

# META: Moderate Systematic Exposure with Solid Residual Alpha; Outperforming FDN.

META — META · Subsector Benchmark: FDN · As of: 2026-04-16

## META

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### IDENTITY

Market Cap	\$1.7T
Sector ETF	XLC
Subsector ETF	FDN

### PERFORMANCE STATS

Last Price	\$676.87
Vol (23d ann.)	35.8%
Sharpe (63d)	1.09 strong
Max Drawdown	-33.3%
Res α Max DD	-13.9%

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

Window	Gross Return Rank	Explained Risk (ER)
1 day	51st pct	30th pct
1 month	68th pct	51st pct
3 months	95th pct	95th pct
1 year	70th pct	41st pct

### RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+44.5%
Sector explained risk (XLC)	+12.1%
Subsector explained risk (FDN)	-1.5%
Residual explained risk (idiosyncratic)	+45.0%

### MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.47
Oil	-0.20
Gold	—
Bitcoin	+0.22
DXY	-0.08
UST 10y-2y	+0.01

### BUSINESS PROFILE

Meta Platforms, Inc. is a technology company operating a dual-segment business model. The Family of Apps segment generates substantially all revenue through advertising on social media and messaging platforms (Facebook, Instagram, WhatsApp, Messenger, Threads), leveraging AI-powered content ranking, discovery, and ad targeting tools. The Reality Labs segment is a long-term, loss-making investment in virtual and augmented reality hardware and software, including Meta Quest VR devices and AI glasses, aimed at building what Meta believes will be the next computing platform. The company is making significant capital and ...

### 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.

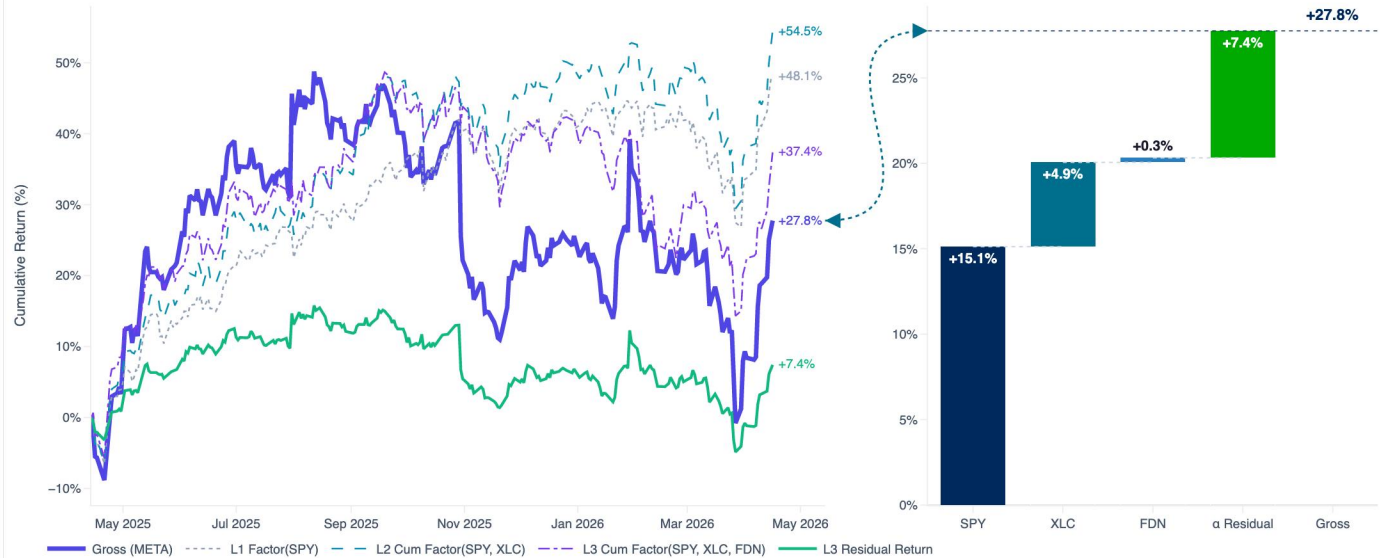
### METHODOLOGY — Hierarchical regression (ERM3)

- 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.

META delivered +27.8% total return over the past year, underperforming SPY by 4.3pp, driven largely by systematic factor exposure (56% of risk). Idiosyncratic alpha contributed +45.0% ann. residual ER but ranks above-average on a risk-adjusted basis among FDN peers.

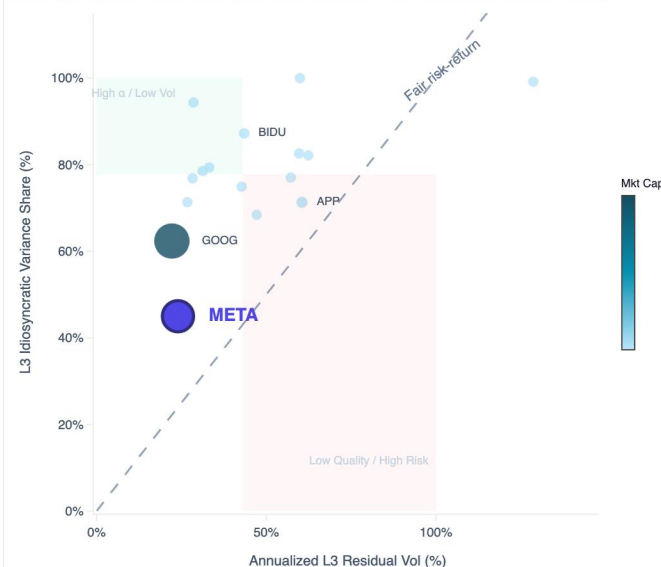
## I. Cumulative Returns

META (+27.8% net): factor bridge reconciles systematic exposure (+20.3%) and idiosyncratic alpha (+7.4%) via geometric attribution.



## II. L3 Residual Alpha Quality

META generated +45.0% annualized L3 residual return at 24.0% residual volatility —



## III. Factor Decomposition & Peer Analytics

META's 35.8% vol splits 56% systematic / 44% idiosyncratic.

