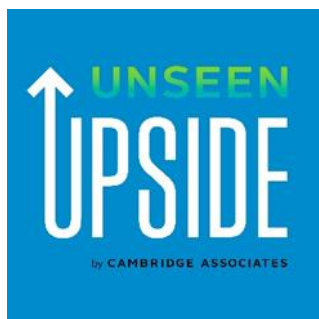




Season Seven: Episode One
Autonomous Ships and the Future of Naval Defense
Launch Date: October 20, 2026

[Music]

Rylan Hamilton: My first experience in the Navy was actually joining Officer Candidate School. So I spent a couple months down in Pensacola, Florida. I learned how to put a uniform on. I got in shape. I went through all sort of the drills that they had.

Hillary Ribaud: In the early 2000s', Rylan Hamilton became a Navy Engineering Officer in surface warfare, that's the officer responsible for keeping a warship's systems, like power and propulsion, running at sea.

Rylan: When I entered the fleet, I actually was assigned to an amphibious transport ship out of Norfolk, Virginia, but the ship had actually just deployed to the Middle East, and so here I was, a very young ensign in the Navy, and my first deployment orders were basically getting onto a plane, flying to Bahrain, and then taking a helicopter to the ship in the middle of the Persian Gulf.

Hillary: But then that day, Iran started launching missiles a couple hundred miles from the ship.

Rylan: We weren't going to war with Iran. It was definitely focused on Iraq, but Iran was definitely making noise, and so here I was in civilian clothes, so jeans and a golf shirt, running around a ship that I'd never been on before.

Hillary: For decades, the US Navy has been in a class of its own. Eleven aircraft carriers. Seven fleets. A global reach no other country could match. But here's the thing about dominance — you have to work to keep it. And right now, American shipyards are being outpaced. The Navy has around 291 ships when it's legally supposed to have 355. The navy's 2026 plan doesn't just close that gap. It calls for more than 450 vessels by the early 2030s, including ships with no crews on them at all, backed by more than \$300 billion over five years. That's an

enormous bet. Not just on building more ships, but on rethinking how you build them in the first place.

Rylan: In today's environment these threats exist. Our Navy ships are under attack, whether it's in the Indian Ocean, the Arabian sea, the Red Sea, you name it. And so just across all the services we need to think differently.

Hillary: That's why Rylan and his team at Blue Water Autonomy are betting on autonomous ships. And Blue Water is just one company in a much bigger wave — over the past year alone, defense tech startups are building things like hypersonic missiles and AI-powered factories have raised billions — which makes investors like Renny McPherson — pay attention.

Renny McPherson: Our entire firm is composed of veterans who've been down range, who've seen what violence can do, and we are completely set on avoiding conflict, not increasing it.

But yes, clearly if we are able to invest in companies that can deter aggression through showing adversaries that we have hard power, that is an important and good thing.

Hillary: This is Unseen Upside by Cambridge Associates, where we explore investments beyond their returns. In this episode, we'll follow the money moving into a new generation of defense technology — from the geopolitics behind it to a ship designed to sail with no one aboard — and how defense is carving out a bigger space in the investing world.

I'm Hillary Ribaud.

[Music]

Rylan: When I was in the US Navy 20-plus years ago, we didn't have these asymmetric threats that were threatening some of our most expensive platforms.

Hillary: Today, Rylan Hamilton is the CEO and co-founder of Blue Water Autonomy, a defense technology and shipbuilding company based just outside Boston, Massachusetts.

And when he says asymmetric threats, he means cheap weapons that can threaten a billion-dollar ship.

Rylan: When I was either on a frigate or amphibious transport ship, and we were sailing all around the world, we really weren't that worried about a drone and coming and attacking us or anything like that.

Hillary: At Blue Water, they are developing autonomous surface vessels for the US Navy and the broader maritime industry. Basically drone ships.

Rylan: This whole like defense tech industry is basically bringing innovation at a much higher speed than we've seen within the defense industry in general over the last like, you know, 50 years.

Renny: Defense technology really is a newer term,

Hillary: Renny McPherson is the co-founder of First In, a venture capital firm built by people who came up through the military and intelligence communities. They back early-stage security technology companies — think cybersecurity and autonomous systems — serving both commercial and government customers.

