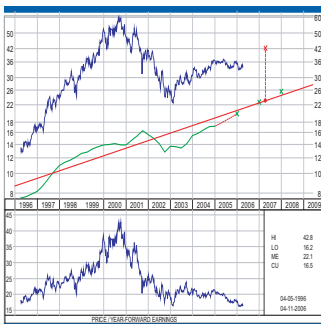


Narrowing Down the Choices

Screening ETFs in StockVal



ABOUT STOCKVAL

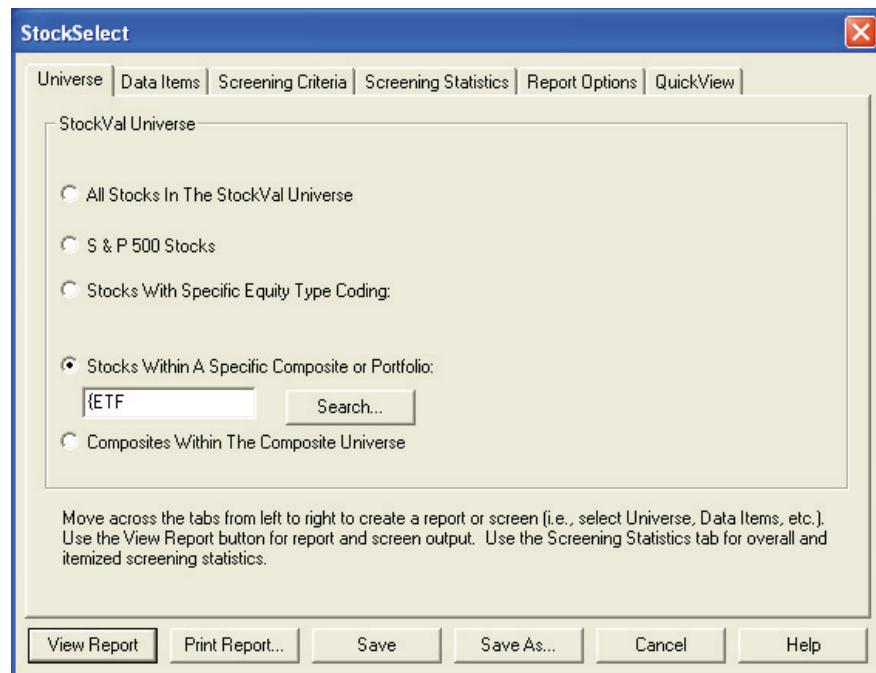
As ETFs (Exchange Traded Funds) gain popularity, there are more funds to choose from and more considerations when it comes to investing. StockVal has created ETF Composites which are bottom up reconstructions of the funds based on the % of NAV. These composites are unique to StockVal and allow users to analyze the fundamental characteristics of each ETF.

Using the StockSelect tool in StockVal allows users to screen all ETFs based on specific criteria. There are over 1000 data items to choose from when setting up a screen, ranging from fundamental and valuation data to consensus and growth metrics; either on an absolute or relative basis.

Screening the ETF Universe

Create a new StockSelect Report using the ticker {ETF}. This will include all ETFs available in StockVal.

Since 1985, StockVal has offered comprehensive equity analysis and portfolio management tools to the investment management community through distinctive software and database products.



Selecting Data Items

Data items can be selected on the 'Data Items' tab, once the universe has been selected. Double-click on a data item to add it to the screen or right-click on the data item to remove it.

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Setting up the screen

After selecting the data items, parameters can be set from the 'Screening Criteria' tab that will be used to filter the ETF Composites. There are 3 sort levels that are available and listed in a descending or ascending order. Relatives can also be set by entering the desired benchmark ticker.

The sample screening criteria below is meant to filter out those ETF Composites that are relatively undervalued. The Forward PE ratio is screened relative to the market. To eliminate the possibility that ETFs with negative earnings will pass the screen, a minimum has been set for all PE ratios. Only the top 85% of Revenue and EPS growth rates are included in the screen. The T4Q ROE has no range set, and therefore will only be listed as a data item for all ETF's that have passed the above criteria. The results will be sorted in ascending order on relative PEF12M.

The screenshot shows the 'StockSelect' application window with the 'Screening Criteria' tab selected. The window contains a table with the following data:

Data Item	Pctile	Min(>=)	Max(<=)	Sort Level	Rel To
PE F12M	No	0		(none)	
PE F12M	No	0	1.00	Primary(A)	SP5A
PE F12M / GRE 5-Year Median	No	0	1.3	(none)	
EPS Growth LFY %	Yes	15		(none)	
Revenue Growth LFY	Yes	15		(none)	
Return On Equity T4Q	No			(none)	

Below the table is an 'Apply Column' button. At the bottom of the window are buttons for 'View Report', 'Print Report...', 'Save', 'Save As...', 'Cancel', and 'Help'.

Screening Statistics

After setting the screening criteria, the members that passed, as well as the statistics, can be viewed on the 'Screening Statistics' tab. Clicking on Prescreen Statistics button will hide the passing numbers and percent for each data item.

