

Cumulative average annual return 13,2%. All returns after fees and commissions

Year	Q1	Q2	Q3	Q4	Year	Total
2025	-37,8%				-37,8%	723%
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 pill' when it comes to investing in real world AI.*

Tesla is on track to launch its Robotaxi service by the end of Q2 2025, a pivotal milestone for the company. Preparations include rigorous field testing of unsupervised ride-sharing and iterative updates to Full Self-Driving (FSD) software, positioning Tesla to achieve robust autonomous capabilities.

We see significant earnings potential in Robotaxi, driven by Tesla's expected cost 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 \$0.50 per mile, leveraging its 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, Physical Intelligence, a Berkeley-based startup, recently published a [blog](#) detailing their work on Vision-Language-Action (VLA) models. These models translate visual inputs into actuator commands through language, bridging perception and action.

We anticipate that AI software development will be driven by a combination of academic research, startups, and established companies. On the hardware and manufacturing front, however, 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.

Another critical driver of robotics infrastructure is the rapid advancement of simulation technology, led by NVIDIA 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**

### *FSD*

*'FSD is a bitter lesson type problem'*

Tesla has amassed a vast dataset of human driving videos from its fleet, enabling end-to-end training of its Full Self-Driving (FSD) system. Unlike competitors who struggle to define “good driving,” Tesla leverages billions of miles of driving data, paired with actuator inputs (e.g., gas pedal actions in specific scenarios), as a robust proxy for optimal driving behavior. Another challenge in robotics is model evaluation—determining what constitutes a better model. Tesla addresses this through its shadow mode infrastructure, which tests FSD models against real-world driving scenarios without active control. By combining unparalleled data scale with innovative evaluation methods, we expect Tesla to maintain its leadership in autonomous vehicle technology, reinforcing its dominance in robotics hardware and software.

### *Optimus*

*'Robotics is a bitter lesson type problem'*

One key takeaway at last 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.

### *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.

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