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The Fund

The BlueSpace Fund is a long-only equity fund investing in the Space Economy sector. Target companies, which are mainly listed in the US and Europe, are involved in the launch industry, satellite manufacturing, space exploration, space infrastructure, broadcasting, broadband connectivity, Internet of Things, 5G and earth observation. The fund invests furthermore in companies that directly benefit from space technologies and that use space data for their products and services. Companies are selected through a financial analysis process coupled with a technical-scientific analysis provided by a leading advisory board.

Our View on the SpaceX IPO

The upcoming **SpaceX IPO** is undoubtedly one of the most anticipated public offerings in modern market history. Given its unique positioning within the global space industry and the extraordinary level of investor interest surrounding the company, **BlueSpace Fund** intends to participate in the offering.

Our decision reflects the belief that the initial trading dynamics are likely to be favorable. However, it should not be interpreted as a conviction that SpaceX represents the only attractive way to gain exposure to the future growth of the space economy. On the contrary, while we recognize SpaceX as an exceptional company and arguably the most important player in the sector, we also believe that the IPO is being structured at a valuation designed to deliver a historic exit for existing shareholders.

As active managers, we believe investors should maintain diversified exposure across the broader space ecosystem rather than concentrate their allocation in a single company, regardless of its quality.

Why We Believe the IPO Could Perform Well Initially:

First, it would be a mistake to **underestimate what might be called the Musk Premium**. Elon Musk has repeatedly demonstrated an extraordinary ability to attract capital around ambitious technological visions. Much like Tesla before it, SpaceX benefits from a loyal investor base willing to look far beyond conventional valuation metrics and focus instead on long-term transformative potential.

Second, the investment narrative surrounding SpaceX has expanded significantly beyond launch services and satellite communications. Through **the integration of xAI**, investors are increasingly evaluating the company as a platform at the **intersection of space infrastructure, artificial intelligence, energy, communications, and advanced computing**. Whether or not every element of this vision ultimately materializes, the narrative itself has the potential to support elevated valuations for an extended period.

Third, demand dynamics could create substantial upward pressure during the first months of trading. Retail participation is expected to be unusually high, while **passive investment vehicles and benchmark-tracking funds may be forced to accumulate significant positions following index inclusion**. Historically, these technical flows have often generated strong support for newly listed mega-cap companies.

Why we remain cautious

Despite these supportive factors, we believe investors should remain aware of several important risks.



The most obvious concern is valuation. At the expected IPO valuation range, investors are effectively **paying today for a future that assumes flawless execution** across multiple highly ambitious initiatives. Such expectations leave little room for operational setbacks or delays.

More importantly, a significant portion of **the long-term investment thesis depends on the success of Starship**. The economics of next-generation satellite constellations, orbital computing infrastructure, direct-to-device communications, lunar logistics, and many other future opportunities rely on achieving rapid and fully reusable heavy-lift launch capabilities. While we remain optimistic regarding Starship's long-term prospects, execution risk remains substantial.

Corporate governance also deserves attention. Following the IPO, Elon Musk is expected to retain majority voting control through a dual-class share structure. This provides strategic continuity and decisiveness but also concentrates decision-making power in a single individual, reducing traditional shareholder influence.

Finally, while Elon Musk's shares will remain locked for 366 days, **most pre-IPO shareholders will begin to gain the ability to sell portions of their holdings roughly two to six months after the IPO** through a series of scheduled lock-up releases. While the initial scarcity of shares may support the stock price, the progressive increase in the public float could create periods of volatility and selling pressure as early investors begin to realize gains.

Update on the Space Economy

NASA selected four companies for the first contracts tied to its **Moon Base** initiative: **Blue Origin, Astrolab, Lunar Outpost**, and **Firefly Aerospace**. The awards cover lunar landers, rovers, and drones that will help establish infrastructure near the Moon's south pole ahead of future astronaut missions. Under the awards, Blue Origin will provide cargo landers, Astrolab and Lunar Outpost will develop lunar terrain vehicles (rovers), and Firefly will deliver autonomous drones for surface exploration and operations.

NASA also plans to raise the value of its **Commercial Lunar Payload Services (CLPS)** contract from \$2.6 billion to \$4.2 billion to support a surge in robotic lunar lander missions tied to its long-term lunar base ambitions. The increase would help accommodate a higher flight rate before a successor program, CLPS 2.0, comes online. Companies involved in the CLPS program, including **Intuitive Machines, Firefly Aerospace**, and **Astrobotic**, have indicated they are prepared to support the increased mission cadence as NASA expands commercial lunar operations.

