

AMZN: Moderate Systematic Exposure with Strong Residual Alpha; Outperforming XRT.

AMZN — Amazon.com, Inc. · Subsector Benchmark: XRT · As of: 2026-04-07

Amazon.com, Inc.

AMZN · 2026-04-07

| | |
|---------------|--------|
| IDENTITY | |
| Market Cap | \$2.3T |
| Sector ETF | XLY |
| Subsector ETF | XRT |

PERFORMANCE STATS

| | |
|----------------|------------------------------|
| Last Price | \$213.77 |
| Vol (23d ann.) | 33.7% |
| Sharpe (63d) | -0.97 <small>poor</small> |
| Max Drawdown | -21.7% |
| Res α Max DD | -8.7% |

RANKINGS — Subsector cohort · Peer group: 124 stocks in XRT

| Window | Gross Return Rank | Explained Risk (ER) |
|----------|-------------------|---------------------|
| 1 day | 55th pct | 67th pct |
| 1 month | 67th pct | 70th pct |
| 3 months | 40th pct | 40th pct |
| 1 year | 50th pct | 52nd pct |

RISK DECOMPOSITION — L3 Explained Risk

| | |
|---|--------|
| Market explained risk (SPY) | +49.0% |
| Sector explained risk (XLY) | +11.1% |
| Subsector explained risk (XRT) | +1.1% |
| Residual explained risk (idiosyncratic) | +38.7% |

MACRO CORRELATIONS — L3 Residual Return

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

| | |
|------------|-------|
| VIX | -0.74 |
| Oil | +0.08 |
| Gold | -0.01 |
| Bitcoin | +0.40 |
| DXY | +0.16 |
| UST 10y-2y | -0.18 |

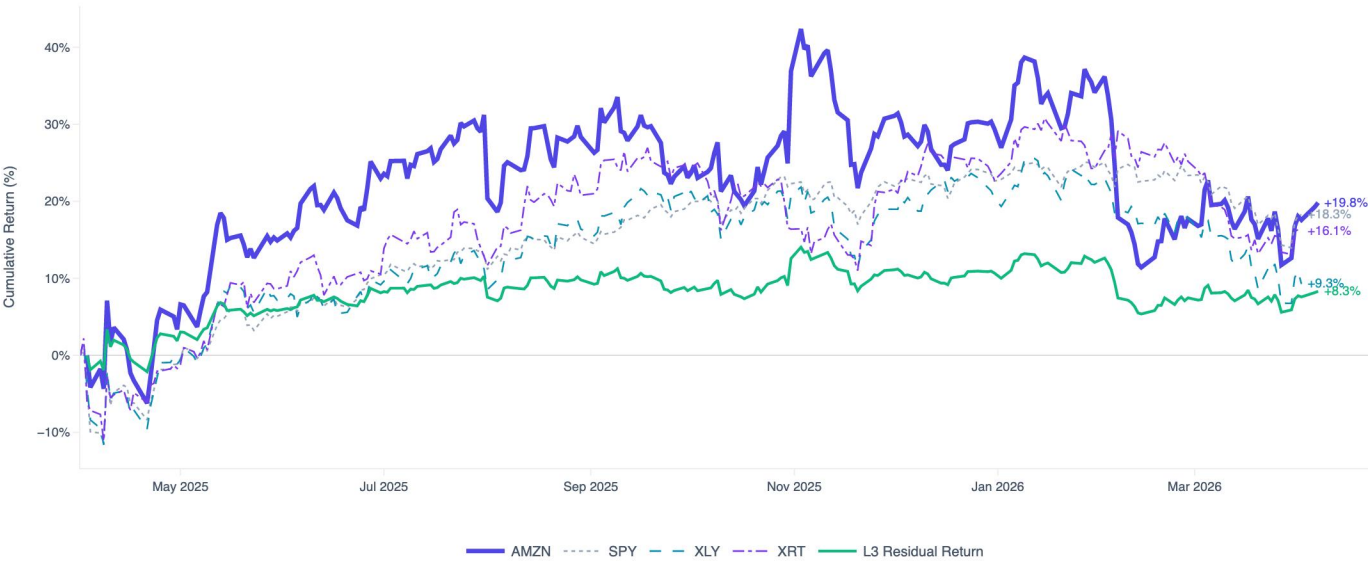
METHODOLOGY — Hierarchical regression (ERM3)

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.

AMZN delivered +19.8% total return over the past year, outperforming SPY by 1.6pp, driven largely by systematic factor exposure (61% of risk). Idiosyncratic alpha contributed +38.7% ann. residual ER but ranks strong on a risk-adjusted basis among XRT peers.

I. Cumulative Returns

AMZN returned +19.8% vs SPY +18.3% (+1.6pp) and XRT +16.1% (+3.7pp) over the past 252 trading days ending 2026-04-07. Ranks 50th pct (middle third of 124 vs subsector peers).



II. L3 Residual Alpha Quality

AMZN generated +38.7% annualized L3 residual return at 20.9% residual volatility —



III. Equity Factor Decomposition

AMZN's 33.7% vol splits 61% systematic / 39% idiosyncratic.

