



Edited by **Juan Luis Mallo**
Head of Institutional Portfolio Management, Partner



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.

Update on the Space Economy

NASA continues to accelerate the development of a commercial lunar ecosystem. During the month, the agency awarded nearly **\$600 million in contracts** to **Astrobotic**, **Firefly Aerospace** and **Intuitive Machines** for four lunar delivery missions planned for 2028 under the CLPS program. NASA also selected Advanced Space for CAPSTONE 02, a two-spacecraft mission designed to demonstrate autonomous navigation, rendezvous and proximity operations in cislunar space. Together, these initiatives highlight the gradual shift from individual exploration missions toward the logistics, navigation and operational infrastructure required to support a sustained presence on and around the Moon.

Voyager Technologies completed the acquisition of **Astrobotic**, adding lunar landers, rovers, power systems and surface technologies to its space infrastructure portfolio. The transaction coincided with Astrobotic securing nearly \$298 million from NASA for two additional CLPS missions, positioning Voyager to benefit directly from increasing public and private investment in lunar infrastructure.

Meanwhile, following NASA's decision to pause the **Lunar Gateway program**, **ESA** is exploring ways to repurpose the Gateway's **Lunar Link communications module** into a standalone cislunar communications satellite. The initiative could preserve key European capabilities while contributing to a more distributed lunar communications and navigation architecture, further highlighting the shift toward modular infrastructure supporting sustained operations on and around the Moon.

SpaceX continues to reinforce its dominant position in the global launch market. The company secured **\$1.6 billion in U.S. military launch** orders for 18 Falcon 9 missions, further strengthening its role as a critical launch provider for national security satellite networks and highlighting the Pentagon's challenge in maintaining a diversified supplier base. On the commercial side, Transporter-17 deployed 81 payloads, confirming the **success of SpaceX's rideshare model** in providing cost-efficient access to orbit for small satellites. Meanwhile, the **13th Starship** test flight marked further **progress** in the development of the company's next-generation launch system, which is expected to significantly expand launch capacity and further reduce the cost of access to space.

Blue Origin continues to advance its ambitious roadmap despite the recent New Glenn setback. Following the May accident, the company is developing a simplified launch pad configuration designed to accelerate **New Glenn's return to flight**, while work on the **Blue Moon lunar program** continues, with seven landers currently in production. At the same time, Blue Origin is reportedly seeking to raise up to \$10 billion from external investors, highlighting both the significant capital requirements and the scale of its expansion across launch and lunar transportation infrastructure.



Rocket Lab continues to expand across the space value chain. Ahead of its planned acquisition by Rocket Lab, Iridium completed the acquisition of the remaining 61% stake in **Aireon**, bringing the aviation tracking and data-services business fully within the group and strengthening Rocket Lab's future exposure to recurring space-based services. On the launch side, **Rocket Lab secured a \$266 million U.S. Space Force** contract for up to 18 HASTE missions and will establish a new launch site in Alaska, reinforcing its growing role in defense. Meanwhile, **Electron** continues to consolidate its **commercial position**, with another contract from Japan's iQPS bringing the total number of dedicated missions for its Earth-observation constellation to 15.

Amazon is also expanding its ambitions in satellite connectivity. As **Amazon Leo** approaches the launch of its initial broadband service, the company has filed plans for a new 5,105-satellite direct-to-device constellation, extending its strategy beyond traditional **satellite broadband** into **direct connectivity with smartphones** and IoT devices. The move would position Amazon in another rapidly emerging satellite communications market alongside players such as **SpaceX** and **AST SpaceMobile**.

L3Harris is reshaping the former **Aerojet Rocketdyne** portfolio into two focused businesses. Rocketdyne has re-emerged as a standalone space company after **AE Industrial Partners** acquired a 60% stake in its space propulsion, power and electronics activities at an \$845 million valuation. Separately, **L3Harris plans to IPO its Missile Solutions division in 2027**, creating a focused player in solid rocket motors, a critical technology for missile defense and strategic weapons programs where demand is growing rapidly.

