NEW MEXICO FINANCE AUTHORITY

New Mexico Finance Authority
Venture Capital Program Report

Presentation to the Legislative Investments and Pensions Oversight Committee

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Santa Fe

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NEW MEXICO FINANCE AUTHORITY

NMFA Venture Capital Program Overview

- **Venture Capital Program Act** (NMSA 1978, Section 6-33-1 *et seq)* created in the NMFA the Venture Capital Program Fund ("VCPF") 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 (not presently actively pursued)
    - Venture private equity funds (a "Fund")– an entity that makes, manages or sources potential investments, and that has at least one full-time, experienced manager
  - Investment by each Fund in a single business cannot exceed 10% of the Fund's capital, and cannot exceed 30% of the Fund's capital in a single industry
  - NMFA reports annually on investment activity and economic development impact
- At the present time the Venture Capital Program Fund administers $75.5 million in funding:
  - NM Legislative Appropriation of $50 million ($35 million in 2022 and $15 million in 2023)
  - State Small Business Credit Initiative (federal funds) via NMEDD, of $15.5 million for venture capital in 2024
  - State appropriation through Energy, Minerals and Natural Resources Department ("EMNRD") of $10 million for start up costs and capitalization of one or more Green Banks

Venture Capital Program Fund Capitalization

- Since its inception the VCPF has administered $75.5 million in total funding from three sources.
- The New Mexico Legislature appropriated $35 million in 2022 and $15 million in 2023.
- In 2023, VCPF received $15.5 million in federal State Small Business Credit Initiative (“SSBCI”) funding through NMFA’s partnership with the New Mexico Economic Development Department (“NMEDD”).
- In 2024, NMFA entered a Memorandum of Understanding with the New Mexico Energy Minerals and Natural Resources Department to invest a special appropriation of $10 million made during the 2024 regular session.

VCPF capitalization as of December 31, 2025

Appropriations to VCPF (State)	$50.0 million
SSBCI (Federal, in partnership with NMEDD)	$15.5 million
Special Appropriation (State, in partnership with EMNRD)	$10.0 million
Total VCPF capitalization	$75.5 million

Venture Capital Program Fund Strategy

- In 2021 NMEDD advanced a strategy to guide the state's long-term transformation into a more diversified, resilient, and inclusive economy. NMEDD's strategy identified nine targeted industries with potential to enhance the economic diversification of the state.
- VCPF seeks investments aligned with NMEDD's targeted industries. New Mexico State Investment Council ("NMSIC") has a long history investing with the intent of promoting tech transfer and commercialization from the state's labs and research institutions and since 2022 NMSIC has deployed over $1.8 billion to support New Mexico businesses and local job creation.
- **Mission and Diversification Objectives**

  Each investment (in a Fund or directly) seeks to advance two or more of the following economic development objectives within the state:

  - 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, from or benefiting underserved communities;
  - attract additional private sector investment in early-stage and emerging businesses.

2025 Venture Capital Program Activity

Fund	Year	Fund Manager	Total Committed	$ Invested in 2025	Total $ Invested
Tramway Venture Partners III	2023	Tramway Ventures	$3,500,000	$296,494	$780,409
Raven Indigenous Impact Fund II	2024	Raven Indigenous Capital Partners	$7,500,000	$2,646,631	$5,226,737
Dangerous Ventures NM Fund I	2024	Dangerous Ventures	$472,092	$239,056	$287,976
Advance New Mexico	2024	Mission Driven Finance	$10,000,000	$568,492	$845,697
Tiverton Ag Legacy Holdings II	2024	Tiverton Advisors	$5,000,000	$(544,829)[7]	$1,232,302
Vamos Ventures Fund II	2024	Vamos Ventures	$7,500,000	$1,350,000	$1,500,000
Rethink Impact III	2024	Rethink Impact	$2,000,000	$205,131	$221,089
Perennial Fund II	2024	Mad Capital	$10,000,000	$0	$0
Endurance 28 Fund III, L.P.	2025	Endurance28	$3,000,000	$2,492,433	$2,494,433
Roadrunner Fund I, LP	2025	Roadrunner Venture Studios	$4,000,000	$280,091	$280,091
Apis & Heritage Fund	2025	Apis & Heritage Capital Partners	$5,000,000	$0	$0
		Total	**$57,972,092**	**$7,533,499**	**$12,866,734**

Fund Strategies and Economic Development Objectives

Each fund is reviewed according to five mission and diversification objectives outlined in the VCPF investment policy. The table below provides descriptions of each fund's strategy and reflects how each fund is expected to perform across economic development objectives.

