

GOOG: Low Systematic Exposure with Muted Residual Alpha; Outperforming FDN.

GOOG — Alphabet Inc. Class C · Subsector Benchmark: FDN · As of: 2026-04-07

Alphabet Inc. Class C

GOOG · 2026-04-07

IDENTITY	
Market Cap	\$7.5T
Sector ETF	XLC
Subsector ETF	FDN

PERFORMANCE STATS

Last Price	\$303.93
Vol (23d ann.)	29.6%
Sharpe (63d)	-0.52 <small>poor</small>
Max Drawdown	-20.8%
Res α Max DD	-13.8%

RANKINGS — Subsector cohort · Peer group: 39 stocks in FDN

Window	Gross Return Rank	Explained Risk (ER)
1 day	44th pct	62nd pct
1 month	74th pct	64th pct
3 months	85th pct	79th pct
1 year	95th pct	85th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+32.8%
Sector explained risk (XLC)	+4.1%
Subsector explained risk (FDN)	+1.4%
Residual explained risk (idiosyncratic)	+61.7%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.67
Oil	+0.04
Gold	+0.09
Bitcoin	+0.33
DXY	+0.05
UST 10y-2y	-0.09

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.

GOOG delivered +99.8% total return over the past year, outperforming SPY by 81.6pp, driven largely by systematic factor exposure (38% of risk). Idiosyncratic alpha contributed +61.7% ann. residual ER but ranks below-average on a risk-adjusted basis among FDN peers.

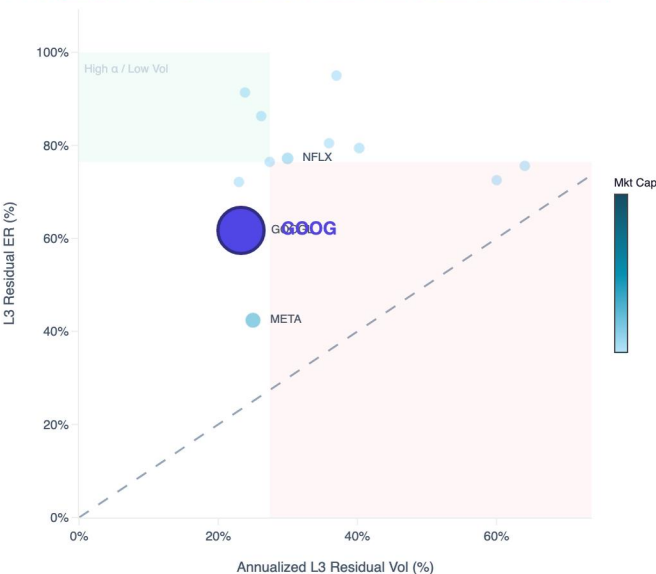
I. Cumulative Returns

GOOG returned +99.8% vs SPY +18.3% (+81.6pp) and FDN +6.7% (+93.1pp) over the past 252 trading days ending 2026-04-07. Ranks 95th pct (top third of 39 vs subsector peers).



II. L3 Residual Alpha Quality

GOOG generated +61.7% annualized L3 residual return at 23.3% residual volatility —



III. Equity Factor Decomposition

Only 38% of GOOG's 29.6% vol is systematic — the stock is primarily driven by