Renny: For many years, post-Cold War, there was a incredible consolidation by the US government, which went to dozens of large security companies, defense companies and said, " we only want there to be a few large, what we call prime contractors." And now they're less than half a dozen and they do tens of billions of dollars of revenue, and that was by design.

Hillary: By the end of the '90s, a handful of giants — like Lockheed Martin, Boeing, and General Dynamics — were building most of what the Pentagon bought, from satellites to missiles to warships. But these were not fast projects.

Renny: I came to venture capital sideways. I did not work at a big venture capital firm.

Hillary: In the early 2000s Renny was a Marine Corps Intelligence Officer.

Renny: many of those firms when I started FirstIn said, "Why would anyone invest in technology for the US government? The US government is slow. It doesn't make any sense."

Hillary: But Renny and his team saw an opportunity.

Renny: When the United States believes there is an existential threat, a peer adversary, the United States is willing to and does ratchet up their spending on innovative security technologies.

Hillary: Think of a peer adversary as a country whose military capability is roughly on par with your own.

Renny: From September 11, 2001 till about 2020, the United States was not as focused on a peer adversary.

Hillary: The country was focused on counterinsurgency and counterterrorism. In 2018, the Pentagon released a new National Defense Strategy — its official statement of what the US military should prepare for. And Counterterrorism was no longer the top priority.

[Sound]

Hillary: This is then-Defense Secretary James N. Mattis, in October 2018, explaining how the Pentagon sized up the threats it faced.

James N. Mattis: We looked at them really from three different angles. One was power, one was urgency, and one was will.

Hillary: *Power* meant Russia, with its nuclear arsenal. *Urgency* meant the fight against ISIS and North Korea's missile programs. And *will* meant China.

James: China seems to want some sort of, uh, tribute states around them. Uh, we are looking for how do we work with China. And We will cooperate where we can but we will confront them where we must. For example, freedom of navigation in international waters.

Hillary: That pivot to focus on competition reshaped budgets and priorities for years afterward.

Hillary: According to a Congressional Research Service report updated in April 2025, China's navy is now the largest in the world, with a battle force of more than 370 ships, compared to fewer than 300 for the US Navy.

Renny: Because of that sense of wanting to deter the Chinese Communist Party, the United States government has decided to significantly increase spending on innovative tech. Less 5 to 7 to 10-year planning cycles, more empowering the entrepreneurs who are quicker in their ability to affect change, to embrace new technologies, and to be prepared to deter the next war rather than fighting the last war.

Dean Dimizas: Defense tech has become a more prominent topic of discussion in the last few years, particularly after the Ukraine war started.

Hillary: Dean Dimizas is a Partner in the Private Client Practice at Cambridge Associates.

Dean: Before that, I would say this was a pretty sleepy sector in terms of venture capital activity and presence in our portfolios. This space more broadly was dominated by a few prime contractors in the US and a few in Europe.

But the war in the Ukraine showed us that the nature of warfare has changed with technological advancements, with the use of drones.

Hillary: By mid-2024, the British Ministry of Defence estimated that Ukraine had damaged or destroyed at least one-third of Russia's Black Sea Fleet — starting with the flagship Moskva, sunk by Ukrainian missiles in the war's opening weeks, and followed by several more Russian warships picked off by naval drones.

Dean: I think that has spiked a lot of activity by governments and companies and entrepreneurs to try to innovate and create new solutions that can help countries defend themselves in a world that's more fluid, more dynamic, and quite different than before. Also, the broader effort for reshoring and re-industrialization in the US has also spurred a lot of uh, activity and in entrepreneurship and big investments in areas that were often mostly dominated by other foreign countries, given the global supply chains that we used to have.

Hillary: And all that activity has pulled in real money. Defense tech startups raised a record \$9.6 billion last year, according to Crunchbase, and surpassed that in just the first 5 months of this year. Some of that money is going to what the defense world calls hard power: physical military capability, like missiles, built to make an adversary think twice.

Renny: Hard power is important, and we could look at one company in particular, Castelion, that is a company whose founders were leaders at SpaceX on, on the business side and the engineering side. They believed that our ability to strategically deter adversaries short of a nuclear option was in trouble.

Nuclear war is many of our worst nightmares, it's prospectively civilization ending. So short of nuclear war, how do you deter? The founders of Castelion said, "We need a different type of munition, of missile that flies at a certain speed and is very difficult, if not impossible, for current air defense systems to react against.

