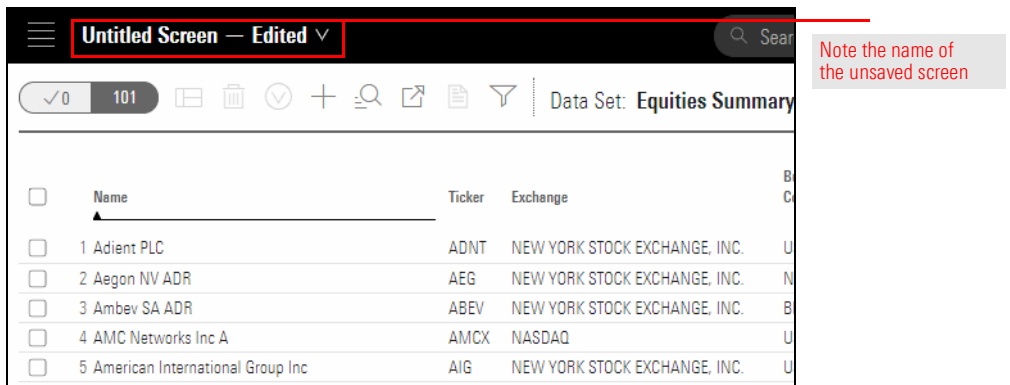
17. Click **OK** to accept the data point as it is configured.

18. Click **Done**. The Screener window closes, and the Equities Summary data set opens.



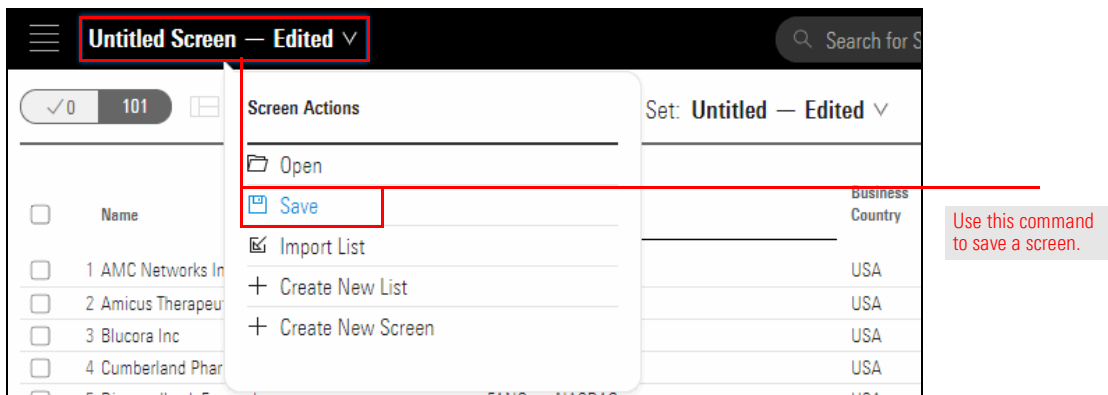
A screen is not automatically saved when you create it. In the upper-left corner of the window, note the name of the screen: **Untitled Screen – Edited**. This indicates that the screen has not been saved.

**Exercise 2: Save the screen you created**



Once saved, the screens you create in web-based Morningstar Direct 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. From the toolbar above the grid, click the drop-down field that reads **Untitled Screen – Edited**, then select **Save**. A dialog box opens.



2. In the **name** field, type **5-Star Stocks**.
3. Click **Save**. The dialog box closes, and the name of the screen now appears at the top of the Grid.

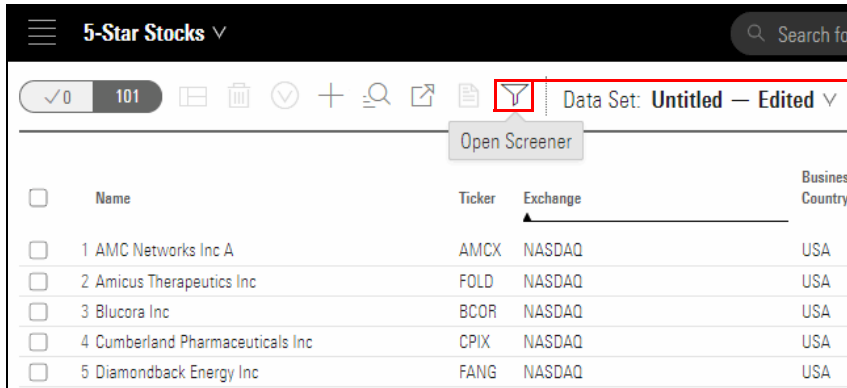
Before moving on to creating a screen for funds, you should complete one additional exercise on screening for stocks. This exercise allows you to practice the following skills:

**Exercise 3: Screen for stocks by P/B Ratio**

- ▶ changing an existing screen
- ▶ screening for stocks with a Price-to-Book Ratio less than 1
- ▶ saving a new screen without changing an existing saved screen, and
- ▶ saving a data set to preserve a grouping.

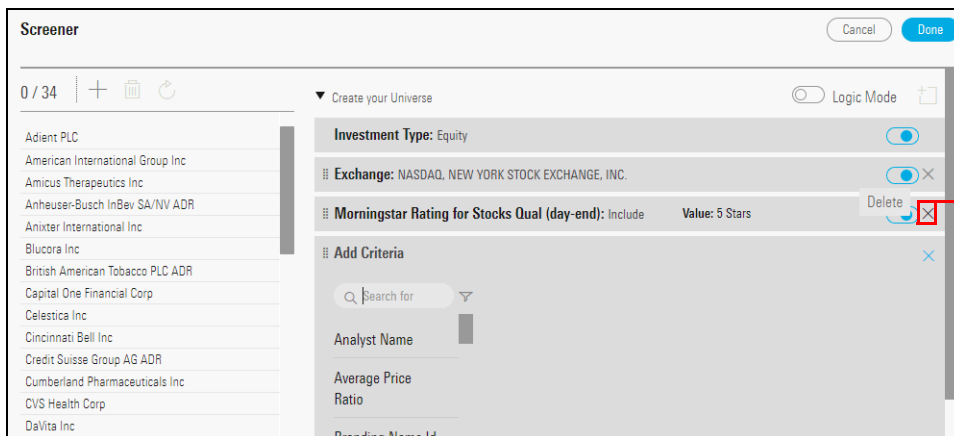
Do the following:

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



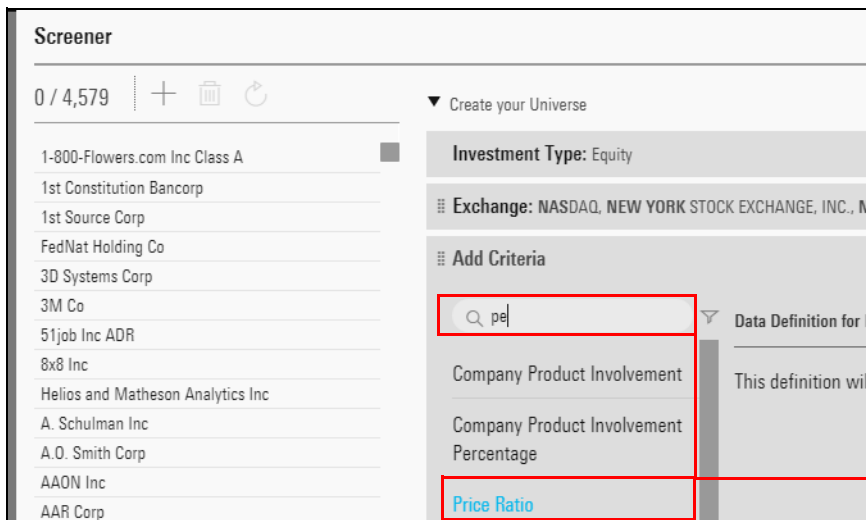
This icon allows you to open the screener window.

