FIG TREE CAPITAL

# SPACE

The ‘Final Frontier’ is finally here:  The Case for investing in Space Companies


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# PREFACE & DISCLOSURES

In an age of Chat GPT, Gemini, Grok and Anthropic's Claude, I'm happy to say that I, Joseph B. Lora, wrote this newsletter in its entirety so that my clients and friends can read my most honest, transparent assessment of how I view the state of the markets. Hopefully, as you read these pages, I also give you a laugh or two.

**Today's newsletter will take a break from all the unpleasantries of War & destruction. Instead, I will talk about building, not destroying: in this case, I'm referring to building the universe's next industrial hub - in SPACE. Many space stocks will either be a major beneficiary - or they will crash like a failed launch. In the near term, when SpaceX goes public later this year, many space-related stocks, such as RKLB, ASTS, VOYG, YSS, FLY and others, may jump (or not), riding higher with SpaceX. (All these stocks carry huge risk and none of them are recommendations to buy in your own separate portfolios.)**

**Ladies and Gentlemen, strap in your seatbelts, I give you the final frontier: SPACE**

## PART 1: "THE BEGINNING OF THE BEGINNING OF THE BEGINNING."

The All-In podcast said it best recently: investing in space today is like investing in California in the early 1800's, when the West was wild and untamed. It was famed investor, Chamath Palihapitiya, who stated that we're in the *beginning of the beginning of the beginning* when it comes to the space industry.

2 major catalysts are:

1. The upcoming SpaceX IPO this summer, likely in June. The IPO is expected to price the company at well over $1trillion, the largest post-IPO valuation in history.

2. The NASA Artemis launch and landing, which captivated the nation and produced stunning visuals - such as the picture of the far side of the MOON, on the cover page.


*I've recently bought Rocket Lab for many clients in the high $60's. RKLB is considered the **'FedEx of space**,' carrying small payloads. However, if RKLB succeeds with its heavy Neutron rocket, it will compete on SpaceX's big turf - and I believe the stock crosses $100. I first began buying RKLB early last year for my Aggressive Risk clients and took some big profits for a few clients - but after a 25% pullback, I bought back in. The company is worth $48 billion compared to SpaceX's $trillion+. I think this a good long-term entry point for RKLB. (But if Neutron fails, it may be time to sell.)*