Hillary: Castelion was founded in 2022, and First In backed its early rounds. Today the company is valued at \$13 billion and has secured more than \$500 million in US military contracts. They're building a facility called "Project Ranger," aiming to produce thousands of their Blackbeard hypersonic missiles per year.

Renny: The reason we need that is because if an adversary perceives that we have the capability to deploy that type of uh, weapon, then they will be less likely to take violent action against the United States and our allies.

Hillary: First In is not an investor in Blue Water Autonomy. But Renny and Rylan's connection, to each other and to the military, goes back decades.

Renny: Rylan Hamilton and I have been friends for 30 years,

Rylan: We actually went to the same high school and college together.

Hillary: They were both students at Harvard when 9/11 happened. Renny was studying History and Literature; Rylan, Applied Math and Economics. Renny, a native New Yorker, lost friends in the attacks. And for both of them, it changed everything.

Rylan: Renny decided to join the Marines, and then I decided to join the Navy.

Now we've found ourselves back into the same kind of industry. Now Renny's on the investor side, I'm on the founder builder side but something I never would've expected.

Hillary: After the Navy and business school, Rylan joined Kiva Systems, a startup whose robots moved products around warehouses. Amazon bought it in 2012 and it became Amazon Robotics. A few years later, Rylan co-founded 6 River Systems, which built self-driving robots to help warehouse workers fill orders faster. In 2019, he sold it to Shopify.

Renny: Building that, he saw firsthand how you could create autonomous bots to carry goods around a large factory. applying that mindset to the vast Pacific Ocean is a next-level challenge. However, who better than a naval officer and a successful technology founder to take on that type of challenge?

What he's doing is really just reimagining and rebuilding maritime infrastructure, creating these autonomous vehicles, surface sea ships that can provide great value to the United States by not needing Navy enlisted and officers, sailors on them.

[Music]

Rylan: I was really fascinated with the intersection of autonomy and sort of the Navy and, maritime applications

And so I started exploring, and started just calling as many people and talking to people on Zoom and phone calls and just trying to get really smart about the space.

Hillary: One of those conversations led to fellow veteran Austin Gray.

Rylan: I got introed over text, and Austin said, "Well, I'm traveling, but I could meet in two hours in downtown Boston." I'm like, "What?" I'm like, "Okay."

And so I met Austin, and I kinda knew right away that he had the energy and the

ambition and drive to be like an interesting person to go work with.

Hillary: Austin had served in the Navy too, as an intel officer.

Rylan: So while I was a person like deep in the engine rooms, Austin was a person like in the combat operations center for aircraft carriers, understanding how the whole fleet operated and how all the systems connected to each other. And Austin actually had just come back from spending a summer in Ukraine at a drone factory on the front lines. And we started talking, and just started getting a lot smarter about what a potential idea could look like to start a company.

Hillary: Austin introduced Rylan to people he knew in the Navy and the Department of Defense, and the two started pitching their idea. Within a year, they'd founded Blue Water Autonomy.

The Navy had already experimented with autonomous ships, but....

Rylan: The Navy had built what they would call medium unmanned surface vessels, so about 200-foot drone boats before, but they still had the training wheels on. They never got them to the point where they could operate with zero people on board for weeks or months at a time without having people sort of like watching it or going on the ship and fixing something or anything.

Hillary: Blue Water is designing autonomous vessels without the training wheels, meaning a class of ships that can be at sea for long stretches of time without an onboard crew.

Rylan: For naval applications, we're not gonna replace every single ship that's out there with an unmanned ship, but we're moving into a hybrid fleet where we can complement, the best warships, in the world today, which is what the US Navy builds,

Hillary: The Navy doesn't usually send ships out alone. They travel in strike groups, which might include an aircraft carrier, submarines, cruisers and destroyers. When Rylan talks about a hybrid fleet, he means groups like this where some ships have crews and others run on their own. Think of it like a chessboard, with different pieces playing different roles.

Rylan: In today's Navy, we have all the pieces on the back of the chessboard, the knight, the king, the queen, the pieces that are kind of expensive you don't wanna lose that can do complicated moves. And when I think about the unmanned navy is we're building all the pawns, the pieces that may be they're first to lose in any kind of, you know, battle or something like that,.

