NEW MEXICO STATE INVESTMENT COUNCIL

2025

Investing in New Mexico through the **Strategic Venture Capital Program**

December 2025

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Investing in New Mexico through the **Strategic Venture Capital Program**

Letter from State Investment Officer Jon Clark

Dear fellow New Mexicans,

In 1958, when New Mexicans created the State Investment Council, they foresaw an opportunity to grow revenues from extractive industries that will inevitably become obsolete due to resource depletion and the rise of renewable energy sources.

Today, along with oversight and guidance of the Council, our staff of 35 professionals at the SIC works hard every day to ensure New Mexico's sovereign wealth funds continue to grow and provide for a variety of public services that directly benefit New Mexicans.

As stewards of the state's permanent, endowment, and reserve funds, we know how important it is to preserve and grow funds so they can continue to shield the state's budget from the volatility of the oil and gas industry, and provide a source of stability for state lawmakers to plan crucial projects that benefit New Mexico communities.

The same way individuals save for retirement when they no longer collect a pay check on a regular basis, New Mexico's sovereign wealth funds will serve as a stable source of revenue. What many people do not know is these funds benefit them today. $2.6 billion will be distributed to the state this year. This number will only continue to grow in size, and the projected distributions will make up one-third of the state's general fund by 2050.

Much like the decision to create the sovereign wealth fund in 1958, New Mexicans saw another opportunity in 1990 when the legislature authorized venture capital investments from the state's permanent funds.

New Mexico is not only home to abundant natural resources, it's the birthplace of innovations that have changed the course of history. That is because of world-class research institutions like Los Alamos National Laboratory, Sandia National Laboratories, the Air Force Research Laboratories, our higher education institutions, and vast expanses where testing of new technologies can take place and companies can build.

Today, we are beginning to see a new era of investment in

innovation thanks to strategies the SIC's private equity team, which oversees the venture capital program, has expertly implemented over the past six years.

If you ask the private equity team how their strategy has led to landmark investments in New Mexico — like that of Pacific Fusion ($1B) and XGS Energy ($1.2B), they'll tell you it was partly luck — the result of a confluence of random events that lined up in New Mexico's favor.

But if you ask me, it is entirely because they changed the original program and made the decision to invest New Mexico's permanent funds with only the best venture firms, effectively partnering the state with Silicon Valley.

This has resulted in $1.8B committed over the past three years to top firms that will deliver a double bottom line: (1) returns that will grow the financial benefits SIC funds deliver to New Mexicans; and (2) a broader scope of economic opportunities that can both help New Mexico companies grow and create or attract new ones.

On the pages of this report, you will read firsthand how the venture funds we've partnered with are creating an ecosystem where companies created in New Mexico, those moving to the state, or expanding beyond their headquarters can thrive.

On behalf of the State Investment Council, I extend our gratitude to the stakeholders that work tirelessly to support our team's vision for New Mexico as a place where technological innovation happens and industry takes flight. Together we're creating a national, and perhaps international, blueprint on how to align unprecedented capital to grow the state's economy. We believe that New Mexico, known for being last on many lists, can become the largest sovereign wealth fund in the nation and a world-class investor in New Mexico's key strengths: deep tech, climate tech, and aerospace and defense.

Sincerely,

Jon Clark, State Investment Officer

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Introduction

The New Mexico State Investment Council

The New Mexico State Investment Council

Established by New Mexicans in 1958 due to a surplus from the state's oil and gas revenues, the New Mexico State Investment Council (NMSIC) is among the largest sovereign wealth funds (SWFs) in the United States and among the top 30 globally.

Like other sovereign wealth funds across the globe, our job is to grow revenue delivered by oil and gas, a nonrenewable resource, into a renewable funding source that delivers benefits to 2.1 million New Mexicans today and will serve the state for generations to come.

At present, the NMSIC oversees $67 billion in permanent, endowment, and reserve funds.

Less than a decade from now, in 2032, we project our assets will be valued at $100 billion. This will make us the largest sovereign wealth fund in the United States,

The Land Grant Permanent Fund ($37B) and the Severance Tax Permanent Fund ($12B) are the largest of the 14. The funds come from public dollars, in the form of royalties and taxes from natural resources and income from sales and leases of public lands and minerals.

