

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



META — Meta Platforms Inc Class A · Subsector Benchmark: FDN · As of: 2026-04-08

Meta Platforms Inc Class A

META · 2026-04-08

IDENTITY	
Market Cap	\$1.6T
Sector ETF	XLC
Subsector ETF	FDN

PERFORMANCE STATS

Last Price	\$612.42
Vol (23d ann.)	39.1%
Sharpe (63d)	-0.48
Max Drawdown	-33.3%
Res α Max DD	-13.8%

RANKINGS — Subsector cohort · Peer group: 37 stocks in FDN

Window	Gross Return Rank	Explained Risk (ER)
1 day	100th pct	86th pct
1 month	46th pct	51st pct
3 months	78th pct	89th pct
1 year	70th pct	30th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+46.5%
Sector explained risk (XLC)	+11.5%
Subsector explained risk (FDN)	-0.3%
Residual explained risk (idiosyncratic)	+42.3%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.55
Oil	+0.05
Gold	
Bitcoin	+0.26
DXY	+0.10
UST 10y-2y	-0.16

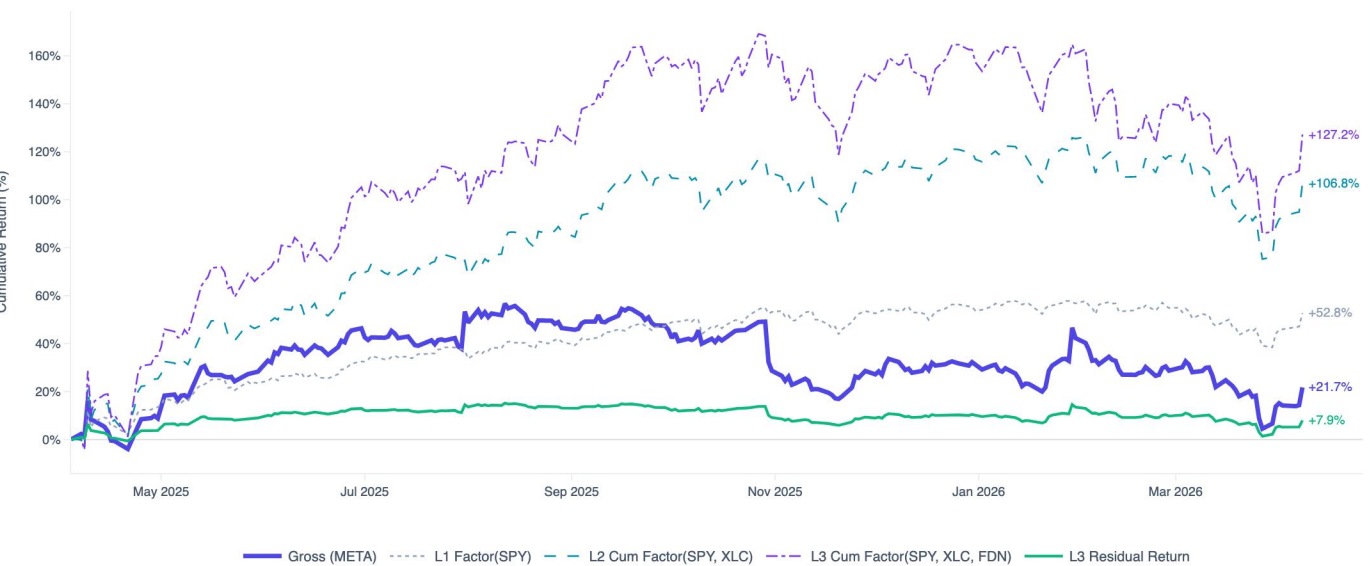
METHODOLOGY — Hierarchical regression (ERM3)

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 +21.7% total return over the past year, underperforming SPY by 13.6pp, driven largely by systematic factor exposure (58% of risk). Idiosyncratic alpha contributed +42.3% ann. residual ER but ranks below-average on a risk-adjusted basis among FDN peers.

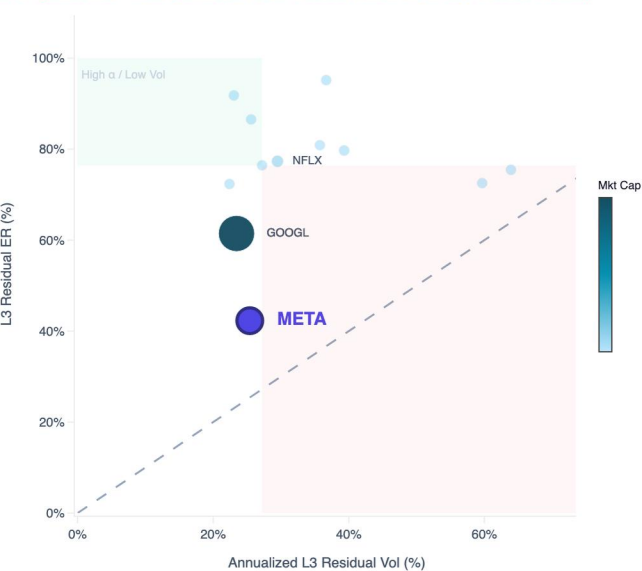
I. Cumulative Returns

META gross +21.7% — factor bridge: L1(SPY) +52.8%, L2(+XLC) +106.8%, L3(+FDN) +127.2% → residual alpha +7.9% over the past 252 trading days ending 2026-04-08. Ranks 70th



II. L3 Residual Alpha Quality

META generated +42.3% annualized L3 residual return at 25.4% residual volatility —



III. Equity Factor Decomposition

META's 39.1% vol splits 58% systematic / 42% idiosyncratic.