Hillary: An uncrewed vessel is easier to build because it doesn't require accommodations for sailors.

Rylan: You don't have to build basically a hotel on top of kind of like a gray hull. You can remove accommodations for sleeping or what you call berthing, for feeding people, and for all the gray water and other subsystems and air conditioning that are on there. And so it makes it much simpler to build, so you lower the cost, and you can build it faster.

Hillary: And there's a bigger reason to take the crew off:

Rylan: So if you have to put it in harm's way and something happens, then you're not putting people's lives at risk.

Hillary: Having a vision is one thing, but bringing a fleet that doesn't yet exist into reality is another. First, Blue Water Autonomy needed interest from the Navy.

Rylan: We basically would start to cold email people and be like, "Hey, we have an idea. Could we talk to you? Could we get you on a Teams?" Whatever. It took us, like, six months to a year to kinda develop a little bit of cadence and some people we could talk to.

Hillary: It got easier as they raised more money and brought on a technical co-founder to help build things.

Rylan: But just like anything in life or people early in their career, we kinda had to build ourselves up, in terms of our credibility and the things we were building and the relationships with the Navy.

Hillary: This summer, Blue Water won a spot on a Navy contract, worth up to \$40 million, to map the ocean floor with autonomous ships. But the ship Blue Water is really betting on is still being built.

Rylan: We've named our vessel the Liberty Class off of Liberty Ships since we built over 3,000 Liberty Ships during World War II. And so as we think about what we've designed and what we're building, we're building an easy-to-produce, low-cost, 100% unmanned ship that can carry important payloads for the Navy.

Hillary: Construction on the Liberty started in early 2026. It'll be about 200 feet long, roughly the size of the ferries to Martha's Vineyard or Nantucket. Its design comes down to four things: payload, speed, endurance and range.

Rylan: We think about what are the most important things that we can carry for the

Navy, and so we can carry and fire missiles. We can carry radar systems. We can carry systems to go basically find and hunt down submarines. We can carry supplies for logistics. And then speed's a big one for the Navy. Like, it's a big difference if you can go 15 knots or 30 knots,

Endurance, We built it so it can be out at sea for months at a time without intervention. Uh, when we think about range, we wanna make sure that it can travel across the open oceans, and it has enough fuel on board, so we're talking, like, many, many thousands of miles.

Hillary: That kind of long-term operation without an on board crew is one of the biggest design challenges.

Rylan: On today's Navy ships, you have about 50 engineers who stand watch, maintain, and repair the ship. And so to tell someone in the Navy that you can take those 50 people off of a ship and still have it operate without people changing a fuel filter or fixing a leak for months at a time, people are like, "Go show me. Go prove it."

Rylan: That's I think the hardest problem. The autonomy to replace the people driving the ship on the bridge, that is hard, but that's a solved problem, whether it's a Waymo in the streets of San Francisco or in warehouse robotics or others.

Hillary: So Blue Water is proving it step by step. First on computers, then in their R&D office in Lexington, and finally out on the water.

Rylan: We're testing the hardware and the software and the valves and the components and doing accelerated lifecycle testing. We gotta test on the water every single day.

[Sound]

Hillary: That final layer of testing happens here, in New Bedford, Massachusetts. On a late-summer afternoon, we went to see it.

Beth Macdonald: Today is actually a perfect day. We got some rain overnight...

[Sound]

Hillary: At the shipyard, we met our guide, Beth Macdonald.

Beth: About a year and a half ago it was about a seven-person operation at the time, the co-founders and a few engineers, and I came in as the first non-technical hire.

Hillary: Today, Beth is Blue Water's head of business operations, and here in New

Bedford, she runs the site.

Beth: Storage down here, office up there.

Hillary: Beth points to a stack of two shipping containers. The one up top is her office. Blue Water tests on two vessels: one here, and a second in Rhode Island called the Endurance.

Beth: It's a traditional crewed vessel, and a captain will sit, you know, in the captain's seat and, take us out to the bay. But then at a certain point, it's, "Okay, Blue Water taking over," and our software team starts operating that ship autonomously.

Hillary: Both vessels go through sea trials, meaning tests on the water that simulate what a ship might face on a real mission.

