

Cumulative average annual return 16,7%. All returns after fees and commissions

Year	Q1	Q2	Q3	Q4	Year	Total
2024	-16,6%	21,8%	22,9%	25,5%	87,8%	1223%
2023	69,3%	31,8%	-3,7%	1,95%	119,1%	746%
2022	-5,1%	-44,5%	16,8%	-53,2%	-71,2%	286%
2021	-3,7%	12,5%	1,7%	13,8%	25,2%	1240%
2020	1,8%	60%	63,7%	65,9%	335,1%	871%
2019	4,9%	2,9%	3,3%	21,6%	35,5%	142%
2018	9,1%	-12,7%	-8%	-7%	-18%	78%
2017	11,9%	16,3%	4,4%	10%	50%	117%
2016	-12,9%	-4,3%	11,3%	-10,5%	-16,2%	45%
2015	4,9%	5%	-20%	-7%	-17,4%	74%
2014	0,4%	-7,6%	3,9%	1,7%	-1,8%	111%
2013	6%	32,5%	2,1%	-6,6%	28%	115,2%
2012	0,3%	7%	-4,8%	-2,1%	0,2%	68,2%
2011	15,5%	-11,3%	-12,2%	-0,4%	-10,3%	68,2%
2010	4,7%	-1,5%	17,3%	17%	33,2%	87,8%
2009	1,5%	3,2%	7,4%	5,4%	14,9%	41%
2008		-7,5%	12%	24%	22,8%	22,8%

Strategy

We invest in fundamentally new concepts and engineering practices with large impact. Areas of focus are autonomous electric vehicles and emerging compute platforms to accelerate the advent of artificial intelligence.

Recent developments

Throughout 2024 Tesla launched updated versions of FSD to a wider audience. While still supervised, FSD is fully end-to-end trained and drives like an autonomous robot. It's unprecedented.

Our main focus is on foundational models for robotics.

FSD

Tesla has built a large dataset of human driving videos from its own fleet, which enables end to end training of FSD. One important problem competitors face is defining what good driving actually means. Tesla's billions of miles of human driving videos, in conjunction with actuator data (what does the gas pedal do in this particular scene?), serve as a proxy for that. Another hurdle for robotics is model evaluation. What does it mean to have a better model? Tesla is solving this problem with shadow mode infrastructure. We expect Tesla to remain a leader in autonomous vehicle technology.

Optimus

One key takeaway at this year's CVPR '24 is that there is transfer learning between robotic domains. In other words, a self-driving car can learn from a kitchen robot and vice versa. Models trained on various domains, embodiments, and tasks perform better than dedicated models. Researchers believe this is due to the importance of navigation in real world robotics. Transfer learning is key to Tesla's humanoid robot endeavors. We expect Tesla to be able to leverage the advantage from FSD to other robotics domains.

Nvidia

Parallelism is all you need. Recent developments in AI confirm that parallelism is the key driver. Moore's Law alone would not have been sufficient to enable modern AI systems. Nvidia has spent decades building an infrastructure for parallel computing. Commercial success in AI is predicated on maximizing tokens per dollar. Parallelism is not just a feature of a GPU; it's the core principle of Nvidia's business. We are excited about the next phase of Nvidia's growth, which is real-world parallelism or simulation.

Neurips 2024 and reasoning models

What stood out to us at this year's Neurips was the focus on reasoning models. Similarly to their cousins, the LLMs, reasoning models such as Open AI's o1 or Deepseek's r1, store learned structures in latent space. While LLMs store knowledge, reasoning models store problem solving templates. The goal is to accelerate inference and simultaneously reduce cost and energy consumption. Success in reasoning models will further accelerate the adoption of AI.

Drivers of longterm wealth

Wealth creation is predicated on maximizing X/\$, whatever that X may be. In our case, it's miles per dollar with Tesla and tokens per dollar with Nvidia. You want to be able to

produce large volumes of something that people desperately want at a lower cost than anybody else. That's what wealth creation actually means. We deploy our capital with companies that do exactly that.

Portfolio Statistics			
Largest Long Positions	Largest Short Positions	Beta with S&P 500	2,1
TSLA		Leverage	10%-25%
NVDA		Target Return	15%, net of fees