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



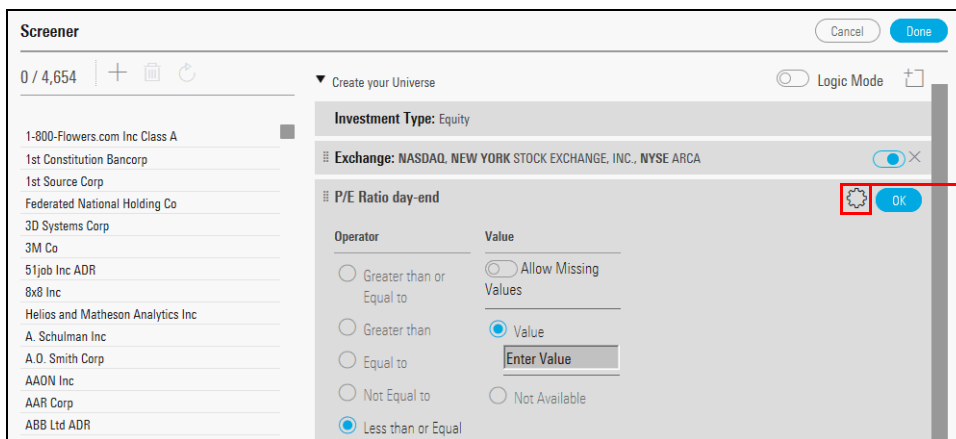
Click here to remove an item from a screen.

- In the Add Criteria area in the **Search** field, type **pe**, then click **Price Ratio**.



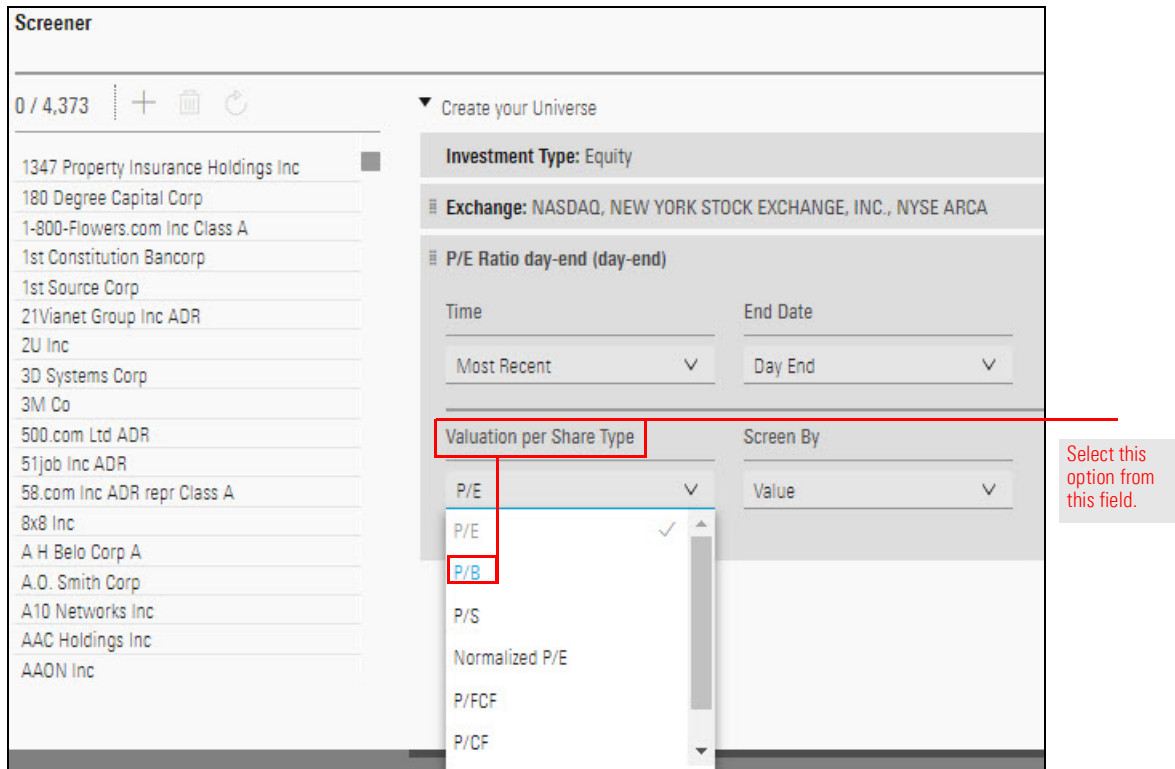
Note the term to search for, and the item to select.

- The data point defaults to P/E Ratio day-end. To change this to the P/B Ratio, click the **Settings** icon.

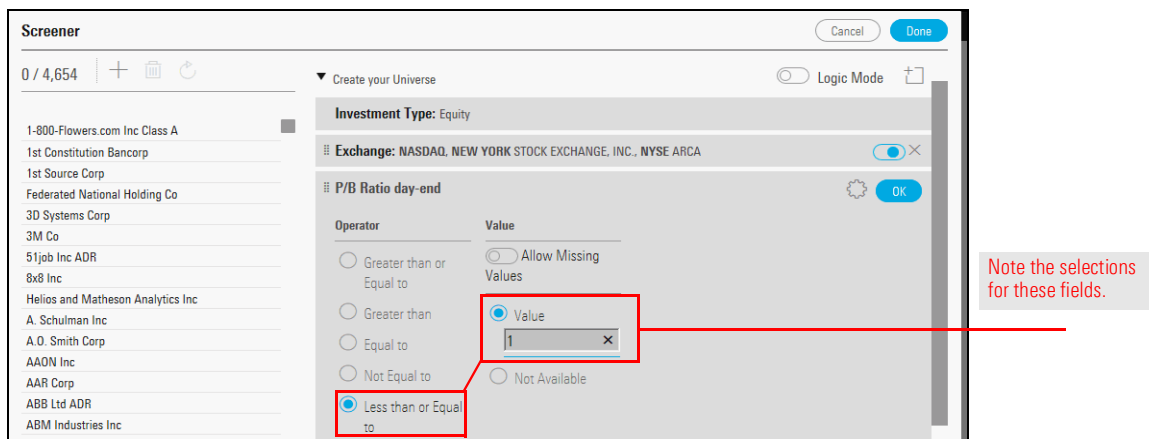


Click this icon to change the settings for this data point.

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

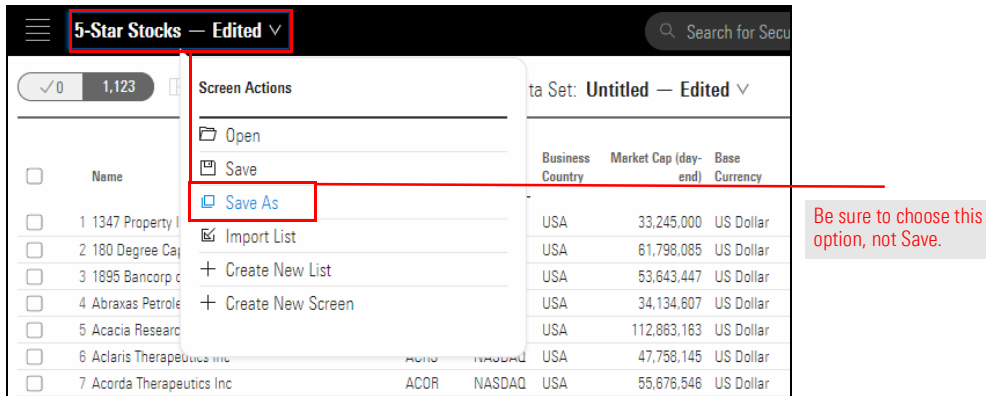


- Click **OK**.
- The Operator column should show the option for Less than or Equal to selected. In the **Value** field, enter **1**.



- Click **OK**.
- Click **Done**. The Screener window closes, and the data set is displayed.

- The word "Edited" after the screen's name indicates the screen has unsaved changes. To save this screen with a new name, click the **Screen Actions** menu and select **Save As**.



- In the **name** field, enter **Undervalued Stocks**, then click **Save**. The new name appears at the top of the window.

## Creating and Saving Screens for Funds

The process of creating and saving screens for funds is almost 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 View tab
- ▶ change a screen’s name, and
- ▶ find a data point if it does not automatically appear when searching for it by name.

