

# Special Report



## THE SPACEX TRADE

### FOUR DIRECT PLAYS AND THREE BROADER SPACE-ECONOMY TRADES AHEAD OF THE IPO

#### KEY TAKEAWAYS

- SpaceX is set to become the **largest IPO in market history**, following reports of a **\$1.25 trillion valuation**
- The business now spans rockets, satellite internet, AI infrastructure, defence and communications technology
- Starlink accounts for roughly **69% of SpaceX revenue** and is currently the company's most profitable division
- Retail investors still cannot buy SpaceX directly, but several listed companies and investment funds already hold exposure
- Some early investors have already seen returns multiply dramatically before any IPO has even taken place
- Investor interest in "backdoor" SpaceX trades is rapidly growing

#### WHY IS SPACEX GENERATING SO MUCH HYPE?

Founded by Elon Musk in 2002, SpaceX has evolved far beyond a traditional rocket company. Today, the business operates across:

- Rocket launches
- Satellite internet
- AI infrastructure
- Defence communications
- Orbital computing
- Global connectivity networks

Following its merger with xAI earlier this year, SpaceX is reportedly valued at \$1.25 trillion

#### BEYOND ROCKETS

Many investors still associate SpaceX primarily with rockets and Mars missions. However, the company increasingly resembles a next-generation infrastructure and AI platform.

SpaceX estimates its total addressable market at approximately **\$28.5 trillion**.

A major part of the excitement centres around Starlink, which now generates roughly:

- **\$3.26bn quarterly revenue**
- **69% of total company revenue**
- **\$1.19bn operating profit**

The company is also investing heavily into:

- AI infrastructure
- Orbital data centres
- Space-based computing networks

**The SpaceX story is now far bigger than rockets alone.**

#### WHY INVESTORS ARE PAYING ATTENTION

Many retail investors feel they missed:

- **Tesla**
- **Nvidia**
- **Amazon** in their early years

This has triggered growing interest in listed companies and funds already holding exposure to SpaceX.

#### FOUR DIRECT SPACEX EXPOSURE PLAYS

##### Scottish Mortgage Investment Trust

One of the best-known UK-listed SpaceX exposure vehicles. The trust invested roughly **\$200m** into SpaceX between 2018-2021, with the holding now reportedly valued near **\$4bn**, representing a **19x** return before any IPO takes place.

##### Alphabet

Google's parent company invested approximately \$1bn into SpaceX alongside Fidelity in 2015. While relatively small compared to Alphabet's overall size, the investment is viewed as strong institutional validation of the long-term SpaceX story.

##### Baron Capital

One of SpaceX's earliest institutional supporters. Baron funds have held SpaceX exposure for years, with founder Ron Baron repeatedly highlighting the company as one of the most important long-term growth stories in private markets.

##### Destiny Tech100

A retail-focused fund designed to provide exposure to high-profile private technology companies. The vehicle has attracted significant attention from investors seeking indirect access to SpaceX and other private-market leaders.

#### THREE HONOURABLE MENTIONS

While the following vehicles may not hold direct SpaceX equity, they could still benefit from increased investor interest in the commercial space economy and related infrastructure themes.

##### Seraphim Space Investment Trust

A UK-listed investment company focused on the expanding commercial space sector, including satellite technology, communications infrastructure and aerospace innovation.

##### Procore Space ETF

A thematic ETF providing diversified exposure to the space economy, including launch technology, satellite operators and aerospace businesses.

##### ARK Invest

Known for its focus on disruptive innovation themes including AI, robotics and next-generation infrastructure. Increased investor enthusiasm around the space sector could potentially benefit broader innovation-focused funds.

#### HOW THE EXPOSURE WORKS

When a fund invests in a private company like SpaceX, it buys shares before any IPO takes place.

If SpaceX later lists publicly at a much higher valuation, the value of those holdings can rise significantly.

##### Example

If a fund invested when SpaceX was valued at **\$50bn** and the company later IPOs at **\$350bn** the value of that investment could theoretically increase **sevenfold**.

That is why investors are paying close attention to listed companies already holding SpaceX exposure.

#### RISKS INVESTORS SHOULD UNDERSTAND

Despite the excitement:

- Most exposure is indirect
- Holdings may represent only a small percentage of wider portfolios

- IPO timing remains uncertain
- Valuations may already reflect significant optimism

**Buying a company with SpaceX exposure is not the same as buying SpaceX itself.**

#### THE BOTTOM LINE

Retail investors may not yet be able to buy SpaceX directly.

But through investment trusts, ETFs and strategic investors, there are already several ways to gain indirect exposure ahead of what could become the largest IPO in modern market history.

#### FINAL THOUGHT

**"For investors unable to buy SpaceX directly, the trade may instead be in the companies and funds already holding a seat on the rocket."**

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