The price of excitement

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Previously we suggested that investing is not a sprint—it is not even a marathon. It is better described as a journey without a finish line. We save not only for our future retirement, but often for our children, grandchildren and the generations that follow. That long-term perspective changes the way we should think about opportunity, risk and investment decisions.

Every market cycle seems to produce a new "must-own" investment. At different times it has been railway companies, internet stocks, property, cryptocurrencies or artificial intelligence. Today, few companies have captured the world's imagination quite like SpaceX.

There is much to admire. Reusable rockets, satellite internet, and technological achievements that seemed impossible only a decade ago – a distinguished track record. SpaceX is, by almost any measure, an extraordinary company; however, investing requires us to ask different kinds of questions. Among them, does a great company automatically make a great investment? History suggests otherwise.

A great company and its success

Elon Musk is an exceptional salesman. The June 2026 listing of SpaceX on the NASDAQ stock exchange generated extraordinary hype. It was oversubscribed despite significant red flags. The company has eyewatering cumulative total losses and only one profitable segment (Starlink), which cannot satisfy the enormous capital expenditure required. Astute investors frequently remind us that there is an important distinction between the quality of a business and the price paid for owning it. A wonderful company can still become a disappointing investment if investors pay too much.

Ultimately, investment returns depend on:

- Quality of management; i.e. the leaders and people;
- The ultimate success of the business, and;
- The price initially paid to participate in that success.

When excitement pushes prices higher, expectations can become almost impossible to satisfy.

The fear of missing out (FOMO)

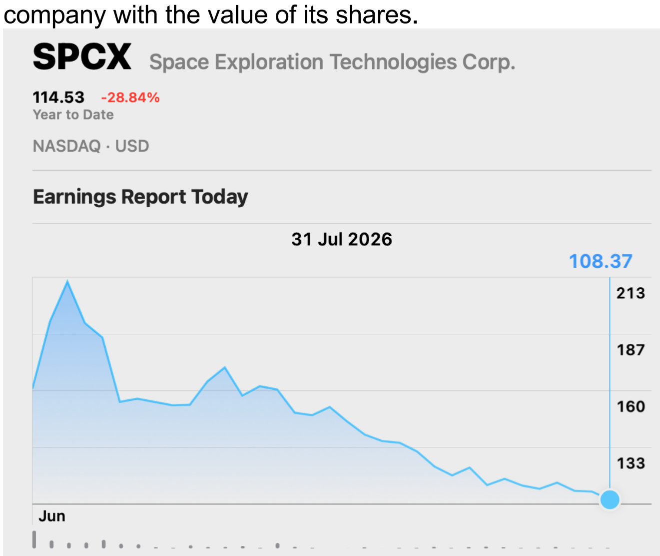
Master strategist Elon Musk manage to persuade both the NASDAQ and Russell 2000 indices to fast track SpaceX for its inclusion. The listing generated circa $86 Billion from new investors of which approximately $20 Billion went to the underwriting banks. This was roughly 2.5x the size of the previous largest listing (Saudi Aramco). The emotional state of investors was so great that the share price rallied up to $225, for a time making Elon Musk the first Trillionaire (on paper at least).

However, reality has since set in as early investors and employees with stock options started to sell. Whenever an exciting opportunity appears, something else often appears alongside it—FOMO, the Fear of Missing Out. Instead of asking: "*What is this investment worth?*" investors begin asking: "*What if everyone else makes money except me?*" It is a subtle, but important difference. History has showed us that periods of exceptional optimism often encourage investors to pay prices that assume almost everything will go right. Sometimes those expectations are fulfilled, but often they are not.

When excitement becomes expensive

The last 150 years produced remarkable breakthroughs and innovation. Railways and cars transformed transportation. The internet changed communication. Smartphones changed the way we live. Artificial Intelligence (AI) may well reshape the global economy as we know it today and some of today's new businesses could well become tomorrow's corporate giants, but history also teaches another lesson that the best companies do not always produce the best investment returns if purchased at unrealistic prices.

The recent enthusiasm surrounding SpaceX serves as an interesting reminder of how quickly investor psychology can change. The company attracted extraordinary attention and enormous demand from investors prior to the listing—all eager to participate in what many viewed as a 'once-in-a-generation' opportunity. As excitement grew, so did the expectations. Whether SpaceX ultimately exceeds, or falls short of those expectations remains to be seen; however, that is not the point. The lesson is that markets often become most optimistic when uncertainty is greatest—and investors should be careful not to confuse admiration for a company with the value of its shares.



Staying rational during euphoria

We rather plan and make provision for the inevitable instead of trying to predict the future. Our responsibility is much simpler:

- To harvest tax savings and structure assets or investments efficiently;
- Help guide clients in order to avoid potential blind spots, or mistakes;
- To build resilient, diversified investment portfolios;
- Do not speculate. Remain disciplined when emotions run high.

Successful investing rarely depends on participating in an exciting opportunity. More often, it depends on avoiding permanent losses while allowing the power of compounding to work over many years. **The fear of missing out has probably destroyed more wealth than the fear of losing money.**

In closing

There will always be another exciting story. Another revolutionary technology. Another investment everyone wished they had bought. Being successful is not about chasing every opportunity. It is about patiently owning quality (understanding what you own), paying sensible prices and allowing time to do the heavy lifting.

Rather seek excitement in your travels, hobbies, your children and grandchildren. In your investment portfolio, seek boredom and discipline, because over the long run, benign neglect has proved to be far more valuable than excitement.

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