Redwire is positioning itself to support NASA's long-term lunar base ambitions by pursuing opportunities in both lunar landers and surface power systems. The company sees growing demand for infrastructure that can enable sustained human and robotic operations on the Moon. Redwire executives said the company is leveraging technologies gained through recent acquisitions and partnerships to compete for future lunar contracts, particularly as NASA shifts its focus from short-term missions to building a lasting presence on the lunar surface.

Firefly Aerospace plans to debut the upgraded Alpha Block 2 rocket in late summer on its eighth Alpha mission, following a successful return-to-flight launch in March. The upgraded vehicle features stretched stages, improved avionics, new batteries, and enhanced thermal protection systems designed to boost reliability and increase launch cadence.

Voyager Technologies remains confident in the prospects for the commercial **Starlab** space station despite uncertainty surrounding NASA's future budgets and priorities. Company executives said demand from international partners and commercial customers provides a strong business case beyond NASA's support. Developed by Voyager and partners including **Airbus**, Starlab is one of the leading contenders to succeed the International Space Station after its retirement. Voyager said work on the station remains on schedule, with a planned launch before the end of the decade.

AI company **Anthropic** recently signed a major agreement with **SpaceX** to secure access to the full capacity of its Colossus 1 AI computing cluster. The company has also expressed interest in SpaceX's proposed orbital data center satellites, viewing space-based computing as a potential long-term solution to the rapidly



growing energy, cooling, and infrastructure requirements of advanced AI systems. Meanwhile, **Google** has also entered into a cloud computing agreement with SpaceX. According to recent SEC filings, the technology giant is expected to pay approximately \$920 million per month to access large-scale artificial intelligence computing capacity. Together, these developments highlight the increasing convergence between the AI and space sectors, as demand for computing power continues to accelerate.

Rocket Lab announced the largest launch contract in its history: a deal with a confidential customer for five **Neutron** launches and three Electron launches between 2026 and 2029, while also announcing plans to acquire space robotics company **Geost. Rocket Lab** has also teamed with **Raytheon** to pursue work on the proposed **Golden Dome** missile-defense architecture, contributing spacecraft and space systems expertise for a potential space-based interceptor layer. Moreover, Rocket Lab has won its first contract to build satellites for geostationary orbit (GEO), securing a \$90 million U.S. Space Force award to design, manufacture, launch, and operate two satellites carrying space-domain awareness sensors. The mission will help the Space Force track objects in the crowded GEO belt, a critical region for military and commercial satellites. The contract is significant because it expands Rocket Lab's satellite manufacturing business beyond low Earth orbit and makes the company the prime contractor for the entire mission. The satellites will be based on Rocket Lab's Lightning spacecraft platform and will be operated for up to five years after launch, further strengthening the company's growing national security portfolio.

MDA Space says development of **Canadarm3**, the robotic arm system for NASA's lunar Gateway station, remains on track despite broader uncertainty surrounding future space budgets. The company continues work on the autonomous robotic system, which will play a key role in maintaining and supporting Gateway operations in lunar orbit. MDA executives said the project remains a strategic priority and highlighted Canadarm3 as an important step in extending Canada's long legacy of space robotics from the Space Shuttle and International Space Station to the Artemis era around the Moon.

Iridium Communications will acquire the remaining stake in aviation tracking company **Aireon** that it does not already own in a \$367 million deal, giving Iridium full control of the space-based air traffic surveillance business. The acquisition strengthens Iridium's position in aviation services by bringing Aireon's global aircraft tracking network fully in-house, expanding a business that uses Iridium satellites to improve flight safety and air traffic management worldwide.

Intuitive Machines is acquiring ground-station operator **Goonhilly Earth Station** and its U.S. subsidiary **COMSAT** in a deal designed to bolster its lunar communications network. The acquisition adds deep-space tracking antennas and mission operations infrastructure. The move aligns with the company's strategy to build a broader lunar services business that includes not only landers, but also communications and navigation infrastructure for NASA and commercial customers.

SpaceX has formally filed for an initial public offering, setting the stage for what could become the largest IPO in history. The company is reportedly targeting a valuation of about \$1.75 trillion and plans to raise \$75 billion, with shares expected to trade on Nasdaq under the ticker **SPCX**. The filing marks a major shift for SpaceX, which has remained private throughout its rise as the dominant launch provider and operator of the Starlink broadband constellation. The IPO would provide fresh capital for expansion efforts spanning launch services, Starlink, and emerging initiatives such as space-based computing infrastructure.

Spire Global is expanding its European manufacturing footprint with a new satellite production facility in Munich, Germany. The plant is expected to increase the company's spacecraft manufacturing capacity and support growing demand from European government and commercial customers.