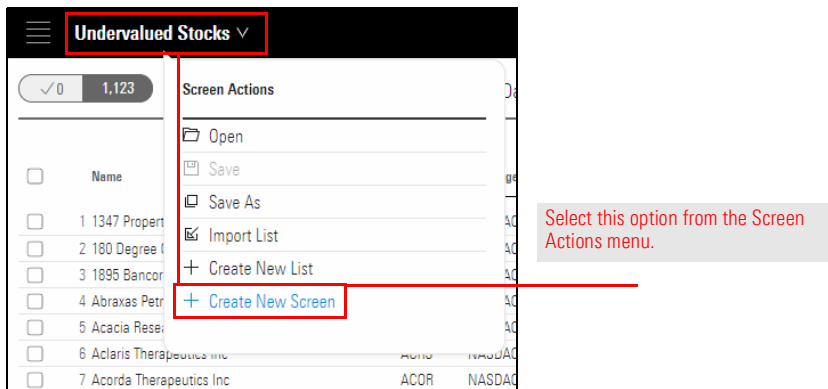
### Overview

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:

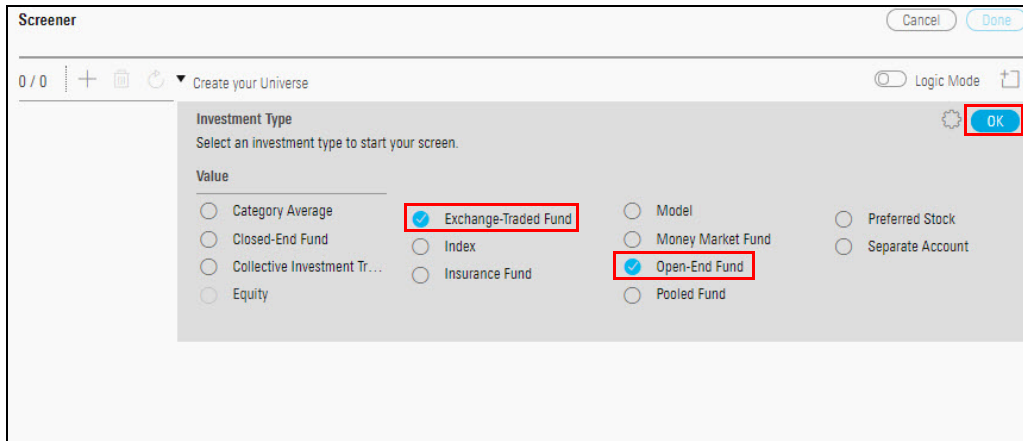
### Exercise 4: Screen for Gold-rated funds

1. From the **Screen Actions** menu, select **Create New Screen**. The Screener window opens.

**Note:** You might be prompted to save changes to your data set.

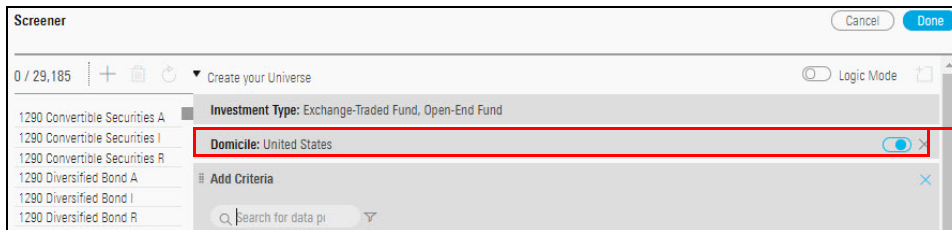


- In the Investment Type area, click **Exchange-Traded Fund** and **Open-End Fund**, then click **OK**.



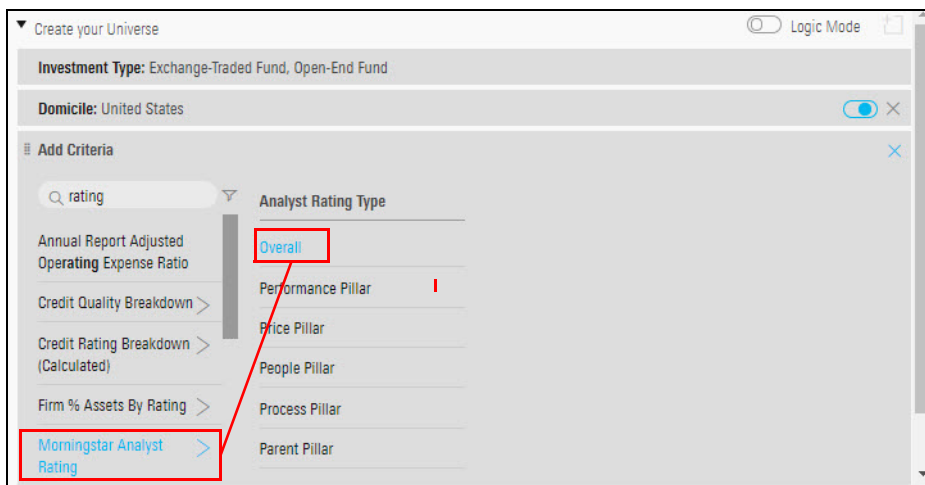
After making your selection(s) for a field, be sure to click OK.

A criterion for Domicile: United States is automatically added. This saves you the trouble of having to filter for only those funds sold in the U.S.



The Domicile criteria is included automatically, and is set to United States.

- To find funds with a Gold Morningstar Analyst Rating, in the Add Criteria **Search** field, type **rating**.
- Select **Morningstar Analyst Rating > Overall**.



Note the search term, and the item to select.



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

Investment Type: Exchange-Traded Fund, Open-End Fund

Domicile: United States

Morningstar Analyst Rating (day-end)

Operator:  Include,  Exclude

Value:  Allow Missing Values,  Bronze,  Gold,  Negative,  Neutral,  Silver,  Under Review

OK

Select this option, then click OK.

6. To find a single instance of each fund, in the Add Criteria **Search** field, type **old**. Select **Oldest Share Class**. Additional fields appear.

Create your Universe

Investment Type: Exchange-Traded Fund, Open-End Fund

Domicile: United States

Morningstar Analyst Rating: Gold

Add Criteria

Search: old

- # of Holdings
- Country Available for Sale
- HOLDR
- Inception Date of Fund's Oldest Share Class
- Oldest Share Class

Note the search term, and the item to select.

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

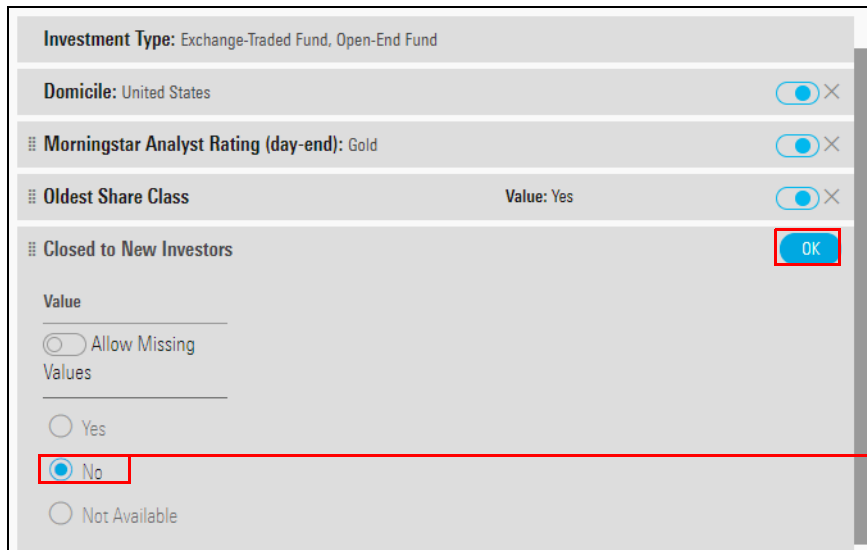
Some fields have a default option selected when you include them in a screen.

- To find funds open to new investors, in the Add Criteria **Search** field, type **open**, then select **Closed to New Investors**.

Note the search term, and the item to select.

- Select the option for **No**.

10. Click **OK**.



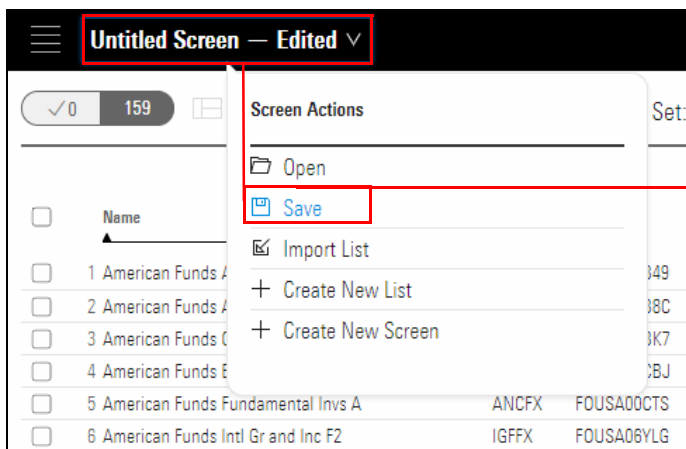
Be sure to select this option before clicking OK.

