Orange Capital Partners

January 2026

Cumulative average annual return 16,5%. All returns after fees and commissions

Year	Q1	Q2	Q3	Q4	Year	Total
2025	-37,8%	22%	53,4%	0,5%	14,2%	1411%
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, robots and emerging compute platforms to accelerate the advent of artificial intelligence.

Recent developments

We are 'bitter lesson pilled' when it comes to investing in real world AI.

Tesla launched general Robotaxi service in Austin and the Bay Area. In January 2026 the first unsupervised Robotaxi drove real paying customers in Austin. This is pivotal.

We see significant earnings potential in Robotaxi, driven by Tesla's expected stated leadership in autonomous transportation. Priced on a per-mile basis, transportation currently costs U.S. drivers approximately $1 per mile (all-inclusive), while traditional taxis average $3 per mile due to labor costs. Tesla's Robotaxi is projected to operate profitably at $1 per mile or less, leveraging its unsupervised FSD technology and economies of scale. This cost advantage, coupled with high utilization rates, is expected to drive substantial earnings growth, reinforcing Tesla's leadership in robotics hardware and software.

General developments in AI

The most relevant advancements for our portfolio lie in robotics infrastructure, encompassing both hardware and software. For instance, Ashok Elluswamy recently gave a talk describing Tesla's approach toward end to end real world AI. In this clip he highlights their approach towards using generative AI to simulate scenarios based on real world videos. This way the FSD can be calibrated to solve edge cases. Tesla's approach is rooted in using end to end modeling coupled with large data pools. In short, Tesla is moving as many scenarios as possible 'in distribution' to make FSD robust, safe and convenient. The latest version FSD 14.2 has achieved these goals and is only getting better.

We anticipate that AI software development will be driven by a combination of academic research, startups, and established companies. However, on the hardware and manufacturing front,, Tesla is poised to expand its lead. Ultimately, robots will be evaluated by the same metrics as self-driving cars: utilization per dollar. The longer robots can operate and the lower their production costs, the lower their cost per hour of work. We view Tesla as a leader in both hardware and software innovation. Ultimately what counts is *lower cost, higher value and higher customer satisfaction*. As long as Tesla optimizes for these metrics, the sales and cash flows will follow.

Another critical driver of robotics infrastructure is the rapid advancement of simulation technology, led by NVIDIA, Tesla and others. While simulation is not new, today's infrastructure enables realistic reproduction of physical systems. NVIDIA, in particular, is pioneering transformative technologies, namely **Isaac Gym** and the **Omniverse** platform.

Isaac Gym is a simulation engine tailored for reinforcement learning (RL). We see RL as the most promising approach, as it enables self-play mechanisms similar to AlphaGo Zero, fostering autonomous skill development.

Omniverse is to physical simulation what CUDA is to GPU computing: a foundational platform enabling broad, general-purpose applications. Over time, it will drive adoption, attract developers, and foster a global ecosystem. NVIDIA excels at two critical capabilities: first, designing highly complex technology; second, galvanizing the global developer community to adopt their platforms, creating a flywheel of innovation.

Tesla

Robotaxi

‘Robotaxi is an AI problem and AI is a bitter lesson type problem’

In January 2026 Tesla drove its first customers in a completely unsupervised Robotaxi. On their Q4 earnings call in January 2026 the company formally announced the transition to a ‘transport as a service’ company. Cybercab production is expected to start by the middle of 2026. Cybercab is expected to lower transport cost to below 1$ per mile offering unprecedented cost advantage and comfort to customers.

The fusion of Grok 4 with Tesla's ecosystem transforms vehicles into intelligent companions capable of driving autonomously, engaging in natural conversations, and solving problems in real-time. For instance, during Robotaxi rides Grok handles navigation queries, provides updates on traffic or detours, and assists with tasks like route optimization or entertainment recommendations. This integration enhances safety and user experience, making the car a proactive partner rather than just a mode of transport.

These advancements solidify Tesla's shift toward becoming a real-world AI company, extending beyond EVs to AI-driven robotics and autonomy. With in-house AI chip and software development over the past decade, Tesla is now dominating physical AI applications, from Robotaxi fleets to potential Optimus humanoid robots.

In this model, consumers pay for miles driven through Robotaxi rides, fostering a subscription-like revenue stream. Additionally, AI features enable charging for "problems solved," such as premium AI assistance or advanced analytics. For example, Tesla could earn a cut from Grok subscriptions bundled with vehicle services, as xAI's AI becomes the exclusive in-car LLM, boosting both companies' ecosystems.

Optimus

‘Robotics is an AI problem and AI is a bitter lesson type problem’

A significant discovery is the paper titled "The Platonic Representation Hypothesis," which reinforces the idea of a universal, domain-independent canonical structure for intelligence. In other words, diverse tasks—like mastering French or operating a vehicle—are encoded using similar vector sets within latent space. This forms the theoretical basis for transfer learning. For Tesla shareholders, this is vital, as it implies mutual benefits between Full Self-Driving (FSD) technology and the Optimus robot, with advancements in one accelerating the other. Ultimately, Tesla is evolving into a true real-world AI enterprise, where nature serves as the supreme reward mechanism.

Large, diverse datasets and massive compute are the path towards better and more useful intelligence. Ashok commented on this in his recent talk.

Nvidia

The progression of AI—from computer vision (AlexNet) to generative AI (ChatGPT) and now reasoning models like o1 and DeepSeek—has been built on enormous surges in data, computational power, and model infrastructure. Nvidia stands at the heart of this evolution. The risk remains to the upside, given the unprecedented nature of these intelligence breakthroughs. What scale of value creation lies ahead? We must avoid reasoning through analogies. Instead, consider a framework where AlphaGo Zero's principles could be applied to virtually any global challenge—this represents an immense opportunity. In a $100 trillion global economy, a 10% boost in productivity would generate $10 trillion in new value (which is more than the GDP of Germany), heralding a profound shift in worldwide wealth creation. Silicon Valley is at the center of this transformation.

Recently, Nvidia engaged in somewhat shady negotiations with OpenAI for vendor financing. Our concerns were warranted and CEO Jensen backtracked, which is a good sign. Longterm we see enormous potential for Nvidia as AI infrastructure and the newly emerging Space AI race will foster demand for sophisticated AI solutions solidifying Nvidia’s lead in this area.

Drivers of longterm wealth

Wealth creation is predicated on maximizing X/$, whatever that X may be. Tesla is optimizing for miles/$ and hours worked/dollar, while Nvidia’s key advantage lies in optimizing for tokens/dollar, which is the backbone of intelligence. 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.

In February 2026 Elon Musk announced the merger between X.ai and Space X. This is the first step towards a fully integrated intelligence power house. Tesla will play a

pivotal role in this system, as Tesla's robot business enables monetization of intelligence at scale. Somebody has to produce all the chips and robots to serve billions of humans with real world AI. That is going to be Tesla's role. Whether that happens within a combined Space X and Tesla company or separate is secondary. As Tesla shareholders we prefer Tesla to deliver on the Robotaxi and unsupervised FSD launches in 2026 and drive value through execution and cash flow generation. A subsequent merger would be beneficial but is not necessary.

However, we do believe that a fully integrated intelligence power house with Tesla, Space X and X.ai is beneficial as most of the problems in this value chain are novel and therefore require rapid iteration. This can best be achieved with full integration.

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**