The expansion strengthens Spire's presence in Europe and positions the company to take advantage of rising regional investment in Earth observation, weather monitoring, maritime tracking, and space-based data services.

A **Blue Origin New Glenn** rocket was destroyed in a massive explosion during a prelaunch hot-fire test at Cape Canaveral on May 28, dealing a major setback to the company's launch plans. The rocket had been preparing for a mission to deploy **Amazon's Project Kuiper** satellites, and the blast also damaged parts of Launch Complex 36, New Glenn's only active launch pad. Blue Origin as it works to support major customers including **Amazon, NASA, and AST SpaceMobile** while competing with SpaceX in the heavy-lift launch market.



The explosion has intensified concerns about a shortage of U.S. launch capacity, removing one of the few emerging alternatives to [SpaceX](#) from the market for potentially many months. The setback comes as demand for launches continues to grow from commercial satellite operators, national security customers, and NASA programs.

Portfolio Activity

May was one of the most active and significant months in the recent history of the [BlueSpace Fund](#) from a portfolio management perspective. While we remain highly constructive on the long-term industrial and technological prospects of the New Space companies held in the portfolio, we believe that the strong investor enthusiasm has pushed several valuations to levels that, in our view, reflect exceptionally optimistic expectations and, in certain cases, can be considered speculative.

The listed space sector benefited from a rare combination of favorable factors: quarterly results that generally exceeded expectations, growing institutional investor interest in the space economy, and renewed enthusiasm fueled by increasing anticipation surrounding [SpaceX's IPO](#). Against this backdrop, many companies across the sector experienced extraordinary share price appreciation over a very short period of time.

Although this positive momentum may continue for some time, our role as active managers requires us to continuously assess the balance between opportunity and risk. When market valuations move significantly ahead of underlying fundamentals, we believe it is prudent to act in order to protect capital and preserve the fund's ability to generate sustainable long-term returns.

As a result, May was characterized by a substantial portfolio rebalancing effort, with portfolio turnover reaching approximately 25%, one of the highest levels since the fund's inception. At the time of writing, we have reduced exposure to some of the most speculative positions by approximately \$5.7 million, representing around 17% of the fund's assets. In particular, we sold between 25% and 50% of our holdings in [Planet Labs](#), [Rocket Lab](#), [Intuitive Machines](#), [BlackSky](#), [AST SpaceMobile](#), [Redwire](#), and [MDA Space](#).

Importantly, these transactions do not reflect any deterioration in our conviction regarding these businesses. On the contrary, we continue to view them as some of the most compelling and innovative companies across the entire space economy. Rather, these decisions were driven exclusively by the need to rebalance the portfolio's risk-reward profile following a period of exceptionally strong share price appreciation.

Approximately half of the proceeds generated from these sales were redeployed into companies characterized by more mature business models, positive and predictable cash flows, stronger balance sheets, and significantly more reasonable valuations. In addition, we initiated a new position in [Leidos Holdings](#), which we believe represents one of the most attractive asymmetric value opportunities currently available within the broader space and defense technology ecosystem.

Leidos combines exceptional revenue visibility, supported by a \$48.3 billion backlog, with a strong balance sheet and a strategy focused on accelerating its transition toward higher-margin Defense Technology activities. Despite these qualities, the company currently trades at approximately 10x forward earnings, a valuation that we believe significantly undervalues both the quality of the business and its long-term growth potential.

Overall, while BlueSpace remains by nature a growth-oriented and innovation-focused strategy, we have deliberately adopted a more defensive portfolio stance than in previous months. Consequently, the fund's [cash position is currently unusually high](#) at approximately 9% of assets. We believe this additional flexibility is particularly valuable in an environment where investor enthusiasm remains strong, but where valuations increasingly require a disciplined and selective approach.

In our view, the long-term investment case for the space economy remains as compelling as ever. However, periods of exceptional optimism often create opportunities not only to identify future winners, but also to actively manage risk and strengthen portfolio resilience for the next phase of the cycle.



Performance.

The **BlueSpace Fund** gained **+19.8% during the month of May**, bringing the fund’s performance for 2026 to **+50.4%**.

May was a remarkable month for space stocks, with many names posting gains that would have seemed unthinkable just a year ago. Companies such as **Rocket Lab (+79%)**, **AST SpaceMobile (+55%)**, **Intuitive Machines (+71%)**, **Redwire (+171%)**, and others benefited from a powerful combination of strong first-quarter earnings, improving business fundamentals, and a surge of investor enthusiasm surrounding the sector.