Beth: We're running what we call COLREGS, which is collision regulations, rules at sea. So doing demos that would show that if a vessel is coming head-on to our autonomous ship, that it knows what decision it needs to make to avoid a collision.

Hillary: And then at what point do we put these two things together, what you're building here in New Bedford and what you're testing in Rhode Island?

Beth: Good question. So that would bring us to Louisiana. So we are currently building the full-size vessel down there, and all of the testing that we do here in Rhode Island, in Lexington, is the foundation for everything that will go into that full-size ship.

Hillary: A lot of what goes into the Liberty gets proven here first. Beth walked us down to the water to show us how.

Beth: So down here what we have is our 100-foot, what we call the ATV, so our autonomous test vessel.

Hillary: It looks like a giant barge.

Beth: It doesn't look like your standard ship, but basically we're proving out that this is how the technology works on the water. So a works like prototype is somewhat what you could call this vessel.,

Hillary: Three bright blue shipping containers sit side by side on deck. Together, they make up the ATV.

[Sound]

Hillary: Beth leads us across a narrow bridge and we walk single file past the containers, including one with a massive generator inside. Warning, this gets pretty loud.

[Sound]

Hillary: We stop at one end of the barge and walk into what looks like a clear wedding tent that zips and unzips at the entrance. Here, we meet Dave, a member of the operations team.

And like Rylan and Austin, Dave came to Blue Water with military experience.

Dave: I was a helicopter crew chief in the Marine Corps. You're a part of the flight crew, but you're also responsible for its overall maintenance and knowing all the systems that are on it.

Hillary: No two days look the same for the operations team. They could be working on hardware, running sea trials on the Endurance in Rhode Island, or testing the whole system here on the ATV.

[Sound]

Hillary: Next on the tour, Dave takes us to where the engine is stored. He pulls back the container door to reveal what's basically an entire engine room packed into a shipping container.

Dave: This is not an uncommon platform. It's a Cat C18, so they use these a lot on all sorts of marine applications.

[Sound]

Hillary: Inside, a big yellow box fills most of the container, with black cables running from the ceiling to a steel control panel beside it.

Dave: All That yellow is the actual generator. It's just, like, a big diesel engine.

Hillary: As part of the testing, Dave and the operations team have been running this engine for long stretches, pushing how long it can go without maintenance.

Dave: From an engineering perspective, a lot of what we do is we are trying to make our systems redundant and make our systems be able to last for longer than what they're prescribed to last for.

Hillary: Think of a car: every few thousand miles, it needs an oil change. A ship's diesel engine does too, usually every few hundred hours. Blue Water has added systems that keep the oil good for much longer, so the engine can run well past its usual schedule.

Dave: Let's say the prescribed hourly oil change was 500 hours. Well, we've screamed past that, because of systems that we've put in place that actually try to maintain the oil for an extended period of time.

Hillary: So you said part of your job here is to maintain this vessel. What's that gonna look like for the Liberty? Will there still be people involved in the maintenance, or is the idea that all of that would be autonomous?

Dave: Once we send it out on a mission, we wanna have zero touch. So all the maintenance that's gonna happen is gonna happen on shore out of harm's way and not on a boat. Whereas maintenance in an engine room in on a naval ship is actually happening functionally while the ship is on its mission.

Hillary: Here on the ATV there's one engine module, but that wouldn't be the case on The Liberty.

Beth: Within Liberty, we would have, depending on the mission, anywhere from four to eight engine modules.

Hillary: The Liberty is designed around a modular engine system, another feature that allows for no-touch operation. Here's Beth again.

Beth: So the idea being that, you know, if there are eight engine modules on there, You don't need eight to run the ship. Ultimately, if one breaks down, you still have seven. If two break down, you still have six.

Hillary: So by the time the mission is complete and the vessel is back on shore, the engines can be craned off and repaired. Right before we arrived, the team had tested how long it takes to complete that process.

Beth: We showed today that you can unhook an engine module, crane it off within 10 minutes, and crane another one back on, 10 minutes. So it's turnkey, and that's really what we're trying to prove out.

Hillary: The ATV is one way Blue Water proves out the Liberty's technology before the ship is finished. But it's not the only one.

Beth: There's testing that we've done that informs the design of our hull, the ship itself,

and we've worked closely with MIT utilizing their tow tank. And in that tow tank, you can mimic different sea states. And so, we take little mini models of Liberty and put her through those tests, and that has actually informed the length of the ship, the shape of the hull, different things like that. So, just another way that we're proving things out without having to build a \$50 million prototype.