Fund	Strategy Description	Investing in new and expanding NM businesses	Creating and retaining quality local jobs	Increasing investment in diverse sectors	Investing in underserved commu-nities	Attracting additional private sector investment
Tramway Venture Partners III	Early-stage **medtech, biotech, and health tech** companies in New Mexico	◕	◑	◔	◔	●
Raven Indigenous Impact Fund II	Early stage **Native-owned companies** building sustainable economies	◑	◑	●	◕	●
Dangerous Ventures NM Fund I	Early-stage companies **across sustainable industries** in New Mexico	◕	◑	◔	◑	◑
Advance New Mexico	**Flexible debt** for expanding small and diverse-owned businesses in New Mexico	◕	◑	●	◕	◕
Tiverton Ag Legacy Holdings II	Equity for **food and agricultural** production	◑	◑	◕	●	●
Vamos Ventures Fund II	Equity for **diverse teams leading tech-driven** companies	◑	◑	●	◕	●

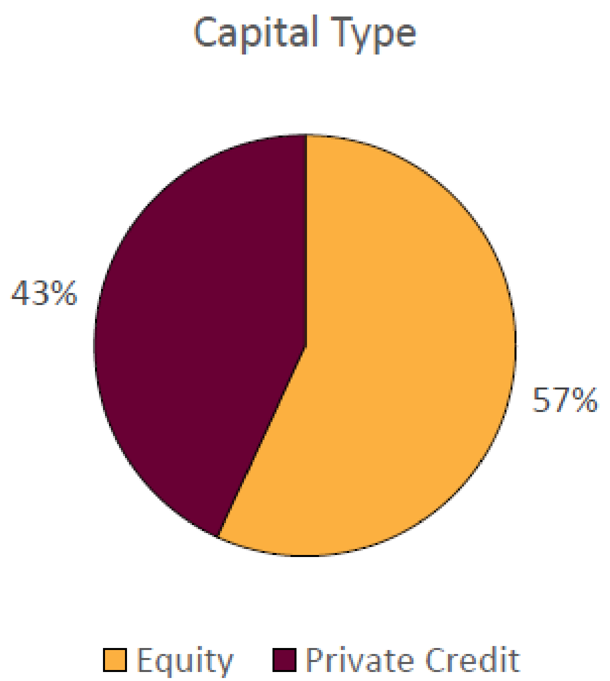
Key: ● = Very Strong ◕ = Strong ◑ = Medium ◔ = Weak

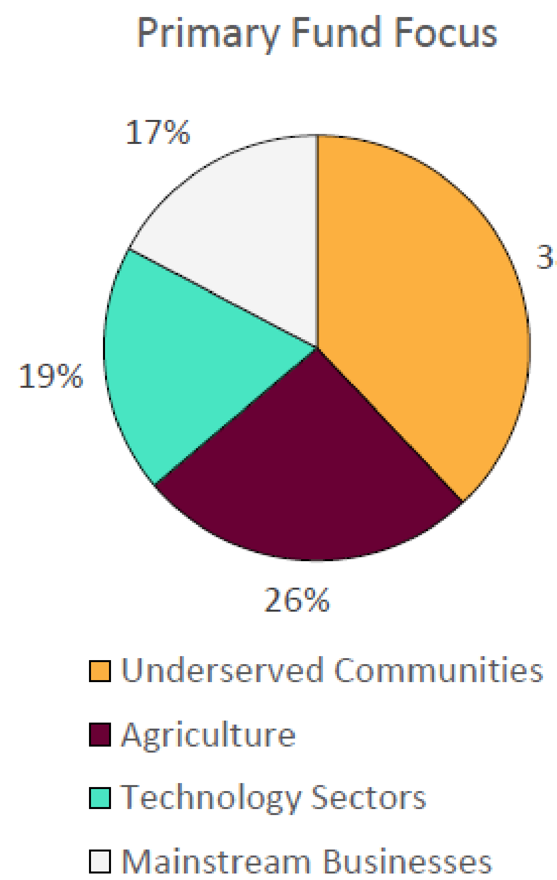
Fund Strategies and Economic Development Objectives (Continued)