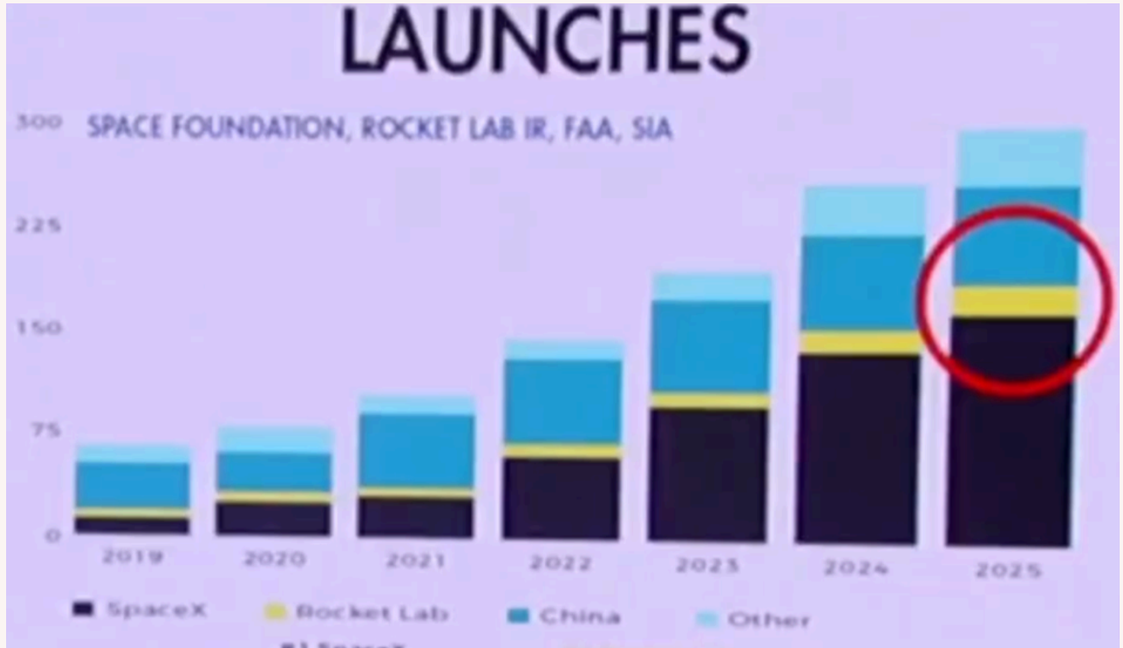
## PART 2: 1969 vs. Today

Landing on the Moon in 1969 was an impressive accomplishment, but financially unsustainable. Rockets were expensive to build, complicated to operate, used once and discarded. Imagine building a Ferrari for one night out around town, and then throwing it away: that was the state of rocketry before I was born and for years after.

Fast forward 50 years and everything has changed and Elon Musk's Space X is the catalyst. Space X has drastically lowered the cost curve of launching rockets into space and, best of all, their rockets are reusable. To extend the analogy, Elon Musk has found a way to build Ferrari's on the cheap and use them again and again.

From here, an entire space industry has been born: satellite infrastructure (ASTS), lunar landers (LUNR), orbital stations (VOYG) and more.

And best of all, it's private enterprise leading the charge. In 1969, the government ran the show – and not terribly efficiently. Today, market competition is alive and well. Some of the companies I mention in these pages will fail before 2030 so I wouldn't want to commit loads of capital to all of them. But a few of them may indeed be like buying California real estate in the early years: Rocket Lab is one such company. It is not only the Fed-Ex of Space; it is also the "First Solar of Space" with solar panels that helped power the NASA Artemis mission. RKLB doubled in 2025 for a few of my clients. After a 20% retracement, I've been buying for almost all my clients, including those of moderately conservative risk – because I believe this chart on the left will only go higher over the years.

