

## O'Neil Global Advisors Announces Creation of Growth Index

On June 24, O'Neil Global Advisors announced the creation of the O'Neil Growth Index™ (Bloomberg symbols OGITR for total return index and OGIPR for price return index), a systematic strategy based on proprietary growth factors and quantitative research. The O'Neil Growth Index holds a long-only portfolio of approximately 70 U.S. high-liquidity large- and mid-cap stocks. The constituent weight of each stock in the index is determined by four factors:

- Pullback, a technical factor that measures a stock's long-term momentum versus its short-term mean reversion characteristics, which increases exposure to stable growth names with positive recent price action;
- Volatility, which measures the stock's standard deviation of returns over the past year, which helps lower the long-term volatility of the index while increasing exposure to large-cap and value stocks;
- Datagraph™ Rating, a proprietary O'Neil composite of numerous growth characteristics, including reported earnings, market cap, relative price strength, and others;
- Hotness, a measure of a stock's recent change versus its historical average, which seeks to minimize stocks that are subject to recent speculative action.

The primary challenges in constructing a growth portfolio are identifying early-stage growth and avoiding the inevitable drawdown that many growth stocks have after their run up, so the strategy utilizes these factors to improve the timing of entry points and avoid holding stocks that are extended. This allows investors to capture the upside of a growth portfolio while limiting the risk and volatility normally associated with this investing style. Because of the volatile nature of the growth universe, the index also employs a monthly rebalancing with equal weight to avoid idiosyncratic risk.

Read more about the index methodology [here](#).