11. Click **Done**. The Screener window closes and the Manager Research data set opens.

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

1. Click the **Screen Actions** menu and select **Save**. A dialog box opens.

**Exercise 5: Save the screen you created**



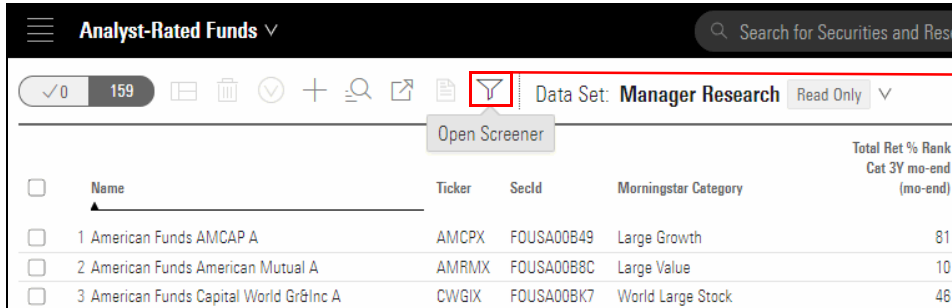
Use this command to save the screen.

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

In this exercise, the Analyst-Rated Funds will be modified to look for only U.S. large-cap funds, and then re-saved. You will also learn an alternate way to screen for a popular data point. Do the following:

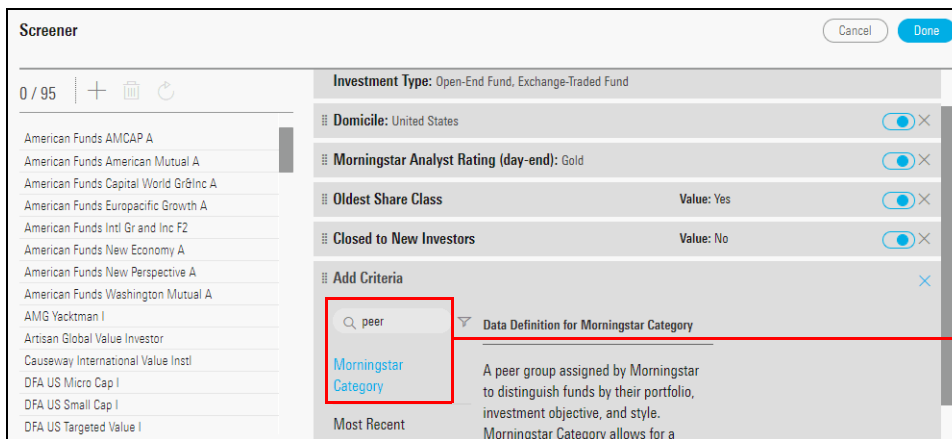
**Exercise 6: Modify a screen to find only U.S. large-cap funds**

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



Use this icon to open the Screener window.

2. To add a data point to find only U.S. large-cap funds, in the bottom Add Criteria area, in the **Search** field, type **peer**.
3. Select **Morningstar Category**. Additional fields appear.



The smart search capability can allow you to find a data point by searching for a synonym of its name.

- In the Value **Filter** field, type **large**. The list of available categories updates to match your search term.
- Select **Large Blend**, **Large Growth**, and **Large Value**.

The screenshot shows the 'Screener' window with the following settings:

- Operator:** Include (selected)
- Region:** United States
- Value:** Allow Missing Values (unchecked)
- Global Broad Category Group:** All
- Search:** large
- Selected Categories:** Large Blend, Large Growth, Large Value

Annotations:

- Red box around the search field: "Use this field to narrow the list of options."
- Red box around the selected categories: "Select the categories you want included in the screen."

- Click **OK**.
- Click **Done**. The Screener window closes and the data set is displayed.
- From the **Screen Actions** menu, select **Save**. (In this exercise, it is OK to overwrite the previously saved screen.)

The screenshot shows the 'Screen Actions' menu with the following options:

- Open
- Save (highlighted)
- Save As
- Import List
- Create New List
- Create New Screen

Annotation:

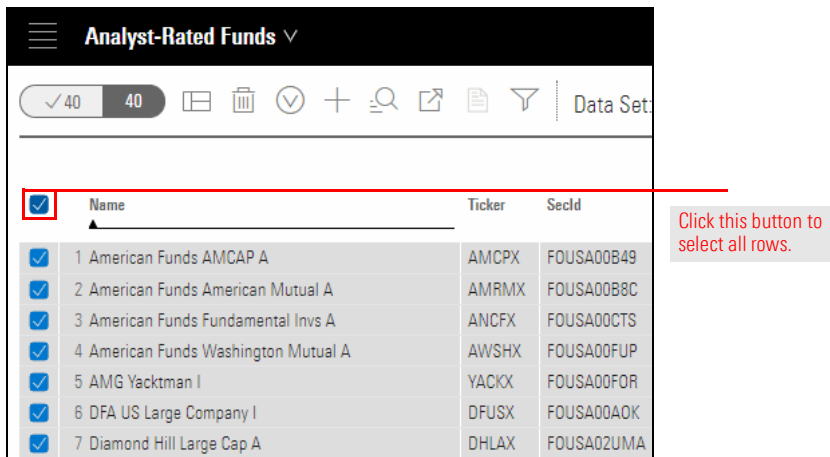
- Red box around 'Save': "Use this command to save the modified screen."

Remember that the results of a screen are dynamic. Depending on the criteria you include, the investments found by 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:

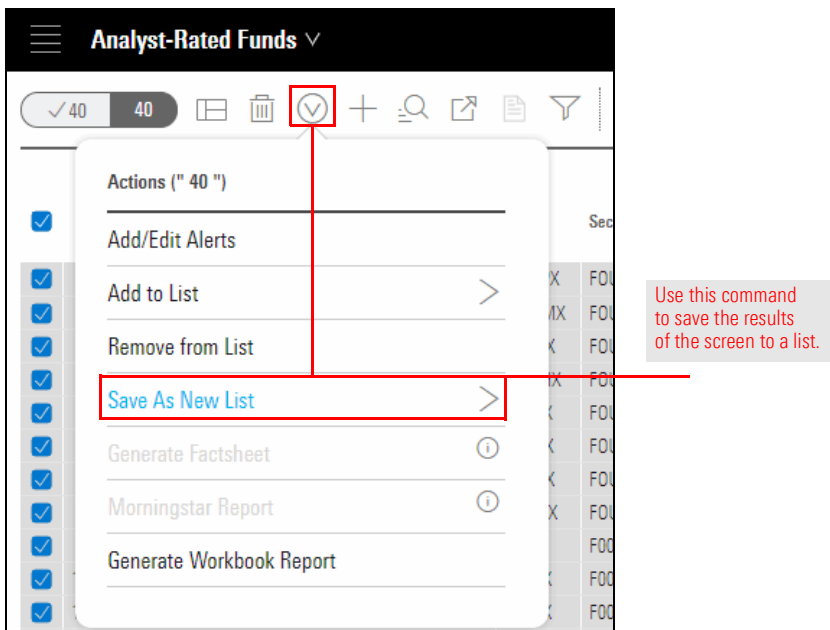
**Exercise 7: Save funds from a screen to a list**

1. To choose the investments to be included in the list, in the Grid, click the **Select All** button.

Note: If any of the listed funds are already selected, click the Select All button to deselect them. Then, click it again to select all rows.



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

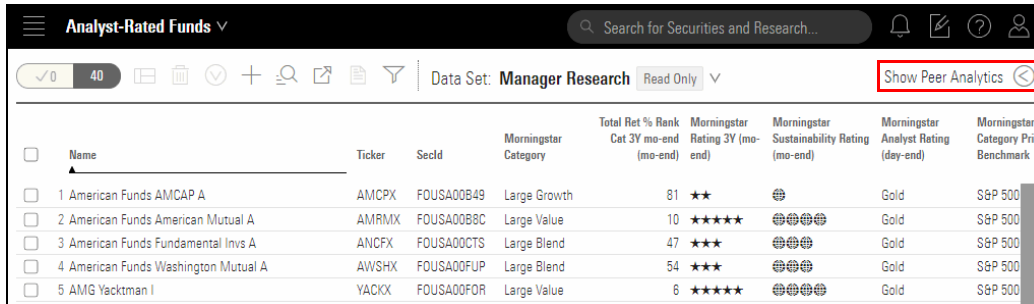


3. In the **Enter list name** field, type **Gold-Rated Large Cap Funds**.
4. Click **Done**. Note that the new list does not open in the data set. The Analyst-Rated Funds screener is still displayed.
5. Click the **Select All** button again to deselect the rows.

