

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

TSLA — Tesla, Inc. · Subsector Benchmark: CARZ · As of: 2026-04-07

Tesla, Inc.

TSLA · 2026-04-07

IDENTITY

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

PERFORMANCE STATS

Last Price	\$346.65
Vol (23d ann.)	55.2%
Sharpe (63d)	-2.67
Max Drawdown	-29.2%
Res α Max DD	-10.0%

RANKINGS — Subsector cohort · Peer group: 68 stocks in CARZ

Window	Gross Return Rank	Explained Risk (ER)
1 day	1st pct	4th pct
1 month	22nd pct	76th pct
3 months	22nd pct	49th pct
1 year	75th pct	13th pct

RISK DECOMPOSITION — L3 Explained Risk

Market explained risk (SPY)	+44.5%
Sector explained risk (XLY)	+20.7%
Subsector explained risk (CARZ)	+3.1%
Residual explained risk (idiosyncratic)	+31.7%

MACRO CORRELATIONS — L3 Residual Return

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

VIX	-0.65
Oil	+0.05
Gold	+0.04
Bitcoin	+0.44
DXY	+0.09
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 +29.7% total return over the past year, outperforming SPY by 11.4pp, driven largely by systematic factor exposure (68% of risk). Idiosyncratic alpha contributed +31.7% ann. residual ER but ranks strong on a risk-adjusted basis among CARZ peers.

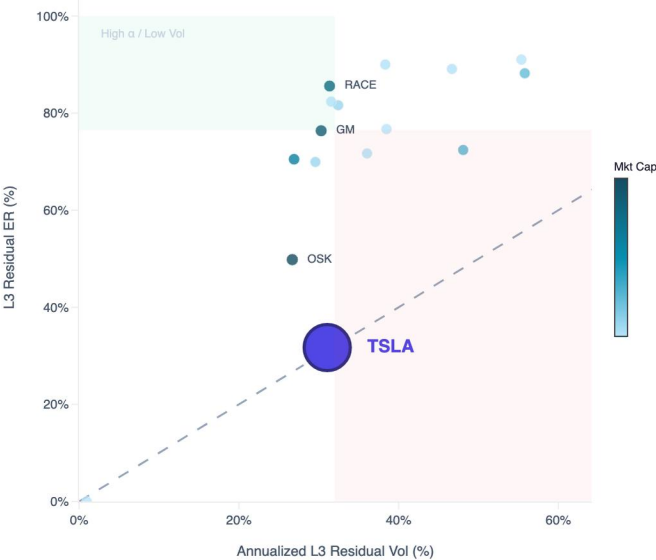
I. Cumulative Returns

TSLA returned +29.7% vs SPY +18.3% (+11.4pp) and CARZ +56.6% (-26.9pp) over the past 252 trading days ending 2026-04-07. Ranks 75th pct (top third of 68 vs subsector peers).



II. L3 Residual Alpha Quality

TSLA generated +31.7% annualized L3 residual return at 31.1% residual volatility —



III. Equity Factor Decomposition

TSLA's 55.2% vol splits 68% systematic / 32% idiosyncratic.