[Music]

Hillary: Of course, the Liberty itself isn't cheap. For now, it's being funded by investors.

Rylan: We've raised over sixty million dollars so far from investors like Eclipse and Google Ventures. And part of that capital has gone to making a bet on building capacity and building the product before the final requirements get out and before you get contracts.

And so while we've spent many millions of dollars building it, in the grand scheme of things for the opportunity we're going after, it's appropriate. But they're bets that, everyone in the industry is making, and sometimes you build the right thing, sometimes you build something that's pretty close, and sometimes you build the wrong thing.

Hillary: And for now, Blue Water's main customer is one of the largest institutions in the world.

Rylan: When we talk about the Navy as a customer, it's like talking about like, Amazon as a customer. Like, a Amazon might be, like, a million employees or something like that, and the Navy is hundreds of thousands of employees.

Hillary: When one customer is that big, a single decision can change everything. Earlier this year, the Navy reworked the competition the Liberty was designed for, a program to buy a fleet of medium-sized drone ships. In May, it picked seven companies to build prototypes. Unfortunately, Blue Water wasn't one of them.

But the company is still building the Liberty, and doing other work with the Navy.

Dean: With defense tech specifically a big part of the end customer is the government, the US or other foreign governments,

Hillary: CA's Dean Dimizas.

Dean: So that brings an additional layer of complexity. That it's not only will this technology work, but also how do you win government contracts? How can these scale over time?

Hillary: Rylan says it helps that "the government" isn't really just one customer.

Rylan: The US government has a lot of different customers within it and a lot of different use cases. And so when we talk about the Navy, we're not just talking about one person. And if you think about the Navy, they're spread all over the world.

And so we've been able to take our technology and apply it to many different missions. And in fact, the Army's really interested in unmanned watercraft. The Marines are looking into it. You even have NOAA and other organizations.

Hillary: And many defense tech startups describe themselves as dual use, meaning they want to sell to both the government and commercial customers. Renny McPherson says that's something First In pays close attention to.

Renny: Can this early stage company, this startup, viably serve both commercial and government markets in the earliest days of their existence? The answer often is, and often should be, no, they can't, so pick one to start with and then go to the other.

And there are many examples of this across our portfolio. Companies that have started with a commercial mission and are now starting to do some government work. An example of that would be AnySignal, a company focused on radio frequency or RF communications in space that started being purely commercial, and only in time after they'd established a base of commercial clients did they then look at government contracts.

Hillary: And Blue Water is going the other way: Navy first, commercial later.

Rylan: We're taking all this technology, the core kind of hardware and software primitives that are used to help our navy, and just like in other examples like satellites, for instance, we're gonna go apply them to commercial use cases.

And so as I think about the broader commercial market there are tens of thousands of ships that are out there. Being out at sea can sometimes be a dull, dirty, or dangerous job. And so anything we can do to improve the manning on the ships, so you don't

necessarily need to have as many people, or maybe you need no people, like it's all coming, and there's a really good return on investment. It's just not the first thing that we tackled at Blue Water because there's such an urgent need within the US Navy.

Hillary: There's another reason Blue Water's path is hard. It builds hardware, and for years, most venture money preferred software.

Dean: Until a few years ago the hottest area was software and everything was about, you know, B2B SaaS companies that were the kings of the previous technological wave. But now AI is creating a new set of winners, a lot of disruption.

Renny: Many of the companies which we support and invest in are software or variations on AI and data such that they are not always so CapEx intensive.

But a, a new element of venture capital investing in these themes of security tech, deep tech is these are capital expenditure, CapEx-intensive businesses. And many venture capitalists have something to learn about how to underwrite and invest in those types of companies that may get an initial research and development contract or even an initial production contract. But what that means is they are going to have to go build a factory, and that skill set of a CEO founder is very different.

[Music]

Hillary: Not every investor wants to be in this space. Dean says some Cambridge Associates clients can't invest in it at all.

Dean: You know, we work with more than 1,000 clients all over the world, institutions and families. Some of these clients have restrictions in terms of their ability to invest in the military space. We work with clients that have a wide range of values.