Now that you have used the Screener window to find the funds you want to analyze, you can use the Grid to visualize the data bit more clearly. One way to do this is to group the funds by Morningstar Category. While you could click the Morningstar Category column header to sort the rows, grouping the rows allows you to show or hide only the rows you want. Do the following:

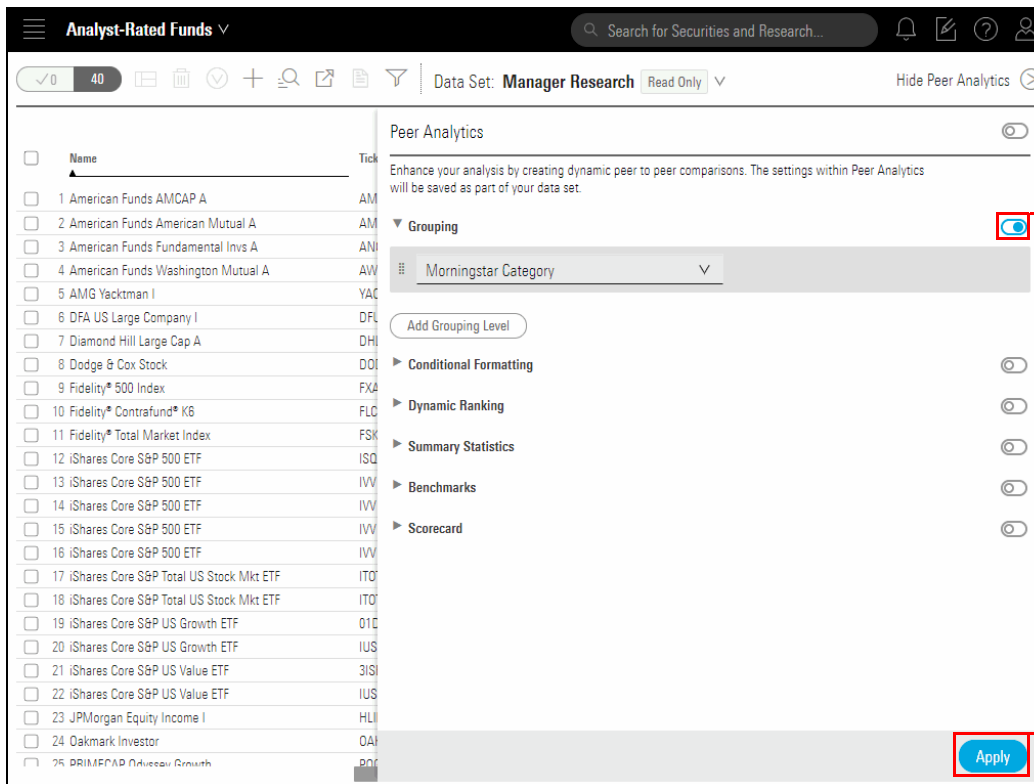
**Exercise 8: Group funds by category in the Grid**

1. On the right side of the Grid header, click **Show Peer Analytics**. The Peer Analytics panel opens on the right.



Click here to open the Peer Analytics panel.

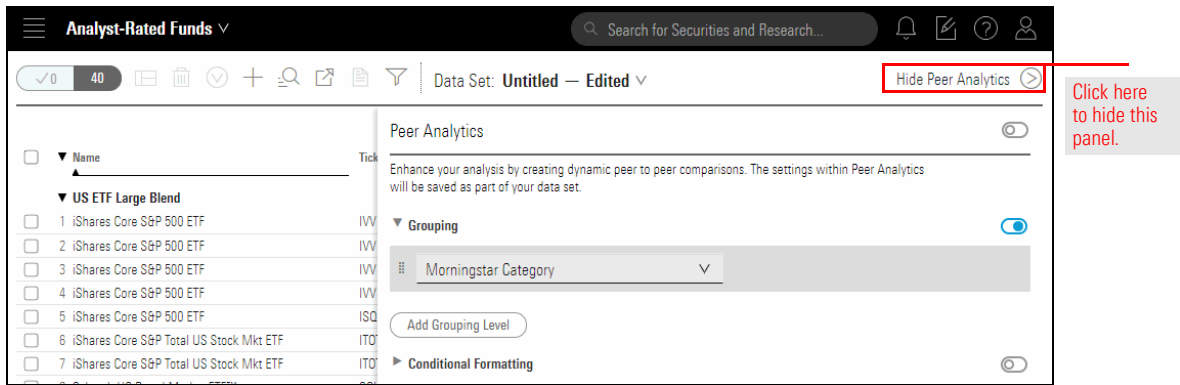
2. Click the **Grouping** switch to activate it. In the drop-down field, Morningstar Category should already be selected.
3. Click **Apply**.



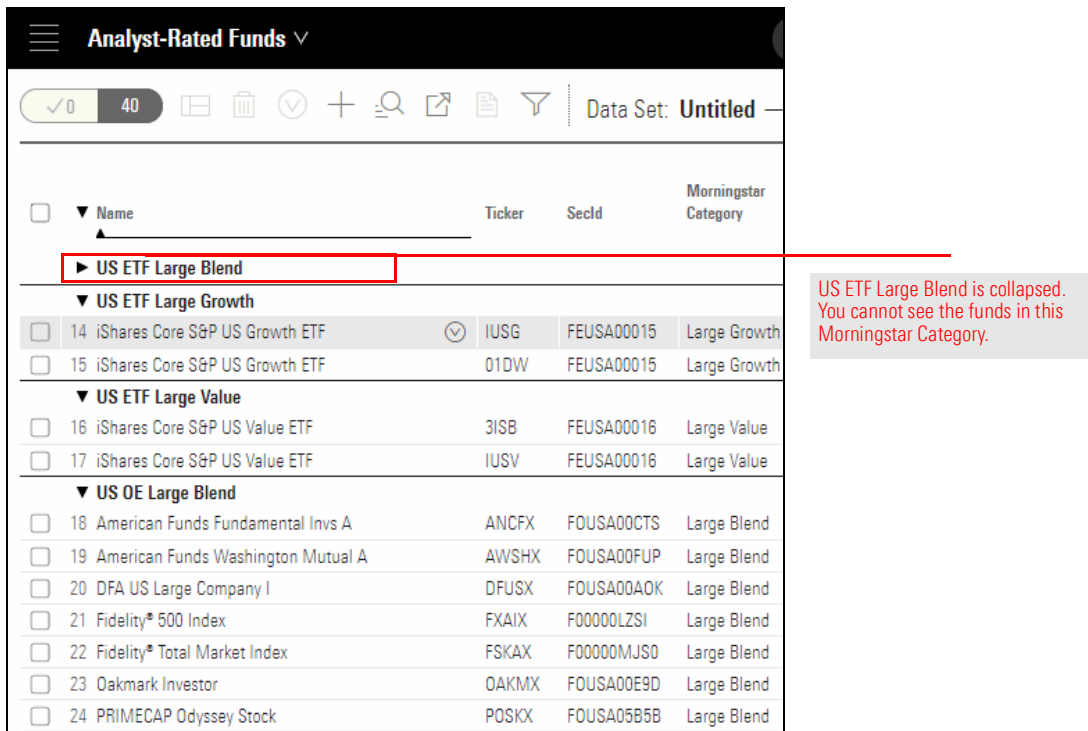
Be sure this switch is activated.

... then click this button.

- At the far right of the Grid header, click **Hide Peer Analytics**.

