

[Screening index mutual funds and ETFs on-line with IndexUniverse.com \(Part 1 of 2\)](#)

Category : On-line Screening of ETFs and Mutual Funds

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Summary: In this two-part article, *The Skilled Investor* discusses how to screen index mutual funds and ETFs on-line. This article focuses on using the free index mutual fund and ETF screener and database available at [IndexUniverse.com](#). It also discusses the application of our seven scientifically based mutual fund screening criteria, during this process. In a previous article, *The Skilled Investor* has discussed minimum requirements for using on-line screeners and fund databases to screen automatically the thousands of mutual funds and hundreds of exchange-traded funds (ETFs) that are available. See: [On-line screening of mutual funds and ETFs: Minimum Requirements](#). That article concluded that free fund screeners and databases offered by Morningstar.com and IndexUniverse.com are sufficient to allow you to screen mutual funds, index mutual funds, and ETFs and to use our scientific fund selection criteria. Because we found adequate free screeners to implement our criteria, paying a subscription to any website to obtain functionality that is more advanced is not necessary.

Note that the focus of this article is on the screening of funds and ETFs on IndexUniverse.com. Another article discusses mutual fund and ETF screening on Morningstar.com (See: [Screening mutual funds on-line with Morningstar.com](#)) Note also that there is no business arrangement of any kind between *The Skilled Investor* and Morningstar.com or IndexUniverse.com. These websites simply meet the requirements laid out in our article on minimum screening requirements. A related article also discussed our seven scientifically derived fund screening criteria: 1) minimum management expenses, 2) minimum turnover, 3) zero sales charges, loads and marketing fees, 4) avoidance of very large funds with higher trading costs, 5) avoidance of immature funds, 6) a minimally sufficient asset base over which to spread required fund expenses, and 7) the exclusion only of funds with very poor historical performance records. (See: [Scientific mutual fund and ETF screening criteria: a summary](#)) You can find IndexUniverse.com's home page at

<http://www.indexuniverse.com/index.php> For the free screener, click on "+DATA" in the left hand column. When this article was published in early February of 2007, the direct URL address was <http://www.indexuniverse.com/data/>

Data in the IndexUniverse.com mutual fund screening database seems to be updated quarterly, which is recent enough for fund screening purposes. The index fund data available at IndexUniverse.com comes, in part, from Morningstar, Inc. Free registration with the IndexUniverse.com site is optional. Doing so will give you access to other areas that might be of interest to you. Explore the site's other functionality using the tabs to the left. Note that there are also paid parts of the site. To apply *The Skilled Investor's* seven scientific selection criteria to IndexUniverse's mutual fund and ETF screener is a two-step process. First, two of the seven screening criteria can be applied directly and automatically to obtain an initial screened fund list that significantly reduces the total to consider. Then, guided by the remaining criteria and other practical selection parameters, you can further evaluate your initial screened fund list to pick particular funds for your investments. The process described below by *The Skilled Investor* utilizes the functionality of the IndexUniverse.com screener, as precisely as needed, to develop a screened list of index mutual

funds and ETFs. The IndexUniverse screener offers a wealth of functionality, but you may wish to ignore most of it to derive your initial list. If these additional features are interesting, you could use them to change or refine your screening process.

STEP ONE: CONDUCTING THE AUTOMATED INITIAL SCREENING PROCESS

Once you have the IndexUniverse.com mutual fund screener open in your web browser, the following settings will implement the initial automated screening. Use the check boxes and pull-down menus to set values. Once you set all the data and screening variables the way that you want them to be, then click the "Search Now" button at the bottom of the screener list. Once you have the web page with your initial screened list, notice three things. First, you can set the "Show results per page" at the top left to 100 results per page. This will minimize the need to switch pages. Second, notice the small "Go to page" pull-down menu at the bottom center. Click this menu to see if there are additional pages of screened results. Third, the screener offers a nice "Save Search" feature that you can access by clicking the button at the bottom of the page. Save Search provides an abbreviated URL for you to bookmark for later use. You may wish to rename the bookmark to a more useful description of your search, when you save your bookmark in your browser.

On the main "Search Parameters" page, make the following initial settings. Experiment with and alter them as you see fit.

- 1) **SEARCH FOR:** Check "funds" or "ETFs".
- 2) **SORT BY:** Select "Expense Ratio" from the pull-down menu, because this is a very useful sorting parameter.
- 3) **SELECT ASSET CLASS(es):** Either A) check only those asset categories of interest or B) choose "All," if later you will manually eliminate fund classes from your screened list.
- 4) **SELECT DATA POINTS:** Check the following boxes: Ticker, Type, Category, and Min. Initial Purchase. Also, check: Name, Asset Class, Expense Ratio, Index Tracked, and Min. IRA Purchase. You should also **UNCHECK** all the performance boxes, if any are prechecked by the screener. For the purposes of this initial screening, if you screen based on historical performance and you have permitted multiple types of indexes, then performance variables would tend to screen largely based on the choice of an index rather than the choice of a fund. While fund performance is a concern, the point about index funds is that they are supposed to track an index relatively closely. Some funds do better than other funds at this, and some funds do a better job of managing transactions caused by changes in the underlying index. However, these subjects are beyond the scope of this article.
- 5) **SCREEN BY:** Except for the following two selections, leave all the pull-down menu selectors as "Any." Change Expense Ratio: to a "less than" value. If you choose "=\$100Million," then you screen out funds with total assets less than this level.

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