Venture Capital Program Fund

2025 Annual Report

July 1, 2026

Presented to

Governor Michelle Lujan Grisham

and the

New Mexico Legislature

Introduction

The Venture Capital Program Fund ("VCPF") was established by the Legislature in 2022 through the enactment of the Venture Capital Program Act (the "Act"). The Act authorizes the New Mexico Finance Authority ("NMFA") to make investments, including differential rate investments, in venture private equity funds or New Mexico businesses whose investments or enterprise activities enhance the economic development objectives of the state. The Act authorizes NMFA to invest within rules and policies established by the NMFA Board of Directors.

NMFA administers the VCPF with the support of Meketa Investment Group, a qualified institutional investment consultant selected through a competitive procurement process. Meketa advises on policy and best practice implementation, conducts due diligence on potential investments, and supports portfolio monitoring and reporting. Investments are reviewed by staff, Meketa, NMFA's Venture Capital Investment Committee, NMFA's Economic Development Committee, and approved by the NMFA Board of Directors. NMFA deducts the costs of administering the Act from the VCPF.

VCPF 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"). The SSBCI is a program administered by the U.S. Treasury that supports small businesses and entrepreneurship throughout the U.S. In 2024, NMFA entered a Memorandum of Understanding with the New Mexico Energy Minerals and Natural Resources Department ("EMNRD") 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

VCPF Program Strategy

In developing the strategy for the VCPF, NMFA consulted stakeholders from the local economic development and investment ecosystems. In 2021 NMEDD advanced a strategy to guide the state's long-term transformation into a more diversified, resilient, and inclusive economy.[1] NMEDD's strategy identifies nine targeted industries with potential to enhance the economic diversification of the state. VCPF seeks investments aligned with NMEDD's targeted industries. The 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 has deployed over $1.8 billion to support New Mexico businesses and local job creation.[2] In addition to leveraging NMSIC's learnings from decades of investing in local technology businesses, VCPF has implemented a differentiated approach to complement the technology sector focus of the established NMSIC program.

The strategy developed for the VCPF was also informed by a third-party study of the New Mexico small business capital landscape, conducted by Next Street in 2023.[3] The study identified numerous capital deficiencies in the New Mexico ecosystem, including: i) non-bank debt (higher risk private credit); ii) capital for "mainstream" (less technology-based) businesses, which comprise over 90% of small businesses in New Mexico, and iii) capital for underserved communities, such as rural and Tribal communities. To address these capital gaps, unlike traditional venture capital investments, VCPF seeks to invest in debt instruments, mainstream businesses, and underserved communities.

Mission & Diversification Objectives

The strategic objectives for the VCPF are articulated in its investment policy. Each investment 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, or benefiting underserved communities[4];
- attract additional private sector investment in early-stage and emerging businesses.

[1] Empower & Collaborate, New Mexico's Economic Path Forward (October 2021)
[2] Investing in New Mexico through the Strategic Venture Capital Program (December 2025)
[3] New Mexico Small Business Capital Landscape Summary of Findings (October 2023)
[4] "Underserved communities" is defined in the VCPF investment policy and means populations systematically denied a full opportunity to participate in aspects of economic, social, and civic life.

VCPF Activity in 2025

Fund Investments

In the 2025 calendar year NMFA committed $12.0 million to three venture private equity funds, and funded capital calls totaling $7.5 million to 8 funds. In total since inception, the VCPF has committed $58.0 million to eleven venture private equity funds and disbursed a total of $12.9 million to fund portfolio company investments and manager fees and expenses.