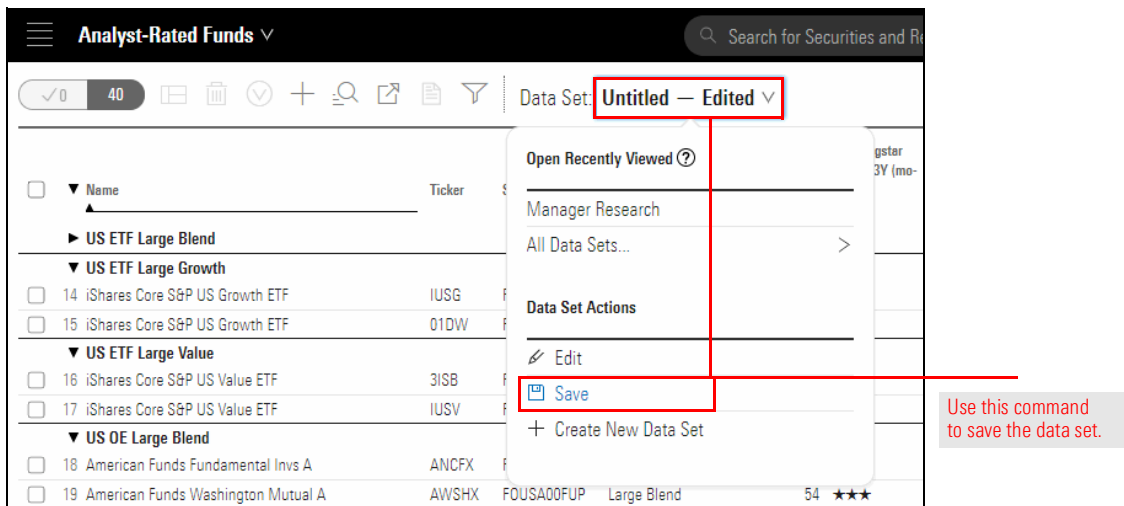


- In the Grid you can click the **group heading** for each Morningstar Category to collapse and expand the groups.





- Saving the data set ensures each time this data is opened, the peer analytics function groups the investments by Morningstar Category, whether you open this screen, another screen, or a list. To save the changes you just made, from the **Data Set** menu, select **Save**.

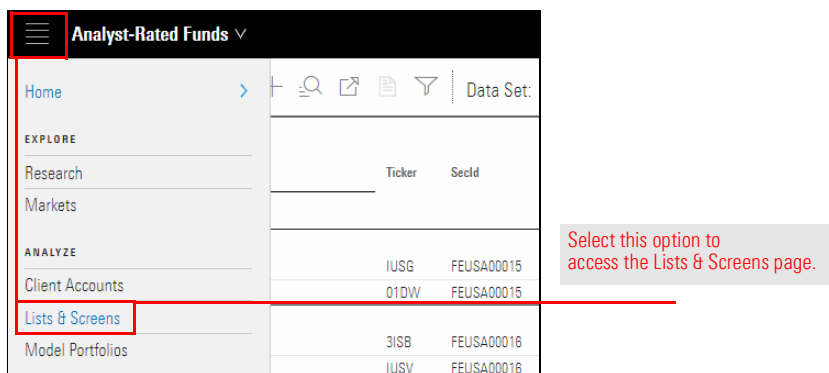


- In the **name** field, enter **Morningstar Categories View**, then click **Save**.

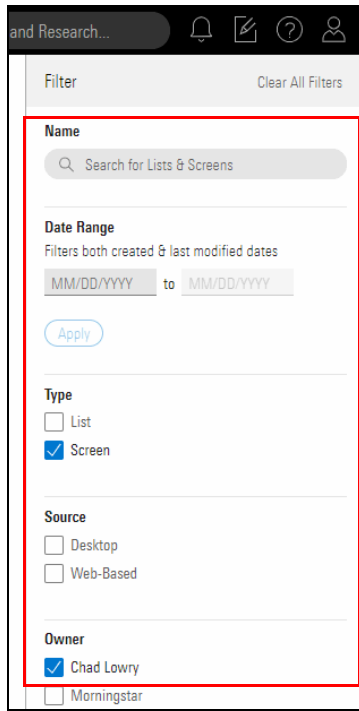
If you need to change the name of a screen, this can be done from the Lists & Screens page. To change the name of the Analyst-Rated Funds screen, do the following:

**Exercise 9: Change the name of a screen**

- Hover your mouse** over the **Menu** icon, then select **Lists & Screens**.

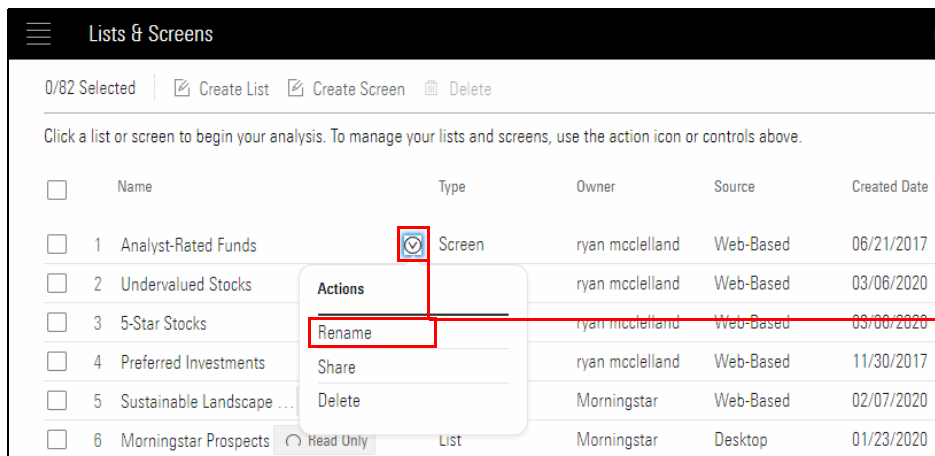


- On the Lists & Screens page, the Filter panel offers several options to narrow the lists and screen displayed. In the **Type** area, select **Screen**.
- In the **Owner** area, select **your name**. Now the left part of the page shows only screens you created.



Note you can filter by searching for the name of a list or screener, applying a date range, type, and owner.

- If you have numerous items listed, **double-click** the **Created Date** column heading to display the screens you recently created at the top of the column.
- Hover the cursor** over the **Analyst-Rated Funds** row to display the Actions icon to the right of the screen's name. Click the **Actions** icon and select **Rename**.

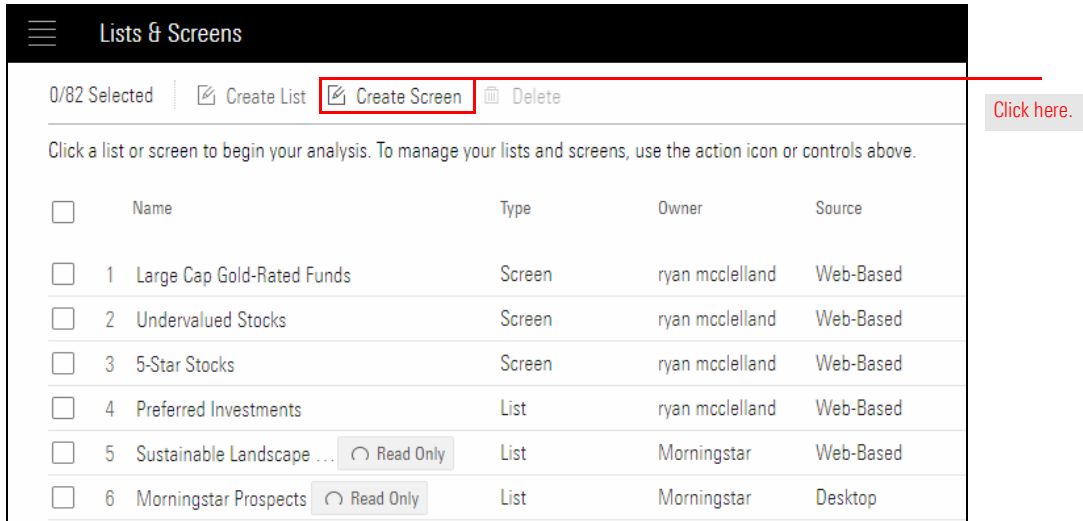


- In the name field, enter **Large Cap Gold-Rated Funds**.
- Click **Save**.