These asset earnings provide substantial benefits to New Mexicans. **We are returning $2.6 billion to the state's operating budget** or "general fund" in 2025 – **an average $3,000 tax savings per household in the state.**

We project the NMSIC's funds will produce a total $38 billion in returns to the state's operating budget over the next decade.

Rio Grande at Embudo (Photo: New Mexico True)

Funds Largely Benefit Education, Early Childhood Programs

The Land Grant Permanent Fund itself has 21 unique beneficiaries, mainly educational institutions.

The Permanent School Fund is the largest, at nearly 90% of the fund's distributions.

In fiscal year 2025, New Mexico's public schools will receive almost $1.5 billion in distributions, making up nearly a third of the state's K-12 education budget.

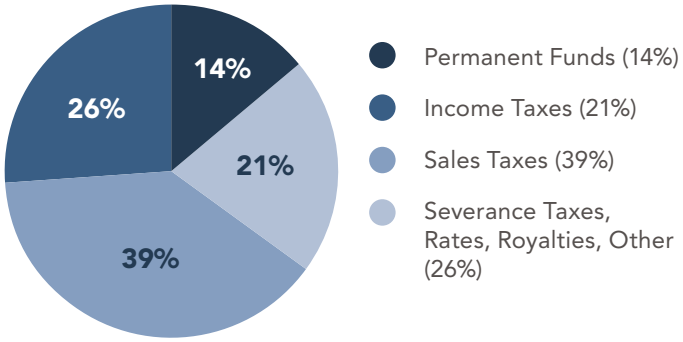
The SIC also funds 78% of early childhood programming in the state.

Additionally, New Mexico is now empowered with the capital needed to become the first state in the nation to guarantee no-cost universal childcare to everyone, regardless of income, which started in November 2025.

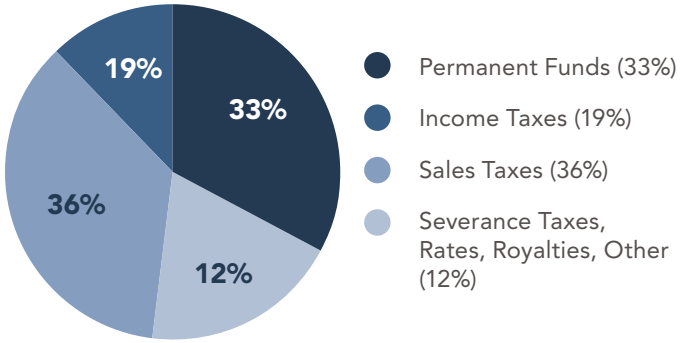
That's because of the third largest fund we oversee, the Early Childhood Trust Fund, which receives oil and gas tax revenue and federal mineral leasing payments.

Appropriated at $300 million in 2020, the Early Childhood Trust Fund is now valued at $10 billion.

FY 2026



FY 2050



Protecting New Mexico's future

While we continue to receive funds from oil and gas revenue and other sources now, we know general fund revenues from oil and gas will decline as the world transitions to renewable energy resources.

Our permanent fund distributions will increase over time to provide a much higher portion of general fund revenue.

We expect that by 2050 the NMSIC's distributions back to the state will be an entire third of the state's revenue, providing the stability needed for state lawmakers to carry out long-term planning.

Investing In New Mexico Through The

Strategic Venture Capital Program

Nearly 100 Years of Innovation Led to This Moment

New Mexico has a long history of incredible feats of innovation ranging from the creation of the atomic bomb to the clean room. It is also home to world-class institutions including Los Alamos National Laboratory, Sandia National Laboratories, the Air Force Research Laboratory, Kirtland Airforce Base, the University of New Mexico, New Mexico State University, and the New Mexico Institute of Mining and Technology, among others. Today, the state has an opportunity to leverage nearly 100 years of innovation, top tier research institutions, and significant sovereign wealth funds to stimulate the state's economic growth in areas where the state has a right to win. The opportunity to capitalize on the state's strengths is precisely why the SIC originally established a venture capital program 30 years ago.

1930 Robert H. Goddard, considered the father of modern rocket propulsion, moved to Roswell, New Mexico, where he conducted groundbreaking research and fligh tested gyroscopically stabilized rockets.

1943 Los Alamos National Laboratory (LANL) was established as a top-secret site, with code name Project Y, for the Manhattan Project. The mission was to design and build the world's first atomic weapons.

