PRIVATE MARKETS · JUNE 2026

The SpaceX IPO and the Tyranny of the Average.

The biggest IPO in history just happened. Here is what 3,700 funds and the lock-up clock say about what comes next, and why, for a buyer entering now, the edge is the discipline, not the asset.

13.4%	0.2%	$1.77T
venture mean net IRR in our database	venture median, the same universe of funds	SpaceX implied valuation at its 12 Jun 2026 listing

On 12 June 2026, SpaceX became a public company. It priced at 135 dollars, opened at 150, closed its first day up 19 percent, and raised roughly 75 billion dollars at an implied valuation near 1.77 trillion. It is the largest initial public offering in history, and for months it will be the most discussed line item in family-office and allocator conversations everywhere. So this is a useful moment to be precise about a claim the industry makes loosely all the time: that technology IPOs deliver strong returns. They do, on average. The trouble is that nobody can buy the average.

> **A word on the data:** the fund-return analysis is computed on our proprietary private-capital database of more than 3,700 fund-level performance records and quarterly returns back to 1996, verified against our live data. The SpaceX listing facts and the comparable-IPO returns are publicly reported and labelled as estimates; the lock-up mechanics are inference from published academic research. SpaceX is a worked example, not a recommendation.

01 · THE POWER LAW

The average is an illusion. The median tells the truth.

Across the venture funds in our database, the mean net internal rate of return is **13.4 percent**. The median is **0.2 percent**. These two numbers describe the same universe of funds, and the gap between them is the entire argument against buying tech-IPO hype as an asset class.

In venture, the average return is 13.4%. The median is 0.2%. Same funds.

Net IRR by private-capital strategy, our proprietary database. Teal = mean, grey = median.

✓ Venture is a power law: one fund returned 371.7%. Remove it and the strategy's average falls to about 7.4%.

Our private-capital database, latest fund reports. DATA.

THREE HORIZONS CAPITAL

Venture returns are a power law, not a bell curve. The single best fund in our venture universe returned **371.7 percent** net; remove that one fund and the strategy's average falls to roughly **7.4 percent**. Half of all venture funds returned less than 0.2 percent, and one in eight lost money. Buyout, by contrast, has a mean and median almost on top of each other, so its average is informative. The practical consequence is direct: gaining exposure to venture, or to tech IPOs, as an asset class is not the same as capturing the returns that justify the headline. Those returns come from selection, not exposure.

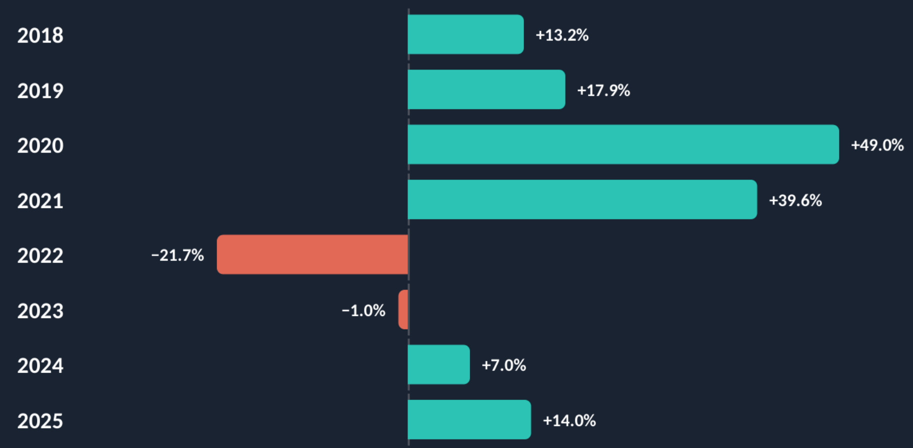
02 · VINTAGE

Vintage beats conviction.

When you enter matters more than how much you believe. Venture is the most volatile strategy in private markets by a wide margin, and the recent cycle makes the point without commentary.

Venture's boom and bust: +49% in 2020, then minus 21.7% in 2022.

Venture capital annual return by year, our rolling-return database. Vintage timing beats conviction.



✓ The 2022 crash maps onto the IPO-window collapse. Those who waited bought the same assets 40 to 60% cheaper.

Our rolling-return database, annualised. DATA.

THREE HORIZONS CAPITAL

Venture returned **+49.0 percent in 2020** and **+39.6 percent in 2021**, then **−21.7 percent in 2022**, a correction that maps almost exactly onto the collapse of the IPO window in the same window, the period of Rivian and WeWork. Investors who chased venture-backed IPOs at the 2020 and 2021 peak bought the top and lived through the correction before any recovery. Those who kept their discipline and entered afterward bought the same assets at 40 to 60 percent discounts. For a family office sizing a single high-profile position, vintage matters more than conviction.

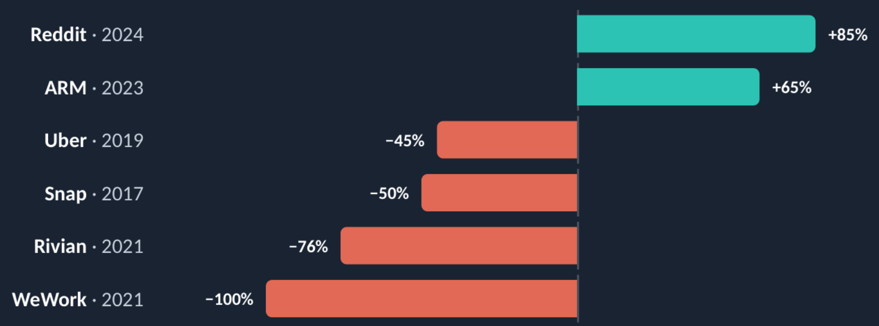
03 • THE LOCK-UP CLOCK

The structural variable is a date on the calendar.