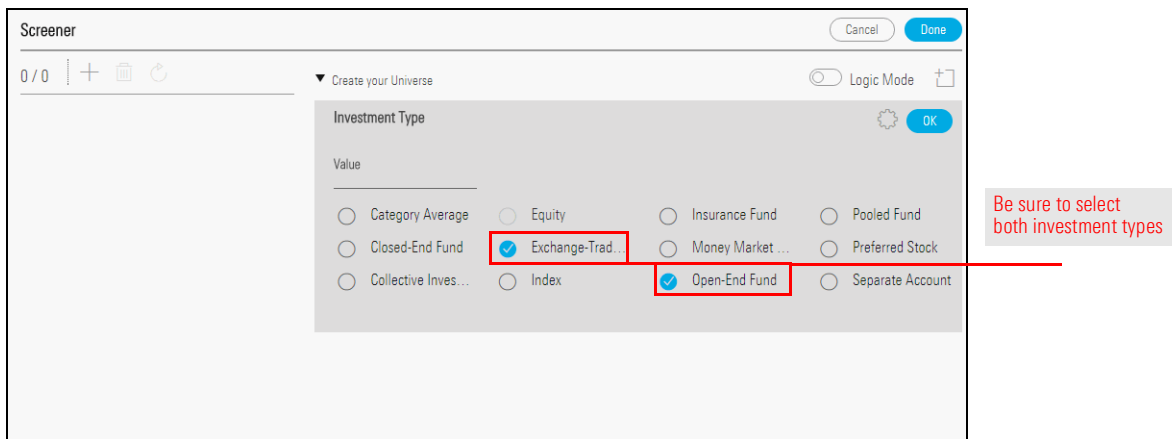
How many passively managed open-end funds and ETFs are in the Mid-Cap Value category? This exercise not only provides additional practice in creating and saving a screen, but also shows you another smart search term you can use to find a particular data point. Do the following:

**Exercise 10: Find passively managed funds**

1. At the top of the Lists & Screens page, click **Create Screen**. The Screener window opens.

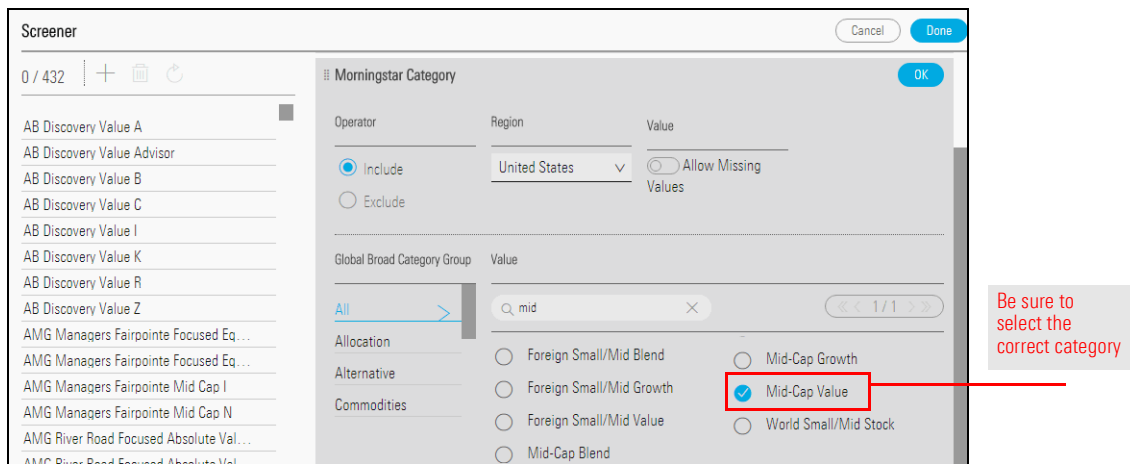


2. Select **Exchange-Traded Fund** and **Open-End Fund**.

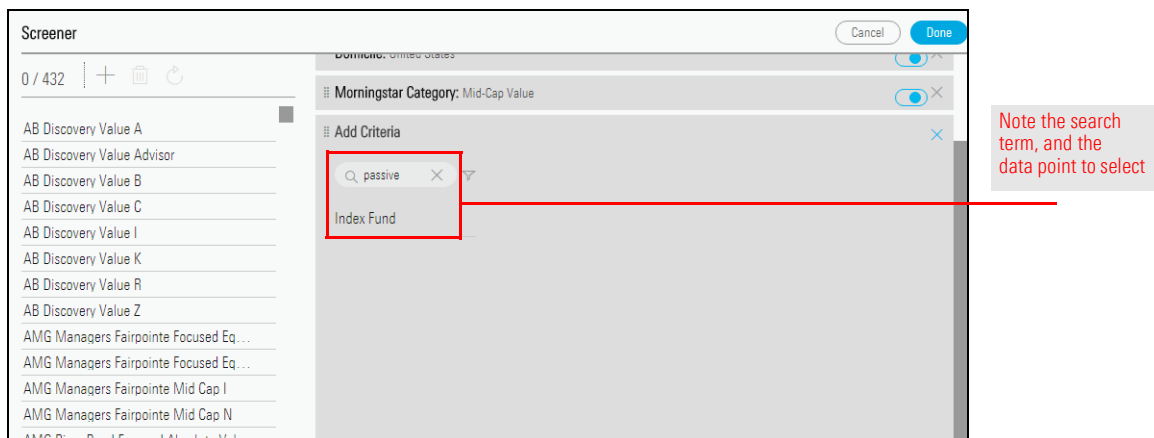


3. Click **OK**.

4. In the Add Criteria area, in the **Search** field, enter **peer**, then select **Morningstar Category**.
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** field, enter **passive**, then select **Index Fund**. The Value for this data point defaults to Yes.



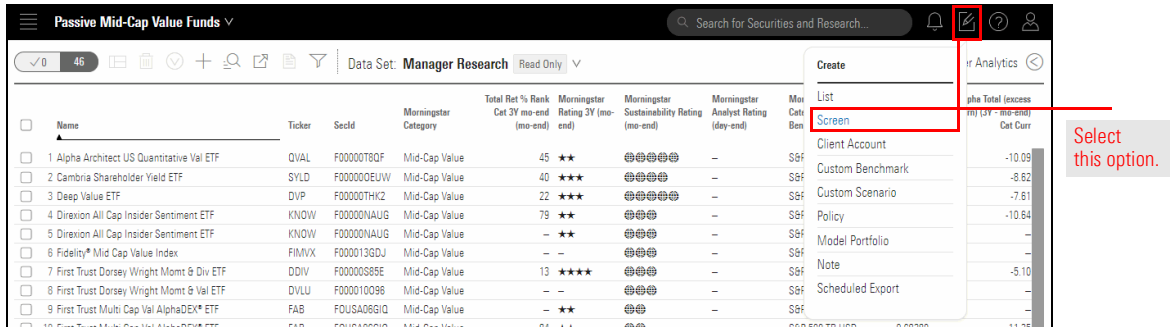
8. Click **OK**.
9. Click **Done**. The Screener window closes, and you are taken to the Manager Research data set.
10. **Save** the screen with the name **Passive Mid-Cap Value Funds**.

What do the ESG (Environment, Social, and Governance) scores look like for large-cap separate accounts and collective investment trusts (CITs)? This exercise allows you to screen for those investment types and display a particular data point in the Grid.

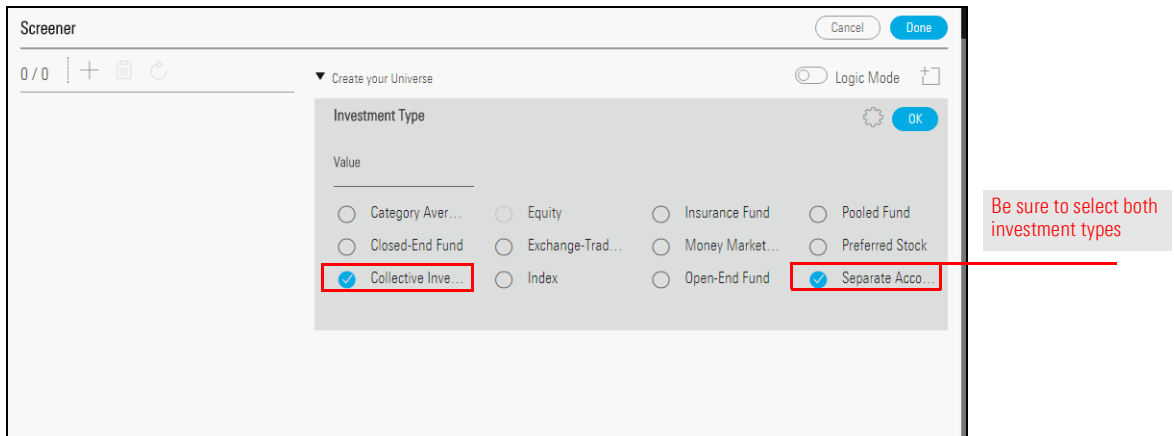
**Exercise 11: Evaluate the ESG scores for large-cap separate accounts and CITs**

