

1.25

L3 Mkt β

0.91

L3 Sec β

0.87

L3 Sub β

+4.2%

L3 Res ER (α)

0.4200

Vol 23d

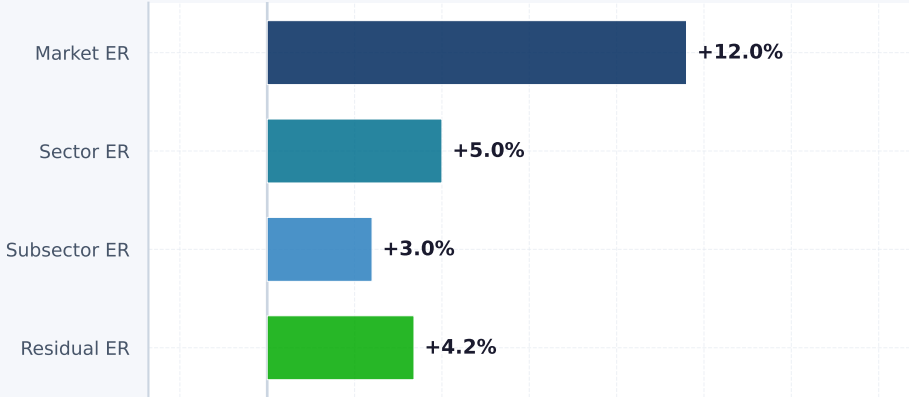
SMH

Subsector ETF

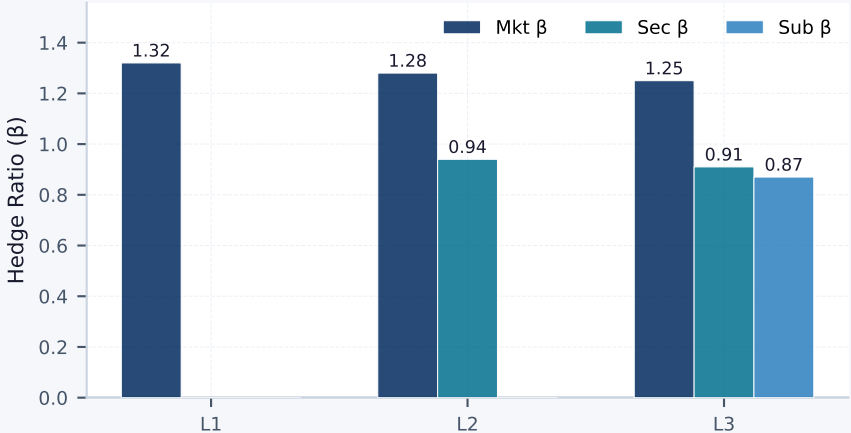
+270 bps

Spread vs SMH

L3 Explained-Return Attribution



Hedge-Ratio Cascade · L1 / L2 / L3



Peer Comparison · SMH Subsector Peers (cap-weighted, N=5)

| Ticker | Cap Wt% | Vol (23d) | L3 Res ER% | vs Peer Avg | L3 Mkt β |
|--------|---------|-----------|------------|-------------|----------|
| ★ NVDA | — | 0.4200 | +4.2% | +270 bps | 1.25 |
| AVGO | 25.0% | 0.3200 | +2.2% | +70 bps | 1.12 |
| AMD | 22.0% | 0.3800 | +3.1% | +160 bps | 1.35 |
| QCOM | 20.0% | 0.3000 | +1.5% | +0 bps | 1.08 |
| INTC | 18.0% | 0.2800 | -1.2% | -270 bps | 0.98 |
| TXN | 15.0% | 0.2200 | +0.8% | -70 bps | 0.85 |

NVDA's L3 residual alpha of +4.2% places it above the SMH peer average by 270 bps.

The dominant risk driver is market (50% of total explained variance), with market beta at 1.25. Realised volatility of 42.0% (23d) is above the peer group average of 30.0%.