POLARIS ADVISORS

SpaceX and the Return of the Mega-IPO

Our Investment Perspective

June 2026

EXECUTIVE SUMMARY

- SpaceX represents a unique business with meaningful positions in commercial launch services and satellite communications.
- We believe investors should focus on long-term fundamentals, valuation, and portfolio fit rather than short-term trading activity surrounding the IPO.
- Highly anticipated public offerings often experience elevated volatility as the market determines an appropriate valuation.
- Our goal is not to predict the stock's path following the IPO, but to identify the most effective and risk-conscious way to participate in the opportunity should it become attractive.
- Our investment decisions will continue to be guided by disciplined portfolio management principles rather than market enthusiasm or headlines.

THE RETURN OF THE MEGA-IPO

After several years of relatively limited IPO activity, public markets may be entering a new phase characterized by the emergence of exceptionally large private companies seeking public capital.

SpaceX is one of the most visible examples of this trend. However, it is unlikely to be the only company of significant scale to access public markets in the coming years. Several private businesses across aerospace, artificial intelligence, and advanced technology sectors have reached sizes and valuations that would have been difficult to imagine a decade ago.

These developments have the potential to create meaningful investment opportunities. They also reinforce the importance of maintaining a disciplined investment process, particularly when public attention and investor expectations are elevated.

For investors, the key question is not whether a company generates excitement. The more important question is whether the opportunity ultimately provides an attractive balance of risk and reward relative to available alternatives.

PRIVATE MARKETS → MEGA-IPOs → PUBLIC MARKETS → LONG-TERM PORTFOLIO OPPORTUNITIES

WHAT MAKES SPACEX UNIQUE

COMMERCIAL LAUNCH LEADERSHIP
SpaceX has established leading positions in commercial launch services through technology and expanded launch capacity.

STARLINK PLATFORM
The company has built one of the largest satellite communication networks currently in operation.

COMMUNICATIONS INFRASTRUCTURE
These achievements have allowed SpaceX to become an influential participant in both telecommunications the aerospace and industries.

LONG-TERM GROWTH POTENTIAL
The company has built one of the largest satellite communication networks currently in operation.

As with any investment opportunity, our evaluation extends beyond the business itself and includes factors such as valuation, governance, competitive positioning, financial performance, and overall portfolio suitability.

WHAT WE ARE WATCHING

VALUATION
A company's long-term success does not always translate directly into attractive investment returns. The price investors pay matters. We will carefully evaluate whether market expectations are appropriately reflected in the stock's valuation relative to its growth prospects and operating performance.

GOVERNANCE
Corporate governance remains an important consideration for long-term investors. Ownership structure, voting rights & control, and management control can influence how shareholder interests are represented and how strategic decisions are made over time.

PUBLIC MARKET DEMAND
The IPO process often introduces a period of price discovery as investors evaluate a newly public company. Market enthusiasm can create significant short-term volatility, particularly in highly anticipated offerings.

LOCKUP EXPIRATION & SHARE SUPPLY
One factor we will monitor is the eventual expiration of insider lockup restrictions. Historically, the release of additional shares into the market has sometimes influenced trading dynamics and investor sentiment following large IPOs.

OPERATING PERFORMANCE
Ultimately, long-term investment outcomes are driven by business execution. Revenue growth, profitability trends, capital allocation decisions, and management's ability to meet expectations will remain central to our analysis.

INVESTOR PERSPECTIVE: UNDERSTANDING EARLY IPO VOLATILITY

The first several months following a major IPO are often characterized by heightened volatility as investors establish an appropriate market valuation for a newly public company.

One event that frequently attracts investor attention is the expiration of insider lockup restrictions, which typically occurs approximately six months after an IPO. At that point, early investors and company insiders may become eligible to sell shares that were previously restricted.

While every situation is unique, changes in share supply and investor sentiment around these events can influence trading activity and price volatility. For that reason, we view the months following an IPO as an important period for observation and evaluation rather than simply focusing on the first day of trading.

Historically, some of the more attractive entry opportunities in highly anticipated IPOs have emerged after the initial period of price discovery, although no such outcome can be guaranteed.

IPO LIFECYCLE: A PERIOD OF DISCOVERY

IPO LAUNCH → Company becomes public

PRICE DISCOVERY → Market establish an appropriate valuation

EARLY EARNINGS → Investors evaluate execution and performance

LOCKUP EXPIRATION (~180 DAYS) → Additional shares may become eligible for sale

LONG-TERM FUNDAMENTALS → Business execution drives long-term value creation

WHAT THIS MEANS FOR YOUR PORTFOLIO

DIRECT OWNERSHIP
As public trading begins and additional information becomes available, we may identify opportunities to gain exposure where appropriate.

EXISTING DIVERSIFIED HOLDINGS
Many client portfolios already maintain exposure to the innovation economy through diversified holdings in technology, communications, aerospace, and broad-market index strategies.

FUTURE INDEX INCLUSION
As major companies eventually enter public indexes and become more broadly owned throughout the market, investors often gain exposure through existing portfolio holdings over time.

For some clients, a direct investment may ultimately be appropriate. For others, existing portfolio allocations may already provide sufficient participation in the long-term growth themes that companies such as SpaceX represent.

As always, investment decisions will be guided by each client's objectives, time horizon, risk tolerance, and overall financial plan.

> "The most widely discussed investment opportunities are not always the most time-sensitive.
>
> OUR RESPONSIBILITY IS NOT TO BE FIRST.
> OUR RESPONSIBILITY IS TO BE DISCIPLINED.

If you would like to discuss how a potential investment in SpaceX may fit within your specific financial plan, risk profile, or portfolio strategy, please contact our team.

POLARIS ADVISORS

4000 Market Street
Camp Hill, PA 17011

(717) 775-8061

polarisadvisors.net