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

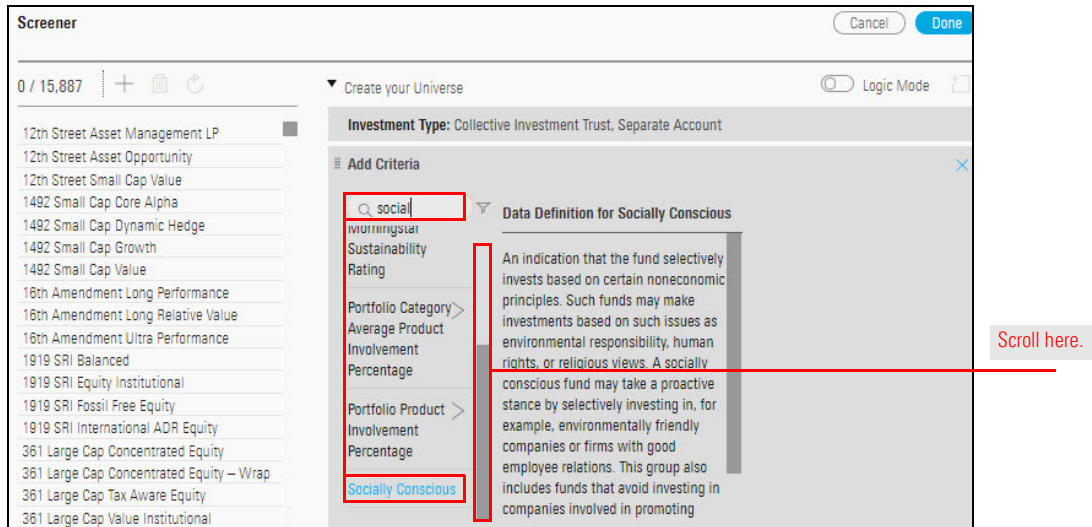
Note: If you are prompted to save the data set, click **Don't Save**.



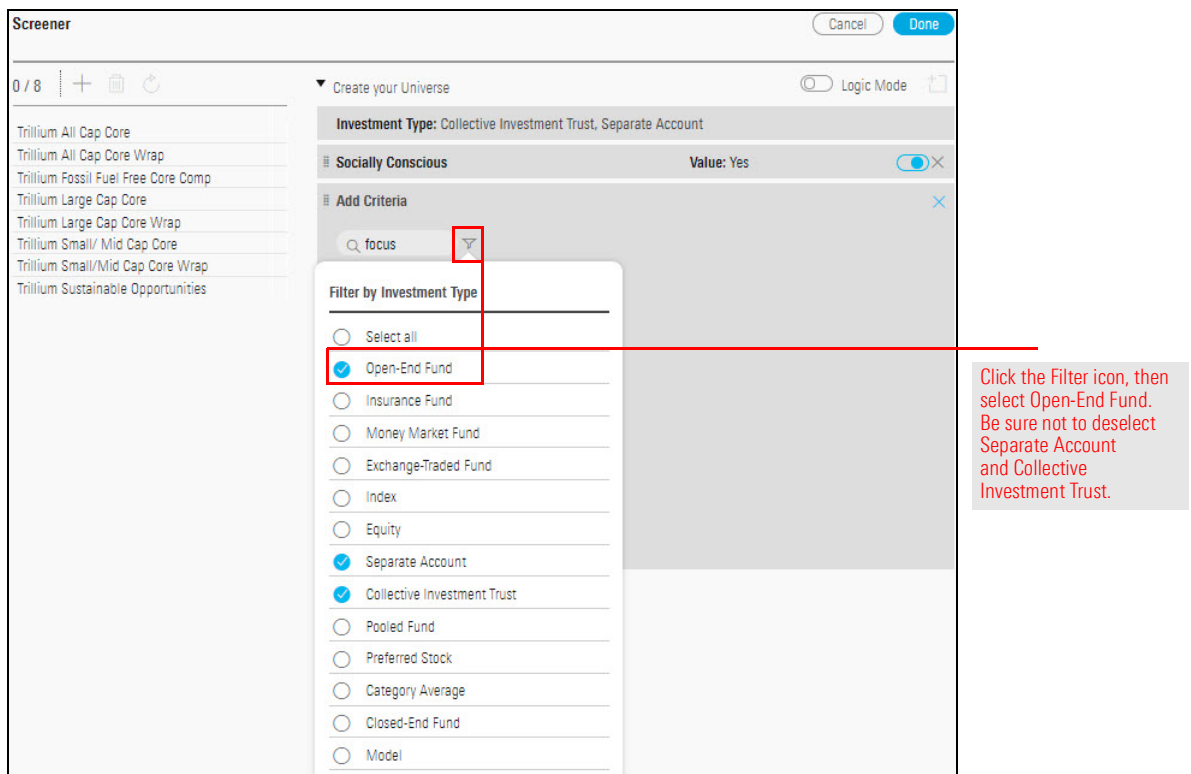
2. Select **Collective Investment Trust**, and **Separate Account**, then click **OK**. The investment type (or types) you select determine the subsequent data points available to you in a screen. For example, after selecting these two investment types, you cannot use “Morningstar Stock Star Rating”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



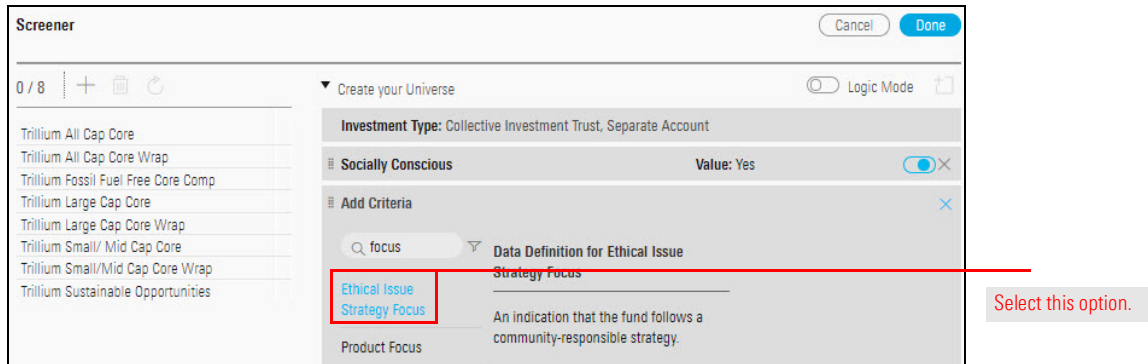
- In the Add Criteria area, in the **Search** field, enter **social**. **Scroll down** to the bottom of the results list, then select **Socially Conscious**. The Value defaults to Yes.



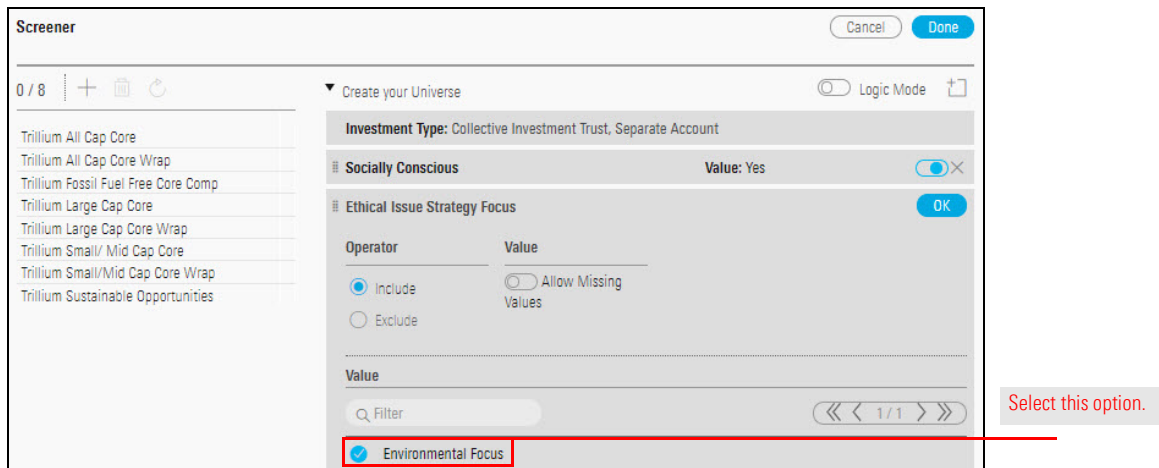
- Click **OK**.
- The next data point, Ethical Issue Strategy Focus, finds investments particularly focused on the environment. In the Add Criteria area, in the **Search** field, enter **focus**. Note that only Product Focus appears as a data point.
- To the right of the search field, click the **Filter** icon. The Filter by Investment Type menu opens. Separate Account and Collective Investment Trust are already selected.
- Select **Open-End Fund**. This allows you to see data points for that universe as well.



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



10. In the Value area, select **Environmental Focus**.



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