1945 The world's first atomic bomb was detonated at the Trinity Site, in an area known today as White Sands Missile Range. Later that year, Sandia National Laboratories was founded as Z Division, an offshoot of Los Alamos, to handle the engineering, testing, and assembly of nuclear weapons.

1949 The Air Force Special Weapons Command was established at Kirtland Air Force Base, laying the groundwork for future research and development in the area.

1962 The clean room is invented by Sandia physicist Willis Whitfield.

1980 Intel begins operations in Rio Rancho with just 25 employees. Since 1980, Intel has invested over $16 billion in capital at its New Mexico site.

1997 The current Air Force Research Laboratory was created by consolidating several existing laboratories, including the Phillips Laboratory, which was based in Albuquerque.

2006 The state began construction on Spaceport America near Las Cruces, the first purpose-built commercial spaceport in the world. Now, it hosts notable clients like Virgin Galactic which made New Mexico the third state to go to space in 2021.

2025 XGS Energy, Pacific Fusion, and Castelion choose New Mexico for major expansions to the state totaling over $2 billion in projected economic impact.

The Strategic Venture Capital Program

The Strategic Venture Capital Program (SVCP) sits under the umbrella of the SIC's Private Equity asset class. The SIC's market rate venture capital program in which it partners with world-class investors to produce a Double Bottom Line.

Since 2022, we've committed

$1.8 BILLION

to more than 30 top-tier VCs—all with an interest in expanding to New Mexico.

Double Bottom Line

1. Financial returns that grow New Mexico's sovereign wealth fund and the benefits it delivers.
2. An economic environment where homegrown, national & international companies can thrive.

Meet our Private Equity team

Chris Cassidy

Director of Private Equity & Venture Capital

Bruce Brown

Head of Strategic Climate Initiatives

Ifeyinwa Oguagha

Investment Attorney

Keith Flynn

Private Equity Analyst

(Photo: Craig Johnson)

Program Evolution

According to the World Economic Forum Global Competitiveness Report:

"In the long run, standards of living can be expanded only by technological innovation. … This requires an environment that is conducive to innovative activity, supported by both the public and the private sectors.

New Mexico's Science and Technology Roadmap, a report prepared for the New Mexico Economic Development Department by Techonomy Partners, states that economies anchored by scientific and technological innovation benefit from positive economic impacts, allowing them to:

- Drive productivity growth and new-wealth creation through higher wages and return on investment
- Commercialize new products, processes, and services, developing solutions to solve societies most pressing challenges
- Improve the human condition, enhancing living standards and quality of life.

The state's research institutions, both national laboratories and academic institutions, are drivers of economic development in New Mexico, and serve as not just sources of innovation but leading generators of talent, according to the report. Regional industry clusters that form around research institutions have the potential to attract firms from other places that want to be in proximity to these resources, which can help produce more startups, bring venture capital, and create jobs and infrastructure.

The Strategic Venture Capital program evolved from the New Mexico Private Equity Investment Program, managed for over three decades with the intent of promoting tech transfer and commercialization from the state's national labs and research institutions. Today we continue to invest in New Mexico, but in 2022, we shifted our approach to how we do that.

Today, our market-rate program only commits New Mexico's dollars to top VCs with proven track records and large well-diversified portfolios—many of which include New Mexico companies. This exposure to more potential "home run" opportunities or future industry giants, will help grow the state's sovereign wealth fund, and the financial and job-creation benefits it delivers to New Mexicans.

1990
Legislature authorizes NM VC fund investments

2003
Direct investment in companies allowed

2007
Program shifts focus to co-investment strategy

2017
NM Catalyst Fund created for seed/early-stage investments

2019
New external advisor brought on

2022
New goal of working with top-tier VCs

2025
Committed 1.8B to 30+ VCs in the past 3 years

The SIC is bridging New Mexico and Silicon Valley

In August 2025, Time Magazine ranked 350 VC firms in the United States. Firms included in the publication's analysis were VCs headquartered in the U.S. that provide venture capital funding to startups across venture stages and sectors as a core part of their business model.

A majority of the listed VCs were based on the coasts, with over half of the firm's headquarters in California, where Silicon Valley continues to be an epicenter of innovation and access to capital. California was followed by New York, Massachusetts, and other emerging