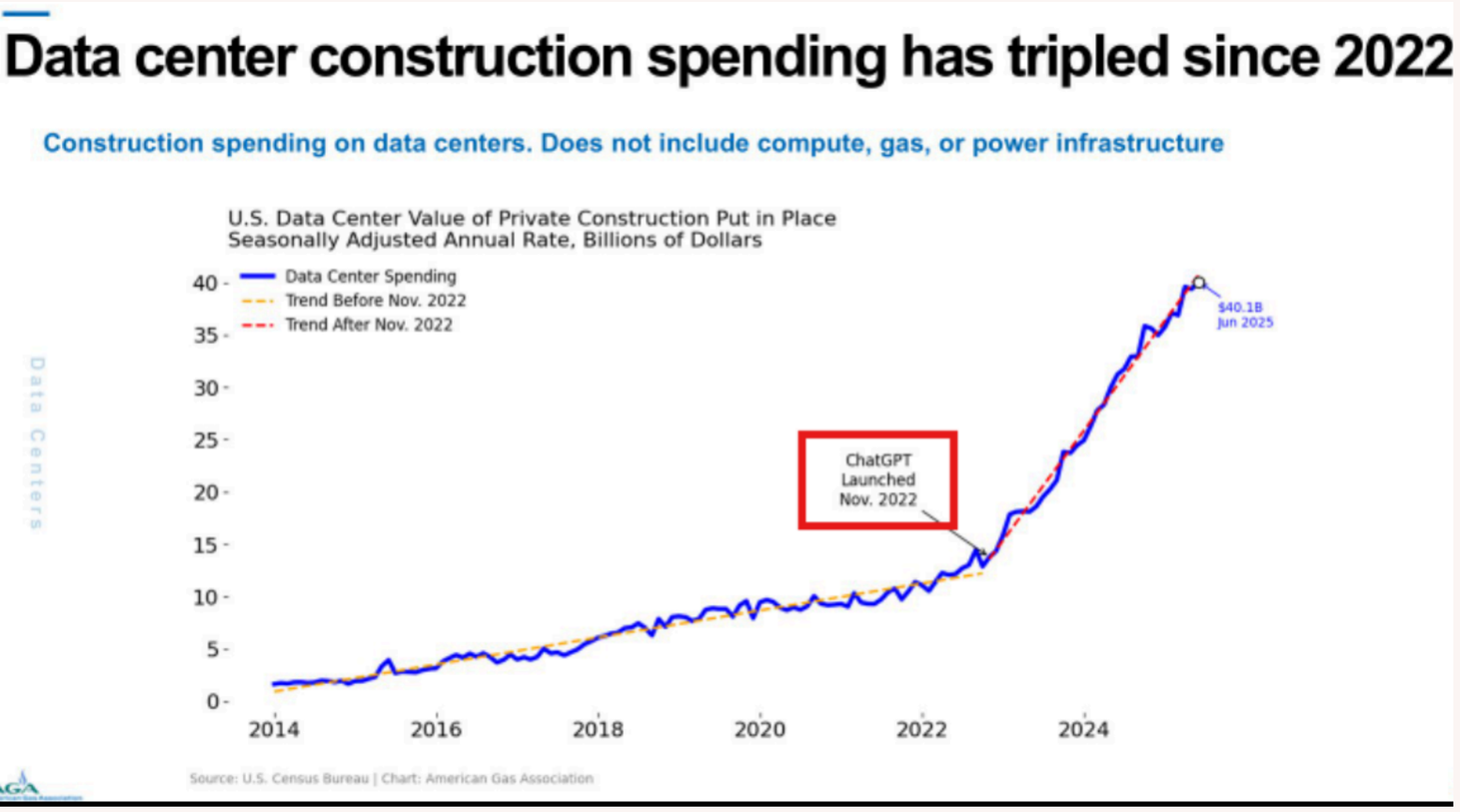


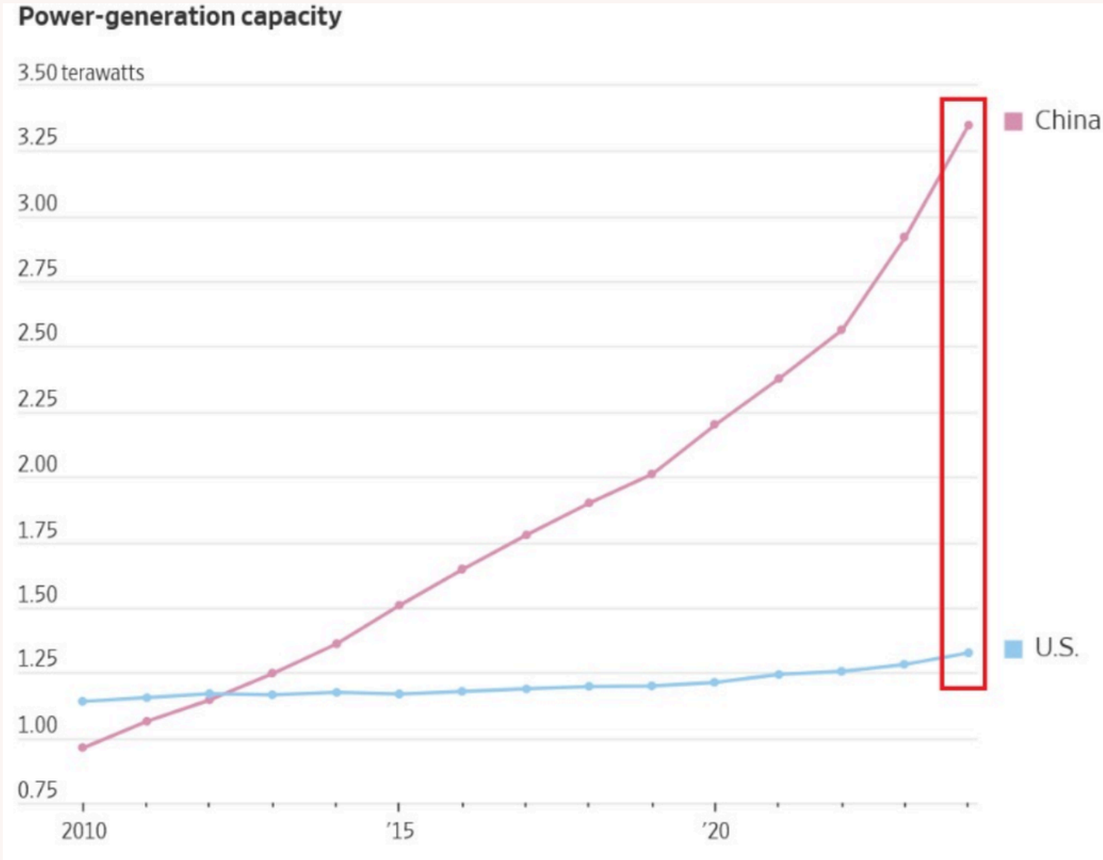

*This chart is a little hard to read, but it shows the number of rocket launches since 2019. Space X is in black and it is, of course, the dominant player. **China**, in dark blue, is a strong second. But Rocket Labs is in yellow and it's launches are growing along with the growth of the market.*

# PART 3: The Sunlight Shines in the Darkness: Solar Power, Data Centers for AI & Drugs

The realms of Space, and especially the Moon, may become the world's next industrial hub, thanks to the Sun: **data centers** in space are a real possibility if launch costs continue to fall. Many parts of America – across the political spectrum – don't want data centers in their towns gobbling up power and sending electric bills higher. I believe the industrial minds of America will be happy to oblige by building some data centers in space by mid-next decade.

*Do you remember the exploding chart of data center demand in my January 2026 Yearly Outlook? If not, here it is again: data center construction is booming in America: they have to go somewhere! The right chart shows that our chief competitor in space, China, already enjoys a power generation advantage. America is racing to catch up!*



In the words of Chat GPT, space-based data centers “would orbit the Earth like satellites, racing around the planet every 90 minutes, while processing data powered by sunlight.” Ah, yes, sunlight.

Solar power is abundant in space and not constrained by 10 hours of nightfall as on Earth. Sunlight helped power the recent NASA Artemis mission - via Rocket Lab’s solar cells. It also powers satellites, and the International Space Station, which is an antique at over 25 years of usage.

By 2040, we may see shiny new international stations (possibly built by Voyager, **VOYG**), with solar-powered data centers that utilize ‘micro-gravity’ to conduct research on the latest miracle drugs that will help some lucky people live healthily past 120. The pharmaceutical industry is in for massive change.

But solar power won’t always be reliable, especially on the Moon where night-time lasts for 14 Earth days. The Moon will need reliable power.

That helps explain this week’s surge in small modular nuclear reactor stocks such as **OKLO** and **SMR**, jumping on President Trump’s vision to put nuclear reactors in space “as early as 2028” and on the Moon by 2030.  Yes, 2030!!

This timeline seems a little early, but sometime next decade seems very likely.

**Trump Wants Nuclear Reactors on the Moon. Oklo and Other Stocks Are Taking Off.**

The Trump White House is directing NASA, the Department of Defense and the Department of Energy to work together to establish nuclear reactors in space and on the Moon.


