

META: Moderate Systematic Exposure with Muted Residual Alpha; Outperforming FDN.

META — Meta Platforms Inc Class A · Subsector Benchmark: FDN · As of: 2026-04-07

Meta Platforms Inc Class A

META · 2026-04-07

IDENTITY	
Market Cap	\$1.5T
Sector ETF	XLC
Subsector ETF	FDN

PERFORMANCE STATS	
Last Price	\$575.05
Vol (23d ann.)	38.4%
Sharpe (63d)	-1.11 <small>poor</small>
Max Drawdown	-33.3%
Res α Max DD	-13.8%

RANKINGS — Subsector cohort · Peer group: 39 stocks in FDN		
Window	Gross Return Rank	Explained Risk (ER)
1 day	18th pct	18th pct
1 month	23rd pct	44th pct
3 months	69th pct	87th pct
1 year	62nd pct	38th pct

RISK DECOMPOSITION — L3 Explained Risk	
Market explained risk (SPY)	+46.3%
Sector explained risk (XLC)	+11.5%
Subsector explained risk (FDN)	-0.2%
Residual explained risk (idiosyncratic)	+42.4%

MACRO CORRELATIONS — L3 Residual Return	
Correlations vs L3 Residual Return · TTM (~252 trading days)	
VIX	-0.61
Oil	+0.02
Gold	+0.04
Bitcoin	+0.31
DXY	+0.08
UST 10y-2y	-0.13

METHODOLOGY — Hierarchical regression (ERM3)
L1 — Market — stock vs SPY; baseline market beta (incremental hedge ratios).
L2 — Sector — L1 residual vs GICS sector ETF; sector-specific vs the market.
L3 — Subsector — L2 residual vs subsector ETF; finest systematic sleeve before idiosyncratic risk.
ER — Explained Risk (ER) — variance share of each orthogonal factor layer.
HR — Hedge Ratio (HR) — dollars of ETF hedge per \$1 of stock.
RR — Residual Return (RR) — return orthogonal to market, sector, and subsector factors.

META delivered +8.5% total return over the past year, underperforming SPY by 9.7pp, driven largely by systematic factor exposure (58% of risk). Idiosyncratic alpha contributed +42.4% ann. residual ER but ranks below-average on a risk-adjusted basis among FDN peers.

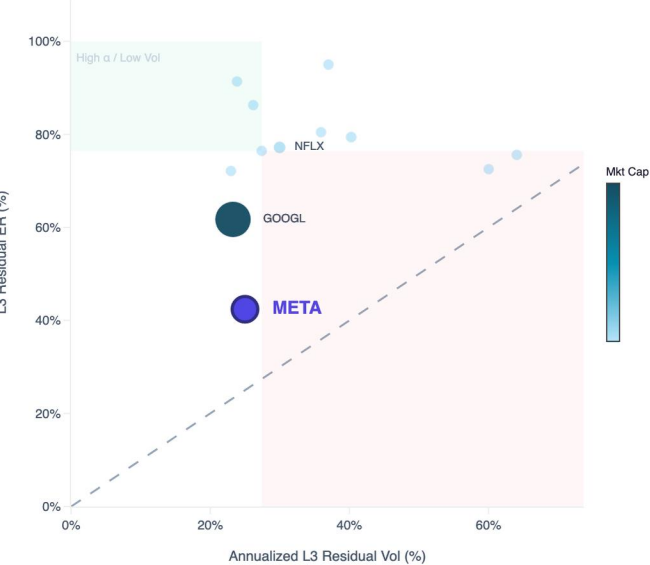
I. Cumulative Returns

META returned +8.5% vs SPY +18.3% (-9.7pp) and FDN +6.7% (+1.8pp) over the past 252 trading days ending 2026-04-07. Ranks 62th pct (middle third of 39 vs subsector peers).



II. L3 Residual Alpha Quality

META generated +42.4% annualized L3 residual return at 25.0% residual volatility —



III. Equity Factor Decomposition

META's 38.4% vol splits 58% systematic / 42% idiosyncratic.

