

Concentrated Equity Planning Guide

Before the SpaceX Unlock

A planning guide for employees approaching a potential share-sale eligibility date. What to decide in advance, what depends on your goals, and how to keep liquidity from forcing a rushed decision.

The unlock date is not the planning date.

When shares become sellable, that is the day you execute a decision. It should not be the day you start making one. Before the unlock, it is useful to know what you own, what may be eligible to sell, what restrictions could apply, what taxes may be triggered, and what the shares are supposed to do for your life.

That last part matters most. SpaceX may be an extraordinary company. That does not automatically make a concentrated SpaceX position the right personal balance sheet. A great company can still become too much of one household's net worth, especially when salary, benefits, future equity, and career path are already tied to the same place.

Underneath **sell or hold? sits the question that actually drives the plan: what job are these shares supposed to do?**

A quick note on scope

This guide is a framework, not individualized advice. Your actual sale eligibility, tax result, and planning options depend on your equity type, plan documents, trading windows, role-specific restrictions, tax situation, residency, liquidity needs, risk tolerance, and goals. Use it to prepare sharper questions for that conversation, well before any trade.

The work nearly everyone should do first.

Not every employee needs the same strategy. But most benefit from the same foundation before shares become eligible to sell.

- 1 Build a complete equity inventory.**
List what you own by lot: equity type, vest date, exercise date if applicable, cost basis, holding period, lockup status, and next potential sale date.

- 2 Confirm what may actually be sellable.**
Vested is not always sellable. Trading windows, blackouts, pre-clearance, insider restrictions, and plan documents can all matter.

- 3 Define the role of the shares.**
The same position can fund a home, accelerate independence, support giving, reduce career pressure, or create family wealth. Those are different planning problems.

- 4 Evaluate concentration risk.**
Concentration is worth taking seriously even if you keep most of the position. The input that matters is how much household risk you are comfortable holding in one company.

- 5 Model taxes directionally.**
Aim for enough awareness to set a reserve and avoid a surprise. CPA-level precision can wait for the CPA.

- 6 Set a tax reserve before redeploying proceeds.**
After any meaningful sale, consider earmarking cash for taxes before major spending, reinvestment, or private opportunities.

- 7 Create a written sale framework.**
Decide the rules before the emotional moment arrives. The purpose is to avoid improvising with life-changing money.

What job are these shares supposed to do?

Most equity decisions get framed as sell or hold. The better frame is what this wealth is for. Once that is clear, the sale decision becomes more practical.

If the shares are for...	The planning priority is...	The risk of waiting is...
Buying a house	Liquidity and risk reduction	The goal remains exposed to future stock performance.
Financial independence	Diversification and durability	Paper wealth may not become usable household wealth.
Paying taxes	Cash reserve and timing	Proceeds get spent or reinvested before the tax bill is funded.
Keeping upside	A deliberate hold amount	Inertia can start to look like conviction.
Charitable giving	Sequencing gifts before sales	Appreciated shares may be sold when they could have been evaluated for donation.
Family wealth transfer	Early estate and gift planning	Planning may happen after flexibility has narrowed.
Reducing stress	Simplifying the balance sheet	Net worth looks high, but the household still feels exposed.

Sit with this one: **how much SpaceX can I keep without letting one stock control the plan?**

Once the basics are done, the levers depend on the goal.

Buying a house

Turn volatile equity into dependable cash. Consider the full cash need, taxes, a post-closing buffer, and whether the down payment should remain exposed to stock-price risk.

Financial independence

Convert concentrated equity into durable household wealth. The useful question is how much needs to sit **outside SpaceX** for the plan to remain resilient.

Reducing concentration

Build a staged diversification plan. Consider selling in tranches as shares become eligible, rather than treating the decision as all-or-nothing.

Keeping upside

Make the hold decision intentional. Keeping some exposure can be reasonable, as long as the amount is chosen on purpose rather than left to default.

ISOs or exercised options

Prioritize tax coordination and risk control. Holding for a potential tax benefit may or may not justify the added concentration risk.

Charitably inclined

Prioritize sequencing. If giving is already part of the plan, appreciated shares may be worth evaluating before a sale.

Estate-planning concerns

Move planning upstream. Large concentrated positions can raise gift, trust, and estate questions before liquidity decisions are made.

What can go wrong without a plan.

The aim here is practical: spot the predictable mistakes that tend to surface once a concentrated position becomes more liquid.

Decision mistakes

- Selling too little because the company feels special.
- Selling too much without knowing what the proceeds are for.
- Letting coworkers' decisions shape your own.
- Treating the unlock date like a decision deadline instead of an execution date.

