

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

GOOG — Alphabet Inc. Class C · Subsector Benchmark: FDN · As of: 2026-04-08



Alphabet Inc. Class C

GOOG · 2026-04-08

IDENTITY

Market Cap	\$7.7T
Sector ETF	XLC
Subsector ETF	FDN

PERFORMANCE STATS

Last Price	\$314.74
Vol (23d ann.)	29.9%
Sharpe (63d)	0.15 <small>Weak</small>
Max Drawdown	-20.8%
Res α Max DD	-13.8%

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

Window	Gross Return Rank	Explained Risk (ER)
1 day	78th pct	89th pct
1 month	70th pct	78th pct
3 months	86th pct	81st pct
1 year	95th pct	81st pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+33.1%
Sector explained risk (XLC)	+4.1%
Subsector explained risk (FDN)	+1.3%
Residual explained risk (idiosyncratic)	+61.5%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.49
Oil	+0.01
Gold	—
Bitcoin	+0.25
DXY	+0.04
UST 10y-2y	-0.07

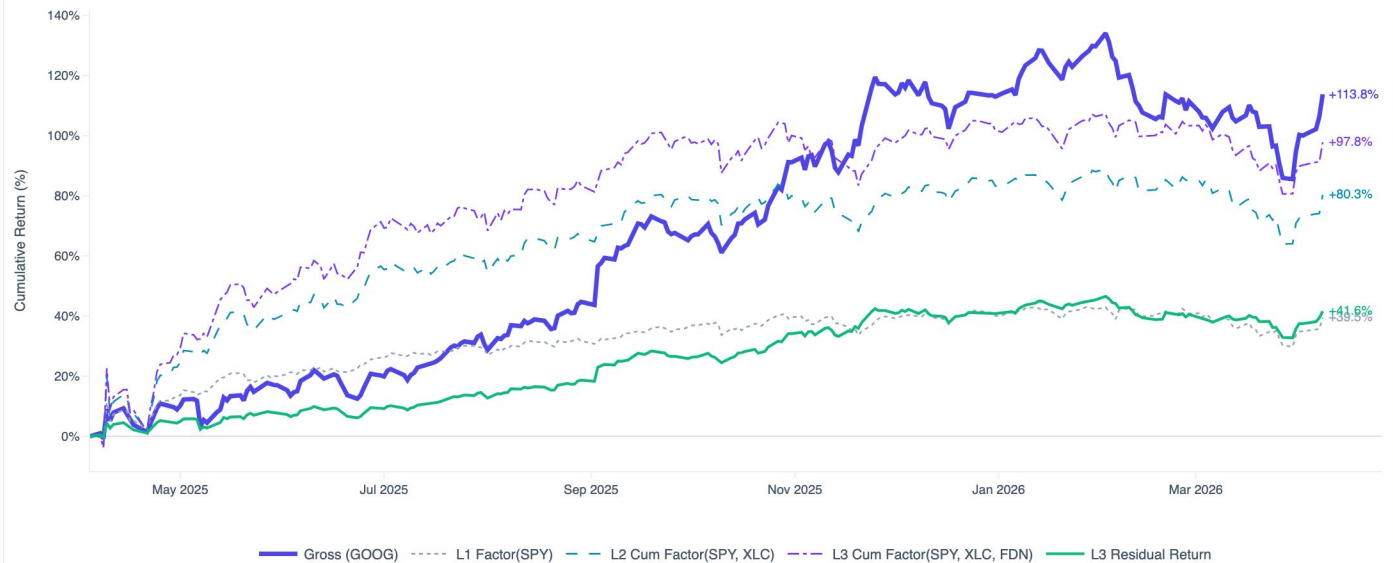
METHODOLOGY — Hierarchical regression (ERM3)

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 +113.8% total return over the past year, outperforming SPY by 78.4pp, driven largely by systematic factor exposure (39% of risk). Idiosyncratic alpha contributed +61.5% ann. residual ER but ranks below-average on a risk-adjusted basis among FDN peers.

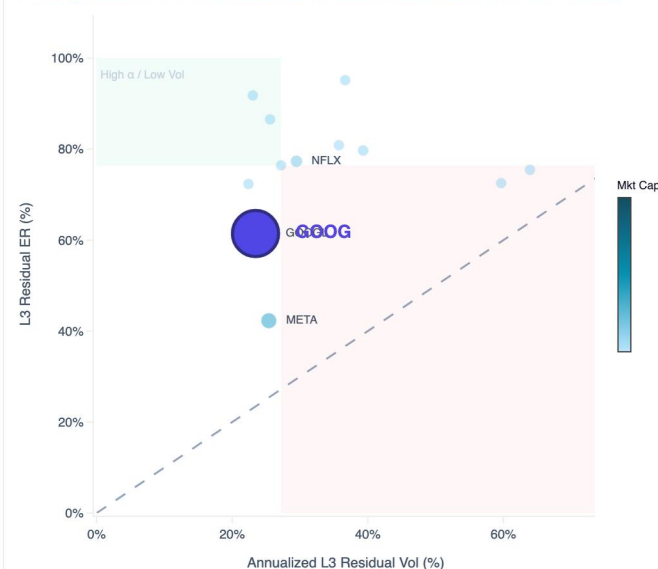
I. Cumulative Returns

GOOG gross +113.8% — factor bridge: L1(SPY) +39.5%, L2(+XLC) +80.3%, L3(+FDN) +97.8% → residual alpha +41.6% over the past 252 trading days ending 2026-04-08. Ranks 95th



II. L3 Residual Alpha Quality

GOOG generated +61.5% annualized L3 residual return at 23.4% residual volatility —



III. Equity Factor Decomposition

Only 39% of GOOG's 29.9% vol is systematic — the stock is primarily driven by

