

TSLA: High Systematic Exposure with Strong Residual Alpha; Underperforming CARZ.



TSLA — Tesla, Inc. · Subsector Benchmark: CARZ · As of: 2026-04-08

Tesla, Inc.

TSLA · 2026-04-08

IDENTITY

Market Cap	\$1.2T
Sector ETF	XLY
Subsector ETF	CARZ

PERFORMANCE STATS

Last Price	\$343.25
Vol (23d ann.)	54.2%
Sharpe (63d)	-2.38
Max Drawdown	-29.9%
Res α Max DD	-10.3%

RANKINGS — Subsector cohort · Peer group: 67 stocks in CARZ

Window	Gross Return Rank	Explained Risk (ER)
1 day	4th pct	1st pct
1 month	7th pct	12th pct
3 months	19th pct	48th pct
1 year	69th pct	4th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+44.4%
Sector explained risk (XLY)	+20.7%
Subsector explained risk (CARZ)	+3.1%
Residual explained risk (idiosyncratic)	+31.8%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.60
Oil	+0.11
Gold	
Bitcoin	+0.42
DXY	+0.10
UST 10y-2y	-0.08

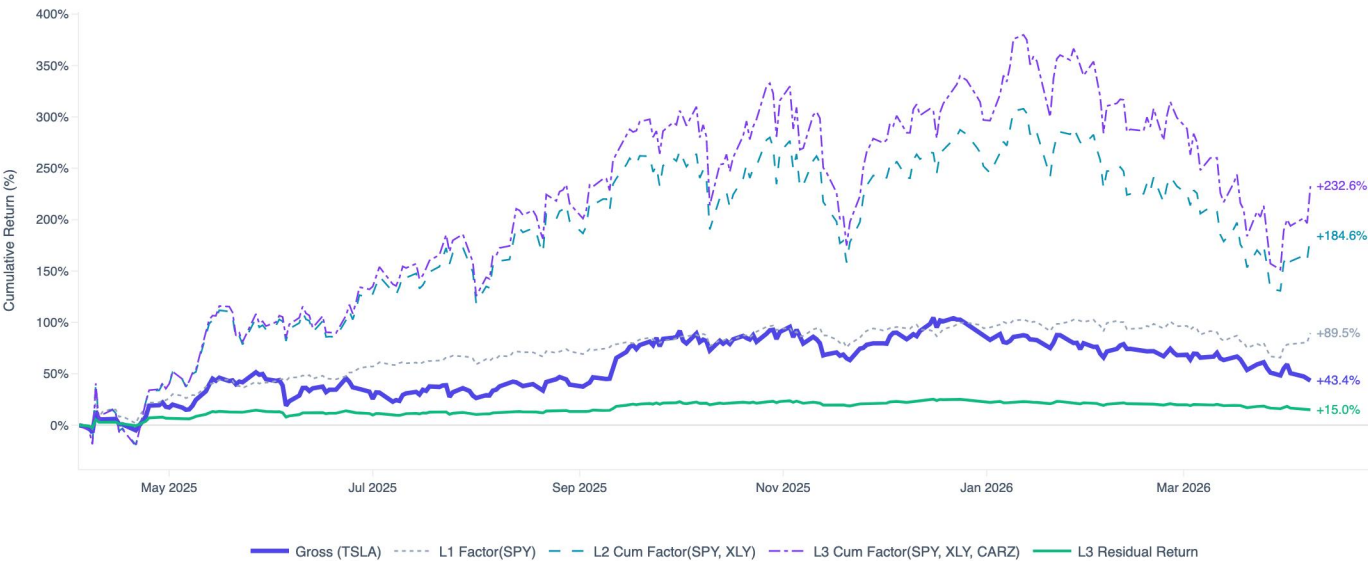
METHODOLOGY — Hierarchical regression (ERM3)

L1 — Market — stock vs SPY; baseline market beta (incremental hedge ratios).  
L2 — Sector — L1 residual vs GICS sector ETF; sector-specific vs the market.  
L3 — Subsector — L2 residual vs subsector ETF; finest systematic sleeve before idiosyncratic risk.  
ER — Explained Risk (ER) — variance share of each orthogonal factor layer.  
HR — Hedge Ratio (HR) — dollars of ETF hedge per \$1 of stock.  
RR — Residual Return (RR) — return orthogonal to market, sector, and subsector factors.

TSLA delivered +43.4% total return over the past year, outperforming SPY by 8.0pp, driven largely by systematic factor exposure (68% of risk). Idiosyncratic alpha contributed +31.8% ann. residual ER but ranks strong on a risk-adjusted basis among CARZ peers.

I. Cumulative Returns

TSLA gross +43.4% — factor bridge: L1(SPY) +89.5%, L2(+XLY) +184.6%, L3(+CARZ) +232.6% → residual alpha +15.0% over the past 252 trading days ending 2026-04-08. Ranks



II. L3 Residual Alpha Quality

TSLA generated +31.8% annualized L3 residual return at 30.6% residual volatility —



III. Equity Factor Decomposition

TSLA's 54.2% vol splits 68% systematic / 32% idiosyncratic.

