



NEW MEXICO
FINANCE AUTHORITY

New Mexico Finance Authority Venture Capital Program Report

Marquita Russel, CEO

September 12, 2025



- ◆ **Venture Capital Program Act** (NMSA 1978, Section 6-33-1 et seq) created in the NMFA the Venture Capital Program Fund and authorized the NMFA Board to:
 - ❑ Make investments in New Mexico businesses that enhance economic development objectives of the state and create new job opportunities
 - ❑ Investments are made for the purpose of providing capital for start-up, expansion, product or market development, recapitalization or early-stage development.
 - ❑ Investments are made as equity or debt through:
 - Direct Investment
 - Venture private equity funds – an entity that makes, manages or sources potential investments. Has at least one full-time, experienced manager
 - ❑ Investment in one business cannot exceed 10% and in one industry cannot exceed 30%
 - ❑ Report annually on investment activity and economic development impact
- ◆ Since its inception, the Venture Capital Program Fund administered \$75 million in funding:
 - ❑ NM Legislative Appropriation of \$50 million (\$35 million in 2022 and \$15 million in 2023)
 - ❑ State Small Business Credit Initiative (federal) of \$15 million in 2024
 - ❑ State appropriation through Energy, Minerals and Natural Resources of \$10 million for start up costs and capitalization of a Green Bank.

Equity dependent investment.



Mission & Diversification Objectives

- ◆ NMFA operates the Venture Capital Program using a best-practices Investment Policy that outlines manager qualifications, investment parameters, and program mission and diversification objectives, and advised by a highly qualified Venture Capital Consultant, Meketa Global Investments.
- ◆ Pursuant to the Investment Policy, NMFA shall invest in venture private equity funds that advance two or more of the following economic development objectives within the state:
 - ❑ Create and invest in new, early-stage and expanding New Mexico businesses
 - ❑ Create and/or retain quality jobs for New Mexicans
 - ❑ Increase investment in diverse sectors of the State's economy
 - ❑ Increase access to capital for businesses owned by entrepreneurs from or benefiting Underserved Communities
 - ❑ Attract additional private sector investment in early stage and emerging businesses
- ◆ NMFA and Meketa have vetted proposals focusing on funds with sector and thematic alignment. This strategy has resulted in commitments that differ from other VC programs:
 - ❑ Anchor investments in new funds focusing on New Mexico businesses with flexible debt
 - ❑ Emerging fund managers
 - ❑ National firms with highly aligned mission and footprint in New Mexico
 - ❑ Mix of market rate and below-market rate investments



Investment Policy: Basic Parameters

- ◆ **Fund Manager Qualifications**
 - Adequate investment expertise and team capacity with professional staff qualified to execute on investments in New Mexico Businesses
 - Capacity to meet best practice operational, reporting and compliance standards
 - Sustainability as evidenced by operating budget projections
 - Effective mitigation of key man risk and succession planning
 - Adherence to adequate conflict of interest policies
 - Alignment with funds under management
- ◆ **Investment Amounts/Concentration Limits**
 - The Fund seeks to invest in a portfolio of five to ten funds with diverse underlying investment strategies
 - Commitments to funds are expected to range between \$2 million and \$10 million and cannot exceed 20% of the balance of the Fund at the time of approval
 - Single portfolio company concentrations cannot exceed 10% at the time of investment
 - Funds are expected to seek minority non-controlling interests
 - Fund investments in any one New Mexico business shall not exceed 50% unless under certain circumstances
- ◆ **GP/Fund Manager Commitments**
 - Required to align Fund, general partner and fund manager interests
- ◆ **ILPA Standard Terms and SSBCI Conditions (if federally funded)**

Approved Commitments

Fund	Strategy Description	Investing in new and expanding NM businesses	Creating and retaining quality local jobs	Increasing investment in diverse sectors	Investing in under-served communities	Attracting additional private sector investment
Tramway Venture Partners III	Invests in New Mexico early stage medtech, biotech, and healthtech companies	●	●	○	○	●
Raven Indigenous Impact Fund II	Invests in early stage Native-owned companies building sustainable economies	●	●	●	●	●
Dangerous Ventures NM Fund I	Invests in early-stage New Mexico companies building a sustainable future	●	●	○	●	●
Advance New Mexico	Invests gap-filling growth capital (flexible debt) for expanding New Mexico small businesses	●	●	●	●	●
Tiverton Ag Legacy Holdings II	Invests in food and agricultural production sectors	●	●	●	●	●
Vamos Ventures Fund II	Invests in diverse teams leading scalable, tech-driven companies	●	●	●	●	●
Rethink Impact III	Invests in women-led businesses using technology to solve the world's biggest problems	●	●	●	●	●
Perennial Fund II	Invests long-term flexible debt to regenerative organic and transitioning farmers in New Mexico	●	●	●	●	●

Key: ● = Very Strong ○ = Strong ○ = Medium ○ = Weak

2024 Venture Capital Program Activity

Fund	Year Committed	Fund Manager	Total Committed	\$ Invested in 2024 ⁽¹⁾	Aggregate \$ Invested as of 12.31.24 ⁽²⁾
Tramway Venture Partners III	2023	<u>Tramway Ventures</u>	\$3,500,000	\$443,910	\$486,060
Raven Indigenous Impact Fund II	2024	<u>Raven Indigenous Capital Partners</u>	\$7,500,000	\$2,627,660	\$2,627,660
Dangerous Ventures NMI Fund I	2024	<u>Dangerous Ventures</u>	\$5,000,000	\$48,290	\$48,290
Advance New Mexico	2024	<u>Mission Driven Finance</u>	\$10,000,000	\$277,205	\$277,205
Tiverton Ag Legacy Holdings II	2024	<u>Tiverton Advisors</u>	\$5,000,000	\$1,827,686	\$1,827,686
VamosVentures Fund II	2024	<u>VamosVentures</u>	\$7,500,000	\$150,000	\$150,000
Rethink Impact III	2024	<u>Rethink Impact</u>	\$2,000,000	\$15,958	\$15,958
Perennial Fund II	2024	<u>Mad Capital</u>	\$10,000,000	\$0	\$0
Total			\$50,500,000	\$5,390,709	\$5,432,859

(1) Total capital called by the fund and invested by VCPF in calendar year 2024.

(2) Total capital called by the fund and invested by VCPF since inception.

Looking Forward to 2025

Looking forward to 2025

The VCPF has committed \$60.5 million or approximately 80% of the \$75 million in currently available funding. After administrative expenses NMFA estimates approximately \$9.5 million remains available for investment.

Investment type	Total # Investments	Total Committed
Venture Private Equity Funds	8	\$50,500,000
New Mexico Business	1	\$10,000,000
Estimated administrative expenses		\$5,000,000
Total commitments + expenses		\$65,500,000
Total VCPF funding		\$75,000,000
Total available for investment		\$9,500,000

- ◆ In 2025, NMFA will begin to collect impact metrics to enhance reporting of the economic development objectives achieved by underlying investments. These impact metrics will be included in next year's report.
- ◆ With additional funding, NMFA could further its program objectives by investing funds with diversifying strategies including:
 - Employee-ownership and infrastructure
 - investment in local operations of a best-in-class start-up incubator/accelerator programs;
 - investments in funds targeting rural businesses; and
 - follow-on co-investments in local businesses.