This is an overview of the screen and allows a composite to be made of the passing members for use throughout StockVal. Simply click on the 'Assign to Composite' button. Composites created here will be saved in the Composite Library and can be used throughout StockVal.

Based on the screening criteria, there are only 16 ETF's that passed – just about 12%.

The screenshot shows the 'StockSelect' application window with the 'Screening Statistics' tab selected. The window title is 'StockSelect'. The main area displays the following information:

- Universe: {ETF 'ETF COMPOSITES'}
- Number Passed: 16
- Number in Universe: 131
- Percent: 12%

Buttons for 'Prescreen Statistics' and 'Assign To Composite...' are visible. Below this is a table of data items with their respective statistics:

Data Items	Min	Max	Mean	Median	Num Pass	Pct Pass
PE F12M	9.6	14.7	11.6	12.0	130	99.2
PE F12M	0.65	1.00	0.79	0.82	51	38.9
PE F12M / GRE 5-Year Medi...	0.59	1.30	1.08	1.17	48	36.6
EPS Growth LFY %	7.28	124.62	33.79	28.72	112	85.5
Revenue Growth LFY	4.21	36.47	17.01	15.12	112	85.5
Return On Equity T4Q	13.81	36.73	22.23	21.50	131	100.0

At the bottom of the window, there are buttons for 'View Report', 'Print Report...', 'Save', 'Save As...', 'Cancel', and 'Help'.

The screening statistics can also be helpful in establishing ranges for data items. If the parameters are too strict, then few members will pass. Using the Min, Max and Median data as guidance can be helpful for setting parameters that are reasonable and meaningful.

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Saving the Screen

Once the screen has been set, the screen can be saved and used again. Click on the 'Save As' button and assign a Name and Title to the screen. To use this screen again, open StockSelect and search the library.

Viewing the Report

Members that have passed the screen can be printed and viewed in a report form. This report will list out all passing members, group statistics and screening parameters used. Individual members can be viewed quickly by double-clicking on the ticker symbol, defaulting to the Price & Earnings Graph.

ETF Universe Screen							
Stock Name	Symbol	Relative		PE F12M / GRE 5yr Median	EPS Growth LFY %	Revenue Growth LFY	ROE T4Q
		PE F12M	PE F12M				
Relative To		SP5A					
SPDR METALS & MINING F-Wtd	ETFAME	9.8	0.66	1.23	32.35	13.17	27.83
SPDR OIL & GAS EQUIPMENT F-Wtd	ETFES	10.1	0.68	1.11	124.62	31.95	20.89
DYNAMIC ENERGY SECTOR PORTFOLIO	ETFPXI	10.3	0.69	1.09	97.08	23.76	26.15
SPDR HOMEBUILDERS F-Wtd	ETFHNB	10.4	0.70	0.62	39.40	22.98	33.41
BLDRS EMERGING MARKETS 50 ADR	ETFADRE	10.5	0.70	0.59	36.02	28.17	23.51
SPDR OIL & GAS EXPLORATION F-Wtd	ETFOP	10.6	0.71	1.27	46.24	36.47	24.39
DYNAMIC INSURANCE INDEX F-Wtd	ETFPIC	10.8	0.72	0.96	16.10	8.18	13.84
BLDRS EUROPE 100 ADR INDEX FUND	ETFADRU	12.1	0.81	1.21	12.72	7.70	21.50
DYNAMIC MID CAP VALUE F-Wtd	ETFPWP	12.1	0.81	1.21	13.78	7.65	17.58
DYNAMIC LARGE CAP VALUE PORTFOLIO	ETFPWV	12.4	0.83	1.30	12.77	17.59	18.09
BLDRS DEVELOPED MARKETS 100 F-Wtd	ETFADRD	12.4	0.83	1.17	11.60	6.74	19.49
DYNAMIC FINANCIALS SECTOR PORTFOLIO	ETFPFI	12.6	0.85	1.08	13.49	20.88	15.76
DYNAMIC BUILDING & CONSTRUCTION PO	ETFPKB	13.0	0.87	0.83	32.63	14.82	28.54
DYNAMIC MARKET PORTFOLIO F-Wtd	ETFPWC	13.9	0.93	1.23	28.72	12.63	22.44
BLDRS ASIA 50 ADR INDEX FUND F-Wtd	ETFADRA	14.1	0.95	1.03	7.28	4.10	14.00
STREETTRACKS DJ WILSHIRE LARGE CAP	ETFELR	14.9	1.00	1.30	16.00	15.13	18.42
Median		12.1	0.81	1.17	28.72	15.13	21.50
Mean		11.9	0.80	1.08	33.80	17.00	21.62
Mean Mkt-Cap Wtd		12.7	0.85	1.10	19.94	13.14	19.41
Report Parameters							
Data Item	Percentile	Minimum	Maximum	Sort Level	Relative To		
PE F12M	No	0		(none)			
PE F12M	No	0	1.00	Pri(A)	SP5A		
PE F12M / GRE 5-Year Median	No	0	1.3	(none)			
EPS Growth LFY %	Yes	15		(none)			
Revenue Growth LFY	Yes	15		(none)			
Return On Equity T4Q	No			(none)			
{ETF 'ETF COMPOSITES'							
Total Members		131					