

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

AAPL — AAPL · Subsector Benchmark: RSPT · As of: 2026-04-16

AAPL

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IDENTITY

Market Cap	\$3.9T
Sector ETF	XLK
Subsector ETF	RSPT

PERFORMANCE STATS

Last Price	\$263.40
Vol (23d ann.)	23.8%
Sharpe (63d)	0.35 adequate
Max Drawdown	-13.8%
Res α Max DD	-7.1%

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

Window	Gross Return Rank	Explained Risk (ER)
1 day	11th pct	53rd pct
1 month	16th pct	100th pct
3 months	53rd pct	63rd pct
1 year	32nd pct	79th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+49.1%
Sector explained risk (XLK)	+0.4%
Subsector explained risk (RSPT)	+0.4%
Residual explained risk (idiosyncratic)	+50.1%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.53
Oil	-0.16
Gold	—
Bitcoin	+0.15
DXY	+0.08
UST 10y-2y	-0.09

BUSINESS PROFILE

Apple Inc. designs, manufactures and markets an integrated ecosystem of consumer electronics and related services, with iPhone as the flagship product. The company operates five geographic segments and derives revenue from both hardware sales and a growing services portfolio. Competitive positioning relies on vertical integration (proprietary hardware, operating systems, software and services), continuous innovation, and brand strength, though it faces intense price competition and holds minority global market share in its core device categories. Supply chain management is critical given dependence on single/limited-source ...

HOW TO READ THIS REPORT

- Cumulative returns + factor bridge. Waterfall bars decompose gross into Market+Sector+Subsector+Residual via geometric attribution.
- Peer alpha quality scatter. Y = idiosyncratic variance share; X = residual vol. Upper-left = best risk-adjusted alpha.
- Factor bars + peer correlations (Gross ρ, L3 Residual ρ) + 3Y Sharpe ratios. L3 Resid Sharpe isolates stock-specific performance.

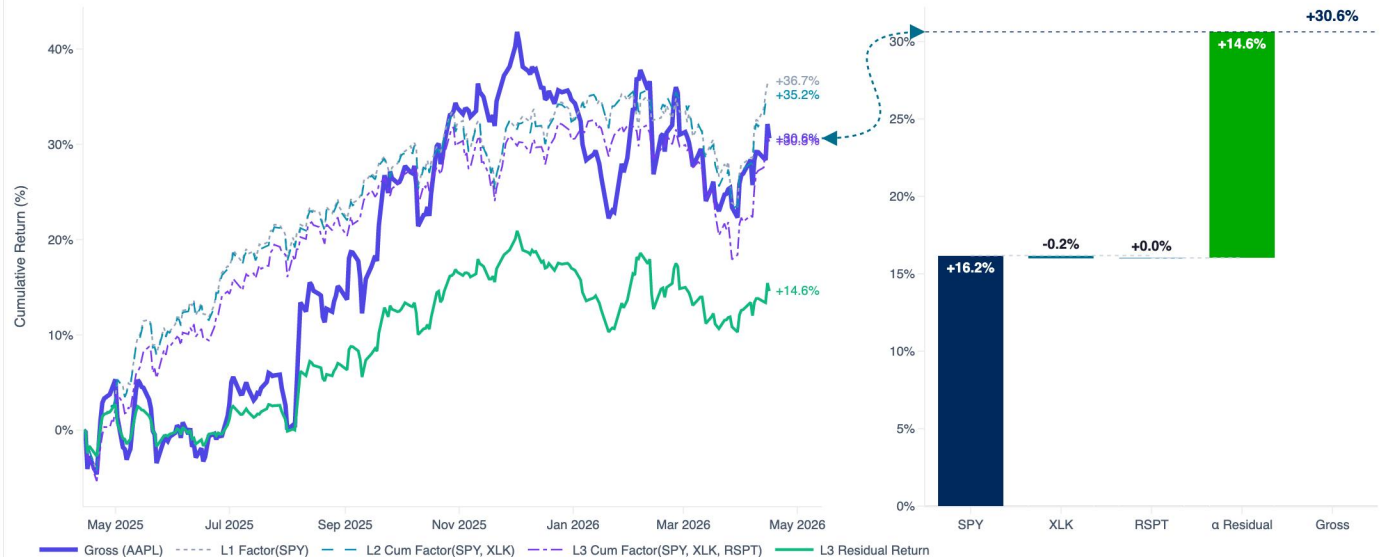
METHODOLOGY — Hierarchical regression (ERM3)

- L1 — Market — stock vs SPY; market beta.
- L2 — Sector — L1 residual vs GICS sector ETF.
- L3 — Subsector — L2 residual vs subsector ETF; finest systematic sleeve.
- ER — Explained Risk — variance share per factor.
- HR — Hedge Ratio — \$ of ETF hedge per \$1 stock.
- RR — Residual Return — return orthogonal to all systematic factors.

AAPL delivered +30.6% total return over the past year, underperforming SPY by 1.4pp, driven largely by systematic factor exposure (50% of risk). Idiosyncratic alpha contributed +50.1% ann. residual ER but ranks strong on a risk-adjusted basis among RSPT peers.

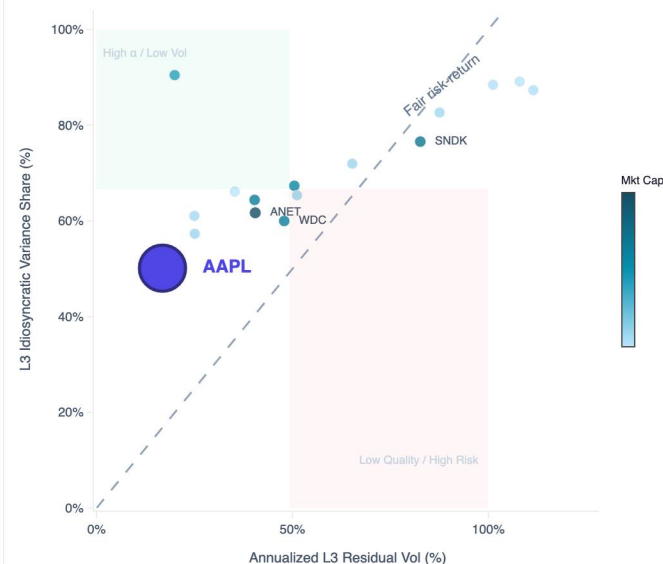
I. Cumulative Returns

AAPL (+30.6% net): factor bridge reconciles systematic exposure (+16.0%) and idiosyncratic alpha (+14.6%) via geometric attribution.



II. L3 Residual Alpha Quality

AAPL generated +50.1% annualized L3 residual return at 16.8% residual volatility —



III. Factor Decomposition & Peer Analytics

AAPL's 23.8% vol splits 50% systematic / 50% idiosyncratic.