Europe's space economy is increasingly benefiting from rising **defence** and **security spending**, as governments accelerate investments in sovereign communications, Earth observation, surveillance and launch capabilities. At the center of this strategy is **IRIS²**, the EU's €15.6 billion secure connectivity program, designed to reduce Europe's dependence on foreign infrastructure through a 414-satellite multi-orbit constellation. **Poland** recently committed €656 million to the program, further highlighting its **strategic importance**. Major beneficiaries include SpaceRISE consortium operators **SES**, **Eutelsat** and **Hispasat/Indra**, alongside satellite manufacturers and system integrators such as **Airbus Defence and Space**, **Thales Alenia Space** and **OHB**. With industrial production underway and full operations targeted for 2030, IRIS² is becoming a major catalyst for Europe's space industry and its push toward greater strategic autonomy.

This favorable environment is already translating into stronger demand for European satellite manufacturers. **Airbus Defence and Space is benefiting from growing orders** for sovereign and defense satellite systems, while **Airbus** and **Thales Alenia Space** were recently selected to build SpainSat NG III, a new secure communications satellite for the **Spanish government**. The order provides another tangible example of rising European investment in resilient and sovereign space infrastructure.

Sovereign access to orbit is another increasingly important component of this strategy. **Isar Aerospace** signed an agreement with **Planet Labs** to launch a next-generation Pelican Earth observation satellite, in what is expected to become the first mission combining a German-built satellite with a German-built orbital launcher. Isar also secured a dedicated launch complex at Spaceport Nova Scotia, Canada, expanding its future reach beyond Europe. **Spectrum**, Isar's rocket, is a two-stage, non-reusable 28-meter rocket capable of carrying up to 1,000 kg to LEO and 700 kg to SSO. While still in its qualification phase, Spectrum has growing strategic relevance as Europe seeks to reduce its dependence on foreign launch providers and secure autonomous access to orbit for commercial, institutional and defense satellites.

China also achieved a major milestone in reusable launch technology, becoming the second country after the United States to **successfully recover the first stage** of an orbital-class rocket. The Long March 10B booster was recovered following its test flight using an offshore capture system, marking an important step toward reusable launch operations. The rocket is designed to carry up to 16 tons to LEO in reusable configuration and is expected to support both crewed missions and large-scale satellite deployment. The achievement could help China increase launch frequency and reduce costs, narrowing one of the key technological and economic advantages SpaceX has built through Falcon 9 reusability.



Portfolio Activity

In July, we continued to increase our exposure to New Space stocks that had been heavily sold off and were trading at what we consider significantly more attractive valuation levels. This stands in contrast to May, when we believed valuations had become excessive and consequently reduced our exposure. During the month, we therefore increased our positions in companies such as [AST SpaceMobile](#), [Rocket Lab](#), [Intuitive Machines](#), [Planet Labs](#), [Redwire](#), [Firefly Aerospace](#) and [BlackSky](#).

At the same time, we took partial profits in U.S. defence names such as [Lockheed Martin](#), [Northrop Grumman](#) and [RTX](#). These companies reported strong results, supported by solid revenue growth and record backlogs, and their share prices recovered to levels that we consider closer to fair value. We therefore decided to reduce their portfolio weights, as we now see a less compelling risk/reward profile compared with other opportunities in the portfolio.

We also reduced our exposure to [Garmin](#), despite the company's excellent fundamentals and strong operating performance. Garmin delivered a broad-based beat across all segments, achieved a record operating margin of 30.4%, and significantly raised its full-year guidance. However, following the strong share price appreciation, the stock is now trading above our estimate of fair value, while its 12-month forward P/E of approximately 30x stands near the upper end of its 10-year historical range. We therefore preferred to take partial profits and would look to rebuild the position should more attractive entry points emerge in the coming months.