For anyone who did not own SpaceX before the listing, the relevant question is not whether to admire the company. It is how a new listing behaves. On IPO day only a slice of the shares trade, typically 10 to 20 percent, and that scarcity supports and often inflates the opening price. SpaceX has already had that pop. The more important date comes later: the standard 180-day lock-up expires around **Month 6**, releasing insider shares, employees, early investors and venture sponsors, on a single predictable date. For SpaceX, with a large early-employee base and two decades of venture rounds, that supply is substantial, and the cliff lands around **December 2026**.

Twelve months after listing, the outcomes are wide: from minus 100% to plus 85%.

Approximate return in the 12 months after IPO, high-profile technology listings. The base rate SpaceX now joins.



✓ The risk of permanent loss at a peak-hype entry is real. The lock-up cliff rewards patience.

Publicly reported, approximate. ESTIMATE. ARM and Reddit shown to avoid selection bias.

THREE HORIZONS CAPITAL

The comparable base rate, twelve months after listing, should be read without selection bias: Rivian fell 76 percent, Snap 50 percent, Uber 45 percent and WeWork went to zero, while ARM rose 65 percent and Reddit 85 percent. The distribution of outcomes is wide and the risk of permanent loss at a peak-hype entry is real. The point is not that famous IPOs fail. It is that the lock-up cliff hands a patient buyer a structurally better entry than IPO day offered.

04 • SPACEX

SpaceX is three bets the market is now pricing as one.

SpaceX operates three structurally different businesses, each with its own risk profile, and the market must price all three at once: **Starlink** broadband (a recurring-subscription business, the engine of last year's roughly 18.7 billion dollars of revenue), **launch services** (mature in Falcon 9, early in Starship), and the longer-dated **space economy** (Starship and beyond, largely conceptual and decades from revenue).

The valuation requires every assumption to be right at once

At roughly 1.77 trillion dollars, the listing prices in success across all three businesses simultaneously. Each assumption is plausible in isolation; requiring all of them to be correct at once, at that valuation, is the kind of bet that historical tech-IPO valuations have rarely rewarded at the point of maximum enthusiasm.

Scale brings a mechanical complication

At this size SpaceX immediately becomes one of the largest listed companies in the world, which forces buying from passive index funds regardless of fundamentals. That can support an elevated price longer than analysis would suggest, then unwind quickly if growth disappoints.

One honest reframing helps. Early venture investors built positions at a cost basis a fraction of today's, an advantage that is not recoverable. A post-IPO buyer should not try to replicate a venture return profile. The right frame today is a liquid-equity investment in a well-defined, very richly valued technology company, with all the discipline that implies, not a venture bet on a startup.

05 • THE DISCIPLINE

The discipline is the protection, not the asset.

The families most harmed by past hype cycles shared one trait: they sized the position as a statement of conviction rather than a disciplined allocation. The quality of the asset is secondary to the quality of the process, and the process is simple to state and hard to follow.

01 Size it before you are excited

A hard ceiling near 3 to 5 percent of investable assets, written down before the conviction builds. At 5 percent, even a Rivian-scale 70 percent drawdown costs the portfolio three and a half points: painful, survivable. Above that, a single name can do permanent damage.

02 Audit your technology beta first

Map the growth and technology exposure you already hold, in public equity, in venture funds, in direct positions. If it is already high, a famous tech name is correlated risk, not diversification.

03 Let the lock-up clock work for you

Treat the Month-6 expiry as an entry window, not a threat. Accumulate the bulk of an intended position into the supply flood, and add the rest only against confirmed operating milestones, rather than going all-in at peak enthusiasm.

04 Decide how you lose before how you win

A pre-committed exit discipline, and a clear view of the valuation, regulatory, key-person and correlation risks, is worth more than any price target.

> **The honest part:** none of this requires a view on whether SpaceX succeeds. It requires a view on how a portfolio should hold a position whose range of outcomes is genuinely wide. The headline is not the analysis. The discipline is.

The fund-return figures are verified against our own database. The SpaceX listing facts and comparable-IPO returns are publicly reported estimates; the lock-up underperformance ranges are inference from academic research. This is research, not investment advice, and SpaceX is a worked example, not a recommendation.

Sources: Three Horizons Capital proprietary private-capital database (fund-level net IRR and TVPI; quarterly rolling returns 1996 to Q3 2025), verified against our live data; SpaceX listing facts and comparable-IPO returns from publicly reported data as of 28 June 2026; lock-up underperformance from published academic research. For research and platform-demonstration purposes; not investment advice.

Want this run against your own book?

We can ground a position in the base rates that actually apply, stress-test what a 3 or 5 percent allocation does to a portfolio before it is made, build a disciplined entry range from scenario analysis, and watch the lock-up calendar, so the decision is made on evidence rather than enthusiasm.

READ THE FULL PIECE ONLINE

www.threehorizonscapital.com/insights/spacex-ipo-power-law