VIVID
CAPITAL MANAGEMENT

MONTHLY NEWSLETTER

01 Performance

By now, you will have received your statement for the Vivid Energy Fund for March. We have navigated the storm in financial markets well. In March, we were down less than 1%, and we are up strongly in April.

02 Autonomous Vehicle Updates

China:

Tragically, on March 29th, a few people died in a Xiaomi SU7 in China while the car had driver assistance technology deployed. Nineteen days later, China announced the following ban:

> SHANGHAI, April 17 (Reuters) - China is banning automakers from using the terms "smart driving" and "autonomous driving" when they advertise driving assistance features, and will tighten rules around such technology upgrades, the government told industry representatives, according to a transcript of a meeting.

China is increasing public safety by preventing consumer/driver overreliance and overconfidence in systems that aren't truly fully autonomous and are instead just driver assistance features (e.g. lane departure warning, collision warning, lane change assistance, etc).

To be clear, China is not banning autonomous technology; it is simply not allowing automobile manufacturers to advertise basic driver assist programs as full autonomous offerings, which is a good thing.

We continue to like our Chinese autonomy investments.

United States:

As per Bloomberg yesterday, the U.S. is getting to work on making it easier to get autonomous vehicles on U.S. roads.

> (Bloomberg) -- The Trump administration announced its first policy moves to remove what it sees as regulatory barriers facing autonomous vehicles, following through on a goal set by advisers to President Donald Trump.
>
> The National Highway Traffic Safety Administration is updating rules to allow domestically produced autonomous vehicles to qualify for exemptions to US auto safety standards previously offered only to imports, the agency said on Thursday. NHTSA also will continue to require carmakers and other companies to report crashes involving self-driving systems, while loosening some reporting requirements, it said.

03

Autonomous Vehicle Updates cont...

If it wasn't clear before as to why Elon gave Trump US$250 million for his campaign and endlessly supported Trump on X, it should be now. Tesla is betting heavily on autonomous vehicles and is promising robotaxi service by June in Austin, with L3 autonomy available in civilian-owned Teslas in the next handful of months.

With Waymo delivering 250,000 paid robotaxi rides per week in the U.S. (up from 200,000/week in Feb), it is clear autonomous vehicles and robotaxis are taking off in popularity in the U.S. Baidu is enjoying similar success in China. Fully autonomous vehicles are the future; make no mistake about it. And we intend to capitalize on this budding megatrend.

Battery Development:

It is insane the progress China is making in batteries. Battery king, CATL, announced a new battery can achieve 520km of range with just 5 minutes of charging. A few weeks ago, competitor BYD announced 470km of range in just 5 minutes. Even Xpeng announced a battery that can get 420km of range in just 10 minutes.

5 minutes is about how long it takes to fill up a gasoline-powered car. Going forward, you'll be able to charge your EV at home (which you can't do with a gasoline-powered car) and charge up on the road at an EV charger in the same amount of time as it takes to fill up a gasoline-powered car. Nice to have both options! Advantage: EV.

Range anxiety and charge time anxiety are in the rearview mirror, spurring even faster EV adoption. Add autonomous driving systems, and it is becoming increasingly obvious that EVs are not just the future but the now. We know that and are investing accordingly.

So is Walmart.

> Walmart "intends to install Walmart EV charging stations at thousands of its locations by 2030. Walmart currently operates over 4,600 stores and over 600 Sam's Clubs in the United States, giving it over **5,200** potential locations. **Over 90% of the US population lives within 10 miles of one of its stores**, and the remaining <10% live mostly in extreme rural areas where electric vehicle adoption is currently very low. Walmart owns most of the real estate where the stores sit, so it doesn't need to find locations or ask anyone for permission." – InsideEvs – 04/24/25

Potential game changer:

> "To put that into perspective, Tesla currently has about 2,600 Supercharger locations with 30,000 stalls in the US. Walmart could match what it took Tesla 13 years to do in under five years. It has the money, the locations, and it appears the desire to do so." – InsideEvs – 04/24/25

Happy to chat anytime.
JB

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