

AAPL: Moderate Systematic Exposure with Muted Residual Alpha; Underperforming RSPT.



AAPL — Apple Inc. · Subsector Benchmark: RSPT · As of: 2026-04-08

Apple Inc.

AAPL · 2026-04-08

IDENTITY

Market Cap	\$3.8T
Sector ETF	XLK
Subsector ETF	RSPT

PERFORMANCE STATS

Last Price	\$258.90
Vol (23d ann.)	29.4%
Sharpe (63d)	-0.07
Max Drawdown	-13.8%
Res α Max DD	-7.0%

RANKINGS — Subsector cohort · Peer group: 19 stocks in RSPT

Window	Gross Return Rank	Explained Risk (ER)
1 day	37th pct	100th pct
1 month	53rd pct	63rd pct
3 months	63rd pct	53rd pct
1 year	32nd pct	79th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+53.3%
Sector explained risk (XLK)	+0.2%
Subsector explained risk (RSPT)	+0.2%
Residual explained risk (idiosyncratic)	+46.3%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.77
Oil	+0.13
Gold	
Bitcoin	+0.34
DXY	+0.14
UST 10y-2y	-0.17

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.

AAPL delivered +38.0% total return over the past year, outperforming SPY by 2.7pp, driven largely by systematic factor exposure (54% of risk). Idiosyncratic alpha contributed +46.3% ann. residual ER but ranks below-average on a risk-adjusted basis among RSPT peers.

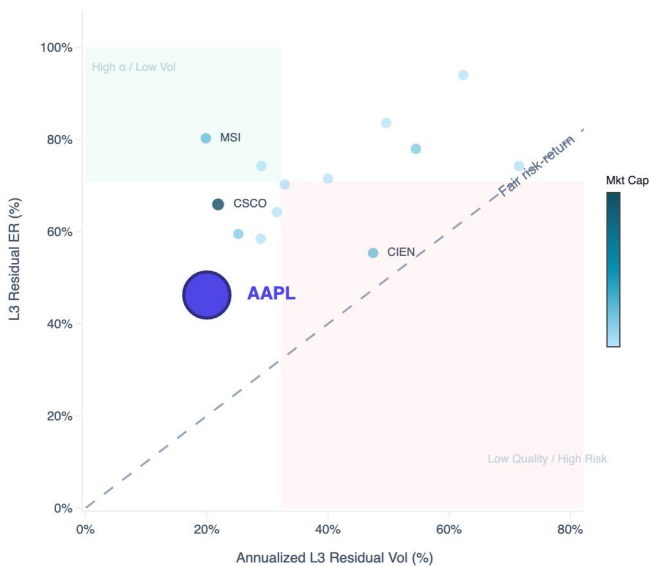
I. Cumulative Returns

AAPL gross +38.0% — factor bridge: L1(SPY) +39.9%, L2(+XLK) +38.2%, L3(+RSPT) +20.9% → residual alpha +18.4% over the past 252 trading days ending 2026-04-08. Ranks 32nd



II. L3 Residual Alpha Quality

AAPL generated +46.3% annualized L3 residual return at 20.0% residual volatility —



III. Equity Factor Decomposition

AAPL's 29.4% vol splits 54% systematic / 46% idiosyncratic.