Fund	Year	Fund Manager	Total Committed	$ Invested in 2025[5]	Total $ Invested[6]
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 II, LLC[8]	2025	Apis & Heritage Capital Partners	$5,000,000	$0	$0
		Total[9]	**$57,972,092**	**$7,533,499**	**$12,866,734**

[5] Total capital called by the fund and invested by VCPF in calendar year 2025.
[6] Total capital called by the fund and invested by VCPF since inception through December 31, 2025.
[7] In 2025 Tiverton AG Legacy Holdings II returned $544,829 of capital called in 2024.
[8] The NMFA Board of Directors approved a $5 million commitment to Apis & Heritage Fund II, LLC in December 2025; the commitment closed in January 2026.
[9] The called-to-committed capital ratio was 22% as of December 31, 2025, and 24% as of March 31, 2026.

Fund Strategies & Economic Development Objectives

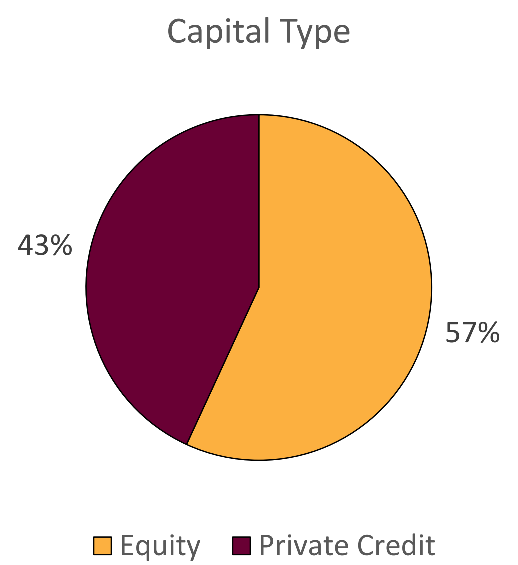
Each fund is reviewed according to five mission and diversification objectives outlined in the VCPF investment policy. The table below provides descriptions of each fund's strategy and reflects how each fund is expected to perform across economic development objectives.

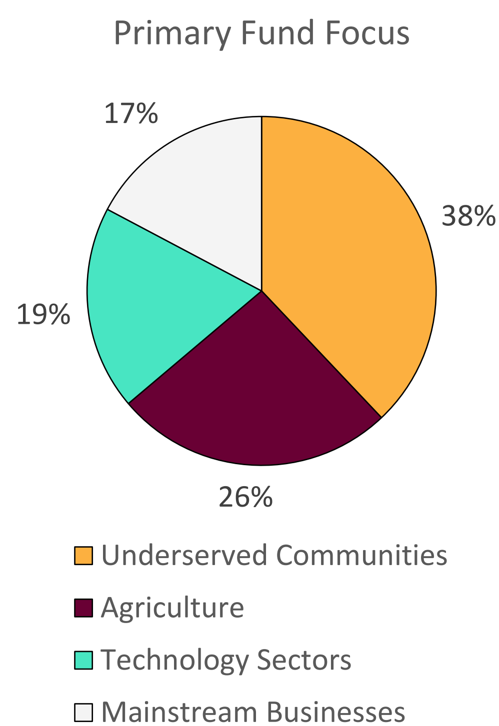
Fund	Strategy Description	Investing in new and expanding NM businesses	Creating and retaining quality local jobs	Increasing investment in diverse sectors	Investing in underserved commu-nities	Attracting additional private sector investment
Tramway Venture Partners III	Early-stage **medtech, biotech, 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	◐	◐	●	◕	●
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

Portfolio as of December 31, 2025

The charts below[10] reflect the split of the total committed of $58.0 million to fund investments at the end of 2025 across capital type and primary fund focus. 57% of commitments to-date have been to funds providing early stage venture and later-stage growth capital, and 43% of commitments have been to funds lending to small and medium-sized businesses. With respect to primary fund focus, the largest portfolio allocation (38%) is to funds investing in underserved communities, specifically women, Indigenous and Latino founders, and businesses employing low and middle-income workers. The second largest allocation (26%) is to funds investing in rural businesses in the agriculture sector. The remaining allocations comprise funds investing in local technology companies (19%), and mainstream businesses (17%).





[10] Charts do not include the $10 million investment in the New Mexico Climate Investment Center.