Fund	Strategy Description	Investing in new and expanding NM businesses	Creating and retaining quality local jobs	Increasing investment in diverse sectors	Investing in underserved commu-nities	Attracting additional private sector investment
Rethink Impact III	**Equity in women-owned or managed** early stage technology companies	◐	◐	●	◕	●
Perennial Fund II	Debt to **regenerative farming** in New Mexico	◐	◐	●	●	◕
Endurance28 Fund III, L.P.	Early stage businesses in **climate, health, and the digital** economy	◐	◐	●	◕	◕
Roadrunner Fund I, LP	Invests in **early stage technology** businesses in New Mexico	●	◐	◐	◕	◕
Apis & Heritage Fund II, LLC	Funds **debt to finance ESOPs** (employee stock ownership plans)	◐	◐	●	◕	●

Key: ● = Very Strong ◕ = Strong ◐ = Medium ◔ = Weak

The charts below reflect the split of the total committed $58.0 million to Fund investments at the end of 2025 across capital type and primary fund focus.





NMFA 2026 VCPF Year to Date Cash Flows

Fund	Date	Cash Flow Type	Amount
Tramway Venture Partners III, L.P.	1/21/2026	Contribution	$ 117,090.49
Rethink Impact III, L.P.	1/27/2026	Contribution	$ 78,209.00
Tiverton Ag Legacy Holdings II, LLC	1/27/2026	Contribution	$ 213,437.00
Apis & Heritage Legacy Fund II	3/6/2026	Contribution	$ 116,038.00
Tiverton Ag Legacy Holdings II, LLC	3/10/2026	Distribution	$ (36,245.00)
VamosVentures Fund II, L.P.	3/16/2026	Contribution	$ 750,000.00
Raven Indigenous Impact Fund II	4/10/2026	Contribution	$ 198,693.85
Advance New Mexico, L.P.	4/15/2026	Contribution	$ 300,000.00
Tramway Venture Partners III, L.P.	4/16/2026	Contribution	$ 22,941.46
Mad Capital Perennial Fund II	4/21/2026	Contribution	$ 653,260.27
Mad Capital Perennial Fund II	4/21/2026	Contribution	$ 163,315.07
Rethink Impact III, L.P.	5/4/2026	Contribution	$ 60,889.00
Tramway Venture Partners III, L.P.	5/26/2026	Contribution	$ 610,179.80
Raven Indigenous Impact Fund II	7/24/2026	Distribution	$ (533,869.47)
			$ 2,713,939.47
		Total contributions NMGF	$ 1,500,211.75
		Total contributions VCPF	$ 1,783,842.19
		Total Contributions	$ 3,284,053.94
		Distributions	$ (570,114.47)
		Net Contributions	$ 2,713,939.47

VCPF Looking Forward to 2026

Looking forward to 2026
The VCPF has committed $68 million ($58 million to 11 funds; and $10 million to the NMCIC) or 90% of the $75.5 million in available funding. NMFA estimates $7.5 million remains available for investment.

Investment type	Total # Investments	Total Committed
Venture Private Equity Funds	11	$57,972,092
New Mexico Business	1	$10,000,000
Total commitments		$67,972,092
Total VCPF funding		$75,472,092
Total available for investment		*$7,500,000*

- In 2025, NMFA will focus on identifying opportunities to commit the remaining $7.5 million of uncommitted funds. NMFA will continue to collect impact metrics to enhance reporting of the economic development objectives achieved by underlying Fund investments.
- With additional funding, NMFA could further its program objectives by investing funds with expanded diversifying strategies including:
  - employee-ownership and infrastructure
  - investment in Funds in diversifying sectors including consumer brands, agricultural technology, sustainable energy, manufacturing or the care economy;
  - investments in Funds with diversifying strategies, including infrastructure across industry types;
  - investments in Funds targeting rural businesses (e.g., Rural Business Investment Companies, or RBICs);
  - selected direct investment in New Mexico operations of portfolio companies of best-in-class Fund managers, seeking post revenue expansion capital; and
  - follow-on co-investments with Funds in New Mexico businesses.