Planning mistakes

- Reinvesting proceeds before setting aside taxes.
- Holding for tax reasons while ignoring concentration risk.
- Waiting on charitable or estate planning until after a sale.
- Assuming all share lots have the same tax treatment.

A practical warning

Most people facing this are plenty capable. The trouble is timing. The first real decision tends to land under time pressure, with incomplete information, while the stock price and peer conversations keep moving.

Tax matters, but it should not become the whole plan.

The exact numbers should be handled with a CPA or tax advisor. But before selling, it is useful to know the broad categories that may apply.

Tax items to evaluate

Ordinary income

Capital gains

AMT

State income tax

NIIT

Estimated taxes

Restrictions to confirm

Lockup terms

Trading windows

Blackout periods

Pre-clearance

Plan documents

MNPI concerns

The key message

The goal is to avoid surprises and keep the tax tail from wagging the financial-planning dog. Minimizing tax at all costs is a different game, and usually the wrong one.

Also avoid assuming that a potential mid-December unlock, liquidity window, or sale eligibility date applies uniformly. Actual eligibility depends on company policy, plan terms, trading restrictions, and the employee's role.

When it may be worth getting help before the unlock.

A small, straightforward sale may not require a full planning engagement. A second set of eyes becomes more valuable when the decision affects taxes, goals, concentration risk, or family wealth.

- Your SpaceX shares represent a **large percentage** of household net worth.
- You may need proceeds for a **home, sabbatical, business,** or other major goal.
- You are not sure how much to reserve for taxes.
- You want to diversify but worry about selling too early.
- Your **estate plan** has not caught up to your net worth.
- You are not sure which shares may be eligible to sell first.
- You have **ISOs**, exercised options, or **AMT** questions.
- You recently moved states or worked in more than one state.
- You are charitably inclined and may want to evaluate giving shares.
- You may be subject to trading windows, blackout periods, or pre-clearance.

If several of these apply

However good SpaceX is, the question that matters is whether your **household plan** has grown overexposed to a single outcome.

Before the unlock, be able to answer these.

If you can answer these clearly, the unlock becomes easier to treat as an execution date rather than a scramble.

- What do I own?
- What may be eligible to sell, and when?
- Which shares might be better candidates to evaluate first?
- What restrictions apply?
- What are the tax consequences, directionally?
- How much should I reserve for taxes?
- What near-term goals need funding?
- How much SpaceX exposure is too much for my household plan?
- How much do I intentionally want to keep?
- Do ISO, AMT, charitable, estate, or state-tax issues apply?
- Who needs to be involved before a sale: CPA, attorney, equity-plan administrator, advisor?
- What is my written sale framework before shares are available?

Organize the decision before liquidity arrives.

A concentrated equity decision is rarely just an investment decision. It can touch taxes, cash flow, goals, risk, estate planning, charitable giving, and the emotional reality of selling something that may have created significant wealth. An advisor will not predict SpaceX stock. The job is to organize the decision and coordinate the moving parts.

Questions an advisory process can help evaluate

- How much of this position is needed for actual life goals?
- What might be evaluated now versus later?
- How could proceeds be reinvested in a diversified structure?
- How much risk can the household reasonably keep?
- What should be coordinated with a CPA or attorney?
- How can upside be retained without the whole plan depending on one stock?

The process

- 1 Build the equity inventory.**
Clarify what is owned and what may be eligible.
- 2 Map goals and liquidity needs.**
Separate near-term cash needs from long-term upside exposure.
- 3 Coordinate directional tax planning.**
Work alongside the CPA rather than replacing that advice.
- 4 Create a written sale-and-hold framework.**
Clarify what might be sold, what might be held, and why.

Have a plan before the unlock.

Before you decide what to sell, clarify what the shares are supposed to do. If a potential unlock could materially change your balance sheet, it is worth having a plan before the shares are available to sell.

A practical conversation can help clarify

- What shares may be eligible, and when.
- How much liquidity the household actually needs.
- How much concentration risk feels acceptable after goals are funded.
- What should be coordinated with a CPA, attorney, or equity-plan administrator.
- What a written sale-and-hold framework might look like.

Talk it through with Winnacle Wealth

(254) 776-8400 · hello@WinnacleWealth.com
200 W State Hwy 6, Suite 330 · Waco, TX 76712

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Pre-unlock planning worksheet.

My top three goals for these shares

My near-term cash needs

- Home purchase Taxes Debt payoff Emergency reserve Other

Approximate value of SpaceX shares

Approximate household net worth

Approximate percentage in SpaceX

Intended hold amount

Questions I need answered before selling

- Which shares may actually be eligible?
- Which lots should be evaluated first?
- What tax reserve should I consider?
- Do ISO, AMT, state-tax, charitable, or estate issues apply?
- Who needs to review this before I act?

My working sale framework