Economic Development Impact

On an annual basis NMFA collects economic impact metrics from fund managers in the portfolio. On an aggregate basis, in 2025 managers reported investing in 12 New Mexico businesses and employing a total of 39 full- and part-time employees in New Mexico. Additional economic impact metrics reported in 2025 are included in the table below:

Number of Investments	12
Total # FT-employees (FTE, 32 hrs/wk)	299
Total # PT employees (PTE, < 32 hrs/wk)	15
Total # FTEs based in New Mexico	34
Total # PTEs based in New Mexico	5
Total # outsourced FTEs	1516
Total # outsourced FTEs in New Mexico	13
Average $ salary of FTE	$77,566
Average $ hourly wage of PTE	N/A
Total annual $ payroll	$16,885,730
Total annual $ payroll taxes	$1,845,563
Total annual $ GRT paid in New Mexico	$91,518

Case Study – Medi-Connect[11]

Advance New Mexico invested in Medi-Connect, a non-emergency medical transport company servicing patients throughout New Mexico. Medi-Connect is the prime contractor for wheelchair and gurney transportation for the University of New Mexico Hospital (UNMH) statewide. "By improving patient flow, the hospital can serve more patients more efficiently," co-founder Ed Jones explained.

Medi-Connect is expanding its services to include basic life support transportation and mobile integrated health, further bridging health care gaps for underserved populations, including rural and Tribal communities. Medi-Connect sought capital to purchase ambulances and supplies to execute an expanded contract with UNMH and pursue new contracts. Part of the capital is also intended to hire additional EMT personnel. Funding from Advance New Mexico has allowed Medi-Connect to expand its capacity for providing essential medical transportation services to underserved communities in New Mexico and creating quality jobs.

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[11] Source: Mission Driven Finance

Case Study – Bidii Baby Foods[12]

Mad Capital invested in Bidii Baby Foods, a Navajo-owned and operated baby food company based in New Mexico, on the Navajo Nation. The company was founded to improve access to nutritious, culturally relevant early childhood foods while rebuilding local agricultural economies rooted in traditional Indigenous farming practices. Bidii centers its products around ancestral "first foods," particularly organic Navajo corn prepared using traditional methods such as dried steamed corn, which enhances both nutrient retention and shelf stability. Bidii Baby Foods' organic and native growing practices support soil health, water conservation, biodiversity, and long-term regenerative outcomes producing a quality product that is nutrient dense. The company utilizes native growing practices along with cover crops, crop rotation, intercropping the foundational Indigenous method of Three Sisters (corn, beans, and squash), compost application, biochar, and burning practices.

Special Appropriation Investment in Green Lenders

In December 2024 NMFA entered into a Memorandum of Agreement with the New Mexico Energy, Minerals and Natural Resources Department to invest special appropriation funding in one or more New Mexico lenders that finance clean energy and energy efficiency projects. The NMFA Board of Directors approved a $10 million commitment to the New Mexico Climate Investment Center (NMCIC), a New Mexico non-profit founded in 2023. NMCIC's mission is to finance clean energy projects throughout the state, with an emphasis on low and moderate income and underserved communities. In 2025 NMCIC became an approved C-PACE lender in New Mexico, partnered with the community development financial institution SELF to provide financing for homeowners for solar and energy efficiency upgrades, and launched a small loan program focused on energy efficiency and solar financing for small businesses and non-profits. Also in 2025, NMCIC closed on its first two investments, totaling $1.6 million.

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[12] Source: Mad Capital

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*

The focus in 2026 will be on identifying opportunities to commit the remaining $7.5 million of uncommitted funds. Given the increasing amounts of program funds called and invested, NMFA will continue to collect impact metrics to enhance reporting of the economic development objectives achieved by underlying investments.

NMFA has explored numerous opportunities to further advance the economic development objectives of the program, however, many of these opportunities would require additional funding. They include:

- investments 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;
- 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 in New Mexico businesses.