On the fundamental side, the rally was supported by genuinely strong results. **Rocket Lab** reported record revenue and a backlog exceeding \$2.2 billion, **Intuitive Machines** reached record revenue while achieving positive adjusted EBITDA, and several satellite operators highlighted growing demand from government and defense customers. Across the sector, backlogs expanded, profitability improved, and management teams demonstrated increasingly solid execution against ambitious growth plans. These results helped validate the long-term investment case for many companies that had previously been viewed as speculative.

However, fundamentals alone do not fully explain the magnitude of the move. The biggest catalyst was the growing anticipation of the **SpaceX IPO**, which has become one of the most closely watched public offerings in market history. As investors searched for ways to gain exposure to the rapidly expanding space economy before the IPO, capital flowed into publicly traded peers across launch, satellite communications, Earth observation, and space infrastructure. The result was a broad-based re-rating of the sector, with some stocks rising 50–70% in a matter of weeks.

The table below outlines the top contributors and detractors to last month’s performance:

Positive		%	Negative		%
	REDWIRE	+3.8		TRIMBLE	-0.4
	ROCKET LAB	+2.9		GARMIN	-0.2
	INTUITIVE MACHINES	+2.2		TELEDYNE TECHNOLOGIES	-0.1
	AST SPACEMOBILE	+1.7		VERISK ANALYTICS	-0.1
	PLANET LABS	+1.5		BAE SYSTEMS	-0.1

The chart below illustrates the performance since inception of the BlueSpace Fund, the S-Network Space Index, and the MSCI World Index:



Investment Trends

Defence and Security: Today more than ever, defense and national security are strategic priorities for governments and international alliances. The structural increase in military spending, the evolution of hybrid threats, and the growing importance of technological sovereignty are benefiting companies active in defense systems, secure communications, dual-use space technologies, and cybersecurity. The sector also enjoys strong political visibility and long-term public investment cycles.

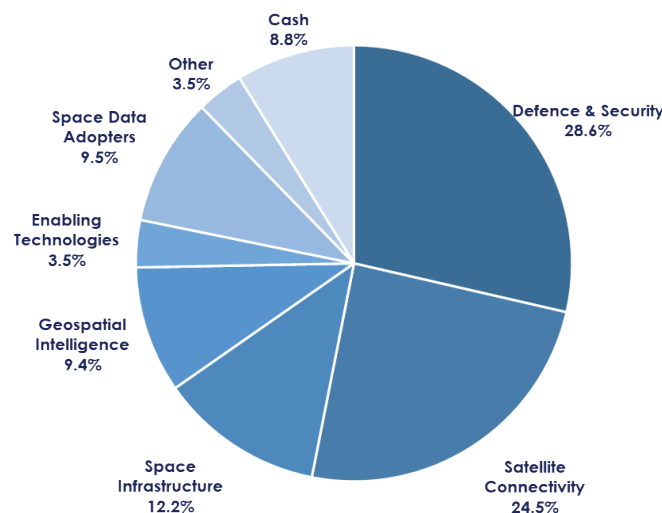
Space Infrastructure: This decade will be marked by the construction of a new orbital infrastructure: thousands of satellites will be built, launched, and operated to support communications, Earth observation, AI, and cloud services from space. New commercial space stations are opening the door to experimentation and manufacturing in microgravity (advanced materials, pharmaceuticals, bioprinting). The Artemis program and upcoming lunar missions ensure long-term public investment in this value chain.

Geospatial Intelligence: Increasingly sophisticated satellite constellations collect multispectral, infrared, radar, and radiofrequency data from Earth in real time. Companies in this segment provide scalable SaaS solutions, turning satellite imagery into strategic insights for defense, agriculture, logistics, climate science, and risk management. The convergence of AI, cloud, and space-based observation is at the core of this new form of geospatial intelligence.

Satellite Connectivity: LEO, MEO, and GEO constellations enable high-speed, low-latency internet access anywhere on Earth – from remote areas and open seas to regions with no terrestrial infrastructure. Thanks to direct-to-device technologies, everything from smartphones to industrial IoT devices can now communicate directly with satellites, creating a global network independent of the ground. This key segment bridges the digital divide and supports mission-critical applications on a planetary scale.

Enabling Technologies: Companies providing essential technologies – such as sensors, optical components, semiconductors, and advanced engineering services – to build, integrate, and operate space infrastructure and missions. These players are the backbone of the space value chain, ensuring reliability, innovation, and scalability for satellites, payloads, launch vehicles, modules, and communications networks.

Strategic Data Adopters: Companies that, while not directly operating in the space sector, derive economic benefit from the expansion of the space economy. These include technology, industrial, or financial operators that leverage space-based data and services (e.g., geolocation, analytics, connectivity) to enhance their offerings, enter new markets, or support innovation in their verticals.



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