Performance

[BlueSpace Fund](#) declined by **7.3%** in July, bringing its year-to-date performance to **+19.7% in 2026**. New Space stocks continued to come under significant pressure, extending the correction that began in June. Companies such as [Intuitive Machines](#), [Spire Global](#), [Planet Labs](#), [Rocket Lab](#), [AST SpaceMobile](#), [Firefly Aerospace](#) and [Redwire](#) fell by approximately 30–40% in just one month. [SpaceX](#) also declined sharply, losing 37% during July. The sell-off followed a significant reversal in momentum after the strong post-IPO performance and was exacerbated by the psychological break below the IPO price. Sentiment was also affected by renewed concerns around the [Starship](#) development programme, particularly regarding the durability of its thermal protection system and the potential implications for SpaceX's long-term objective of achieving rapid and cost-efficient reusability.

As discussed previously, we continued to gradually increase our exposure at what we consider more reasonable valuation levels, although calling the bottom of such a sharp correction remains extremely difficult. In our view, many of these stocks had risen too far and too quickly during the first months of the year, making a valuation reset justified, despite the magnitude and speed of the recent decline.

Importantly, however, the fundamental picture remains strong. The Space Economy continues to expand, while many of these companies are reporting excellent operating results, with strong revenue growth, improving margins and expanding backlogs. At the same time, several are continuing to make meaningful progress towards positive EBITDA, reinforcing our conviction in their long-term growth potential despite the recent volatility in their share prices.

On a positive note, the Fund's higher-quality and more defensive holdings also reported strong results, which were rewarded by the market. [Garmin](#) gained 20% during the month, followed by [Leonardo](#) (+17%), [Lockheed Martin](#) (+15%), [Amazon](#) (+14%), [RTX](#) (+14%) and [BAE Systems](#) (+14%). These positions provided valuable downside protection, partially offsetting the significant weakness across the more growth-oriented New Space segment.

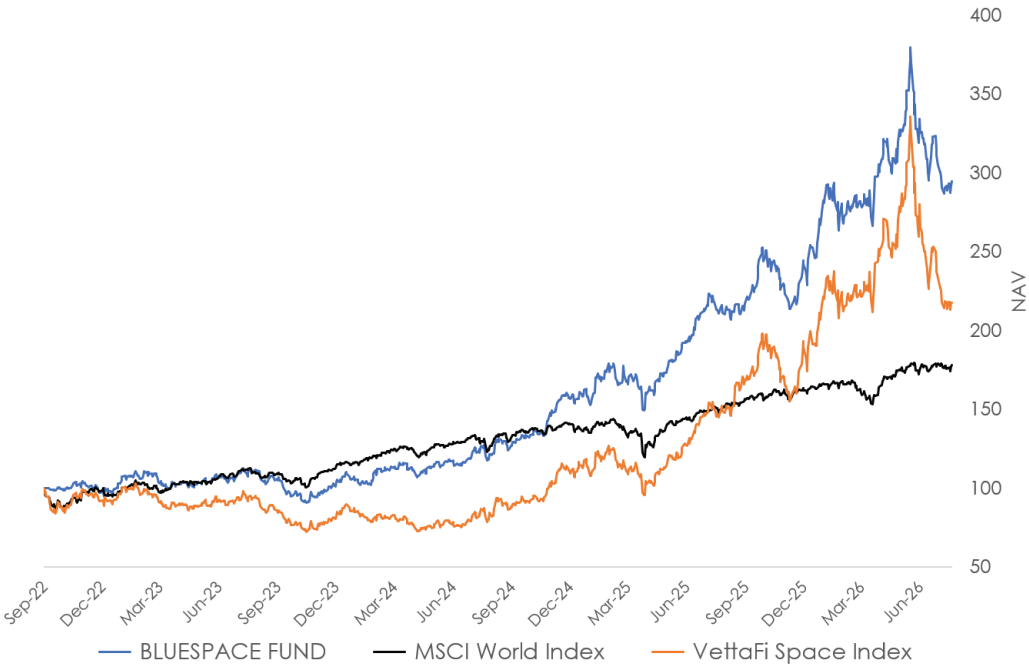
As a result, the Fund significantly outperformed the Space Index, which declined by 13.7% in July compared with the Fund's 7.3% decline.



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

Positive	%	Negative	%
GARMIN	+0.62	SPACEX	-1.51
LEONARDO	+0.51	PLANET LABS	-1.11
AMAZON.COM	+0.0.50	INTUITIVE MACHINES	-1.10
LOCKHEED MARTIN	+0.44	ROCKET LAB	-1.02
BAE SYSTEMS	+0.43	AST SPACEMOBILE	-0.96

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.

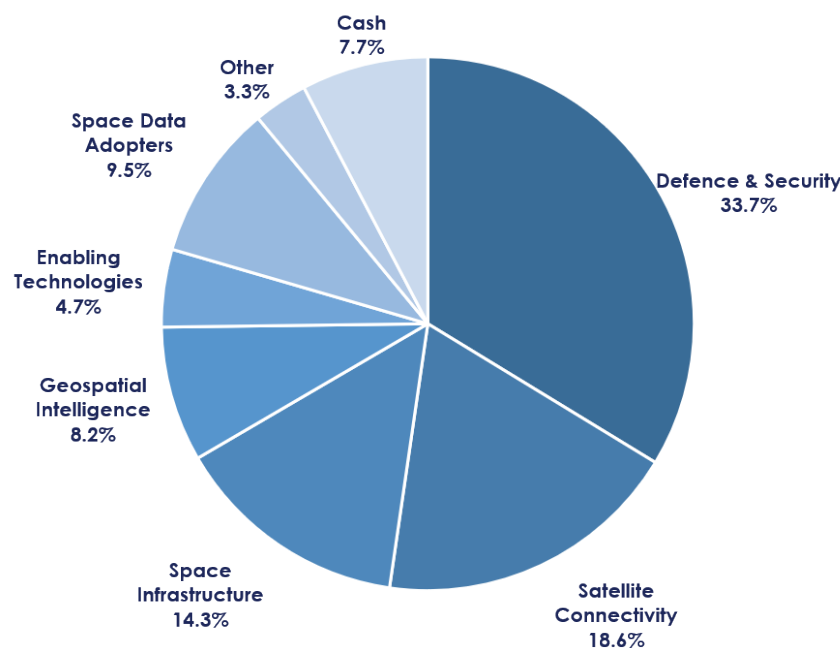


Geospatial Intelligence: Increasingly sophisticated satellite constellations collect multispectral, infrared, radar, and radiofrequency data from Earth in real time. Companies in this segment provide scalable SaaS solutions, turning satellite imagery into strategic insights for defense, agriculture, 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.



DISCLAIMER: This document is for information purposes and it represents advertisement material and it is based on the prospectus and on the key information document of the KYRON UCITS SICAV BlueSpace Fund which are available upon request by BlueStar Investment Managers SA (registered office in Lugano, Via G.B. Pioda 8, E-mail address: info@bluestar-im.ch, Telephone number: +41 91 260 36 70). The present set of information are available only to investors resident in Switzerland, Italy and Luxembourg. Its content is based upon information from deemed reliable sources, but it cannot be guaranteed as accurate, complete, valid or timely and it should not be relied on as such for any particular purpose. Any subscription should be based solely on the Fund's Prospectus, as well as the latest audited annual report (and subsequent unaudited semi-annual report if available) provided to subscribers prior to the subscription and/or available upon request. An investment in the Fund entails risks, which are fully described in the Fund's prospectus. Past performance is not a guide to future performance and may not be repeated. The value of an investment can rise or fall with market fluctuations and the originally invested amount be lost. Exchange rate changes may cause the value of any foreign investment to rise or fall. The fund may not be registered nor authorized for sale in your home country. Kindly contact your financial adviser in this respect.

