

AMZN: Moderate Systematic Exposure with Strong Residual Alpha; Outperforming XRT.

AMZN — Amazon.com, Inc. · Subsector Benchmark: XRT · As of: 2026-04-08



Amazon.com, Inc.

AMZN · 2026-04-08

IDENTITY

Market Cap	\$2.4T
Sector ETF	XLY
Subsector ETF	XRT

PERFORMANCE STATS

Last Price	\$221.25
Vol (23d ann.)	33.7%
Sharpe (63d)	-0.95 poor
Max Drawdown	-21.7%
Res α Max DD	-8.7%

RANKINGS — Subsector cohort · Peer group: 127 stocks in XRT

Window	Gross Return Rank	Explained Risk (ER)
1 day	46th pct	49th pct
1 month	65th pct	74th pct
3 months	42nd pct	40th pct
1 year	53rd pct	54th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+49.1%
Sector explained risk (XLY)	+11.1%
Subsector explained risk (XRT)	+1.1%
Residual explained risk (idiosyncratic)	+38.7%

MACRO CORRELATIONS — L3 Residual Return

Correlations vs L3 Residual Return · TTM (~252 trading days)

VIX	-0.61
Oil	+0.13
Gold	—
Bitcoin	+0.35
DXY	+0.22
UST 10y-2y	-0.26

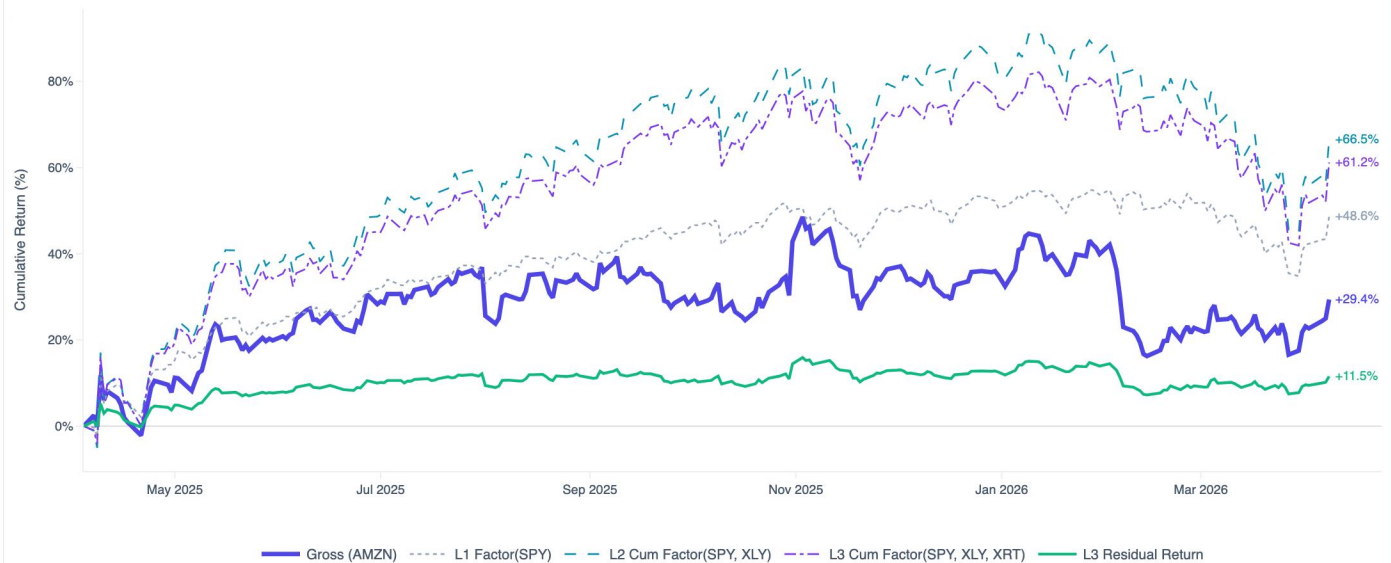
METHODOLOGY — Hierarchical regression (ERM3)

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.

AMZN delivered +29.4% total return over the past year, underperforming SPY by 5.9pp, driven largely by systematic factor exposure (61% of risk). Idiosyncratic alpha contributed +38.7% ann. residual ER but ranks strong on a risk-adjusted basis among XRT peers.

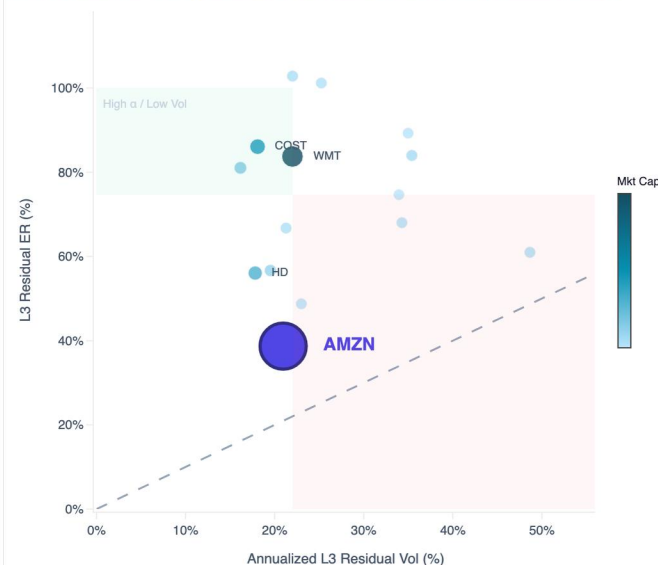
I. Cumulative Returns

AMZN gross +29.4% — factor bridge: L1(SPY) +48.6%, L2(+XLY) +66.5%, L3(+XRT) +61.2% → residual alpha +11.5% over the past 252 trading days ending 2026-04-08. Ranks 53rd



II. L3 Residual Alpha Quality

AMZN generated +38.7% annualized L3 residual return at 21.0% residual volatility —



III. Equity Factor Decomposition

AMZN's 33.7% vol splits 61% systematic / 39% idiosyncratic.