Oklo and other advanced nuclear reactor technology stocks surged on Tuesday. —

## PART 4: THE INDUSTRIAL HUB OF ‘MOON-OPOLIS’: MINING & ROBOTICS

I’ve been buying OKLO for a few clients since late 2024 when Trump became President after he appointed Chris Wright as Energy Secretary (Wright was on the board of Oklo). And I’ve written about Oklo several times in my newsletters, but never in the context of the space industry because I never saw the connection.

But It all makes sense: companies like OKLO provide reliable power to the Moon for its sizable mining operations, powered by robots (possibly **Tesla’s** Optimus robots). The moon has water ice, helium and rare-earth minerals, which are vital for American technology. If America can build an industrial base on the Moon, we need not rely on China for those minerals.

Fortunately, OKLO designs small modular reactors that, like a Lego set, can be built up, piece by piece, depending on the power demand.

Those ugly funnels that you see in places like Three Mile Island (or this AI-generated picture) will thankfully never become reality.
But there may be lots of robots doing all the dirty work.

## PART V. E.T. PHONE HOME? PIECE A' CAKE! (or Reese's Pieces)

Many of my clients may remember that I used to buy telecoms such as AT&T, Verizon (and even Century Link!) for them because of their fat dividends.  Oh, that was so 2015. Move over Verizon: AST Mobile (ASTS) is the new connectivity kid in town - but without the fat dividends and with much more volatility.

If ASTS had been around when the cute alien, E.T., arrived in theatres, the movie would've been far less magical and fewer kids would've cried. If Rocket Lab is the FedEx of space, then ASTS is the "Motorola of space" - that is, when Motorola was a young hot stock, not the dinosaur of today.


ASTS has massive satellites in low earth orbit that will connect with your cellphone providing Earth-wide coverage.  That means fewer dead zones when you're out hiking.

In theory, ASTS may one day help you place a iPhone call to a Voyager (VOYG) Space Station or even to a robot on the Moon for research. That might sound far-fetched but NASA is already partnering with crusty, old Nokia to build a 5G network on Moon-opolis.

That's why Nokia stock has come to life, soaring in 2026! (see next page)

Nokia was a soaring Dot.com darling during the 2000 tech bubble - but it was left for dead, until this year, where it has soared 59%! Alas, I haven't bought Nokia for any clients, but I may look into it. If NOK is partnering with NASA to build a cellular network on the Moon, I would imagine that the stock goes higher.

I have bought **FIREFLY AEROSPACE (FLY)** for many clients. FLY is an end to end space company, meaning that they have the rockets to launch payloads into space, they have orbital vehicles to move around in space and they have lunar landers to get on the moon.  Just as Dominoes Pizza makes the pie and delivers a piping hot pizza direct to your door, FLY can handle the entire "Earth to Moon" delivery chain.


**Nokia soared during the Dot.Com bubble then crashed.  But the chart on the right shows that it's coming back to life. All because of SPACE!**

# PART VI: What could go wrong?

I've made several forward-looking statements herein, but many things could derail this vision. Or push it way out into the distant future. America's political disfunction or soaring debt levels of $39 trillion may derail our Space aims. Or the death of a visionary, such as Elon Musk, Jared Isaacman (head of NASA) or my fellow Miami Palmetto high school alum, Jeff Bezos, could slow things down. And, yes, a disastrous War in the Middle East or with China could take precedence over Space.

The Economist writes in this week's edition, "the rapture that greeted Apollo 8's first journey to the Moon, and later the first landing in 1969, was soon eclipsed by Vietnam, oil crisis, Watergate and more."

Despite the potential obstacles, I believe the American private sector will push the Space Race into hyperdrive. There's simply too much to gain in terms of historical prestige and financial windfall - greed has always been a great motivator. But there's also too much to lose if we don't.

This is why I've been slowing investing more client funds into Space-related companies.

Thank you for reading. I hope you enjoyed it!

Joseph B. Lora, CFA

**FIG TREE CAPITAL CLIENT DINNER: May 26 in Pasadena**

**HAVE A WONDERFUL WEEKEND!**