At the same time, many of our clients will be very glad to back companies that will help make the US and its allies safer and stronger. So we meet every client where they are, we respect their values, and we customize the portfolios.

[Music]

Rylan: Anytime we come up with a new invention or platform, there's always gonna be a counter on the other side.

Hillary: Blue Water's Rylan Hamilton says with technology moving this fast, it's hard to know where things will be decades from now.

Rylan: One path could be continuous product development over the next 30 years, and we're gonna go into like massive drone warfare, or maybe we get into something where we have some type of agreement with great powers to slow down the pace of development. I don't know which one it is, but I think we saw that with nuclear weapons, where at some point we slowed down the development and said, "All right, we all have enough nuclear weapons. Let's never use them and let's stop." And hopefully, maybe we get there with some of the development of these platforms.

Renny: Over the next decade, we need be prepared for many different futures, and we need to maintain an agile and flexible mindset because of how quickly things change. We do look towards doing our part to enable a future where humans have great purpose. And I think being veterans, having been down range and seeing what it's like, that gives us a deep and abiding passion and mindset for enabling a secure future for the United States, its allies and humanity.

Hillary: And for Rylan, what's at stake isn't just the business. It's about people.

Rylan: So that's kind of the mentality is like, how can we make the best tools and products and services for the people who keep us safe every night?

Hillary: Rylan pointed to the aircraft carrier USS Abraham Lincoln. It left San Diego in November 2025.

The Navy aims to keep deployments to about seven months but the Lincoln was gone for more than ten months, and for more than 260 of those days, it didn't make a port call.

In September 2026, acting Navy Secretary Hung Cao said eight sailors across the Lincoln's strike group — the carrier and the ships traveling with it — had attempted suicide during the deployment. He said there were no suicides.

Rylan: And so you have people who have almost been out to sea for a year, and this is the second time this happened on an aircraft carrier, and it's a huge strain on people and their families and the equipment on board, where it's hard to keep fresh water and supplies. And I don't know all of the different details, but those are missions that

potentially you could have autonomous ships and aircraft and submarine doing those so the people don't have to be deployed for extended amounts of time.

Hillary: Rylan says the military will always need people. The goal is to make those jobs better and safer.

Rylan: So tonight we're all gonna go to sleep. Many of us will go to sleep in our own beds, and we're gonna feel safe, and we're gonna wake up in the morning.

But for those people who are serving on the front lines, they're standing watch tonight, in the middle of oceans, and they're under threat. They're worried about drones and anti-ship missiles. And so those are the people that we wanna serve.

[Music]

Hillary: If you want to learn more, please visit us at cambridgeassociates.com/unseenupside or check out the show notes. If you like what you're hearing, leave us a review and tell your friends and colleagues.

At Cambridge Associates, our podcast team includes Michelle Phan, Samantha Shackleton, Stacy Stoddard and me, Hillary Ribaud. And a special thank you to Song Han and the team at Blue Water Autonomy for showing us around your New Bedford site.

At PRX, this episode was produced by Sandra Lopez-Monsalve and Isabel Hibbard with support from Cleo Levin. Genevieve Sponsler is our editor, Samantha Gattsek is our mix engineer, and Jocelyn Gonzales is the executive producer of PRX Productions.

And before you go, one of our colleagues has an important message about the contents of this podcast.

DISCLOSURE: All opinions expressed by host and podcast guests are solely their own opinions. The host, podcast guests, and/or Cambridge Associates clients and employees may maintain positions in the securities discussed in this podcast. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions. Please listen to the full disclosure at the end of the podcast for additional information.

This podcast should not be copied, distributed, published or reproduced, in whole or in part. The information contained in this podcast does not constitute a recommendation from any Cambridge Associates entity to the listener. The terms "CA" or "Cambridge Associates" may refer to any one or more Cambridge Associates entities. Neither Cambridge Associates nor any of its affiliates makes any representation or warranty as to the accuracy or completeness of the statements or any information contained in this podcast. The views expressed in this podcast are not necessarily those of Cambridge Associates, and Cambridge Associates is not providing any financial, economic, legal, accounting or tax advice or recommendations in this podcast. The receipt of this podcast by any listener is not to be taken as constituting the giving of investment advice by Cambridge Associates to that listener, nor to constitute such person a client of any Cambridge Associates entity.