

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

AAPL — Apple Inc. · Subsector Benchmark: RSPT · As of: 2026-04-07

Apple Inc.

AAPL · 2026-04-07

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

PERFORMANCE STATS

Last Price	\$253.50
Vol (23d ann.)	30.2%
Sharpe (63d)	-0.71
Max Drawdown	-13.8%
Res α Max DD	-10.5%

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

Window	Gross Return Rank	Explained Risk (ER)
1 day	26th pct	63rd pct
1 month	63rd pct	47th pct
3 months	53rd pct	42nd pct
1 year	42nd pct	68th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+53.4%
Sector explained risk (XLK)	+0.2%
Subsector explained risk (RSPT)	+0.2%
Residual explained risk (idiosyncratic)	+46.2%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.78
Oil	+0.11
Gold	+0.04
Bitcoin	+0.34
DXY	+0.13
UST 10y-2y	-0.15

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 +25.3% total return over the past year, outperforming SPY by 7.1pp, driven largely by systematic factor exposure (54% of risk). Idiosyncratic alpha contributed +46.2% ann. residual ER but ranks below-average on a risk-adjusted basis among RSPT peers.

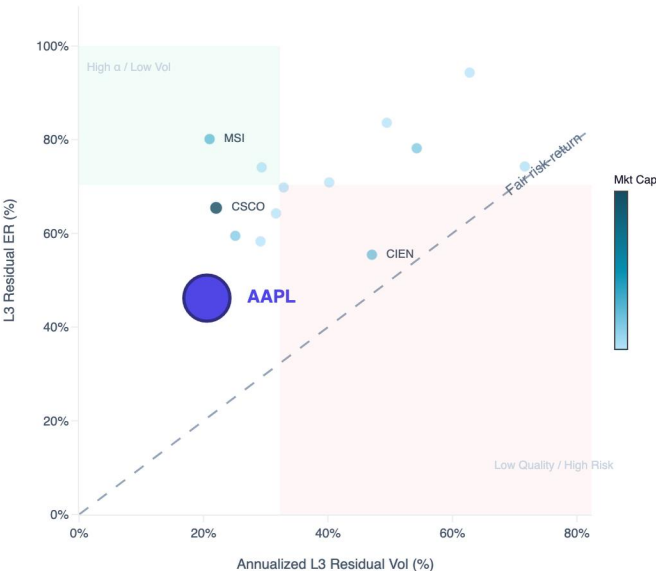
I. Cumulative Returns

AAPL returned +25.3% vs SPY +18.3% (+7.1pp) and RSPT +35.5% (-10.2pp) over the past 252 trading days ending 2026-04-07. Ranks 42th pct (middle third of 19 vs subsector peers).



II. L3 Residual Alpha Quality

AAPL generated +46.2% annualized L3 residual return at 20.5% residual volatility —



III. Equity Factor Decomposition

AAPL's 30.2% vol splits 54% systematic / 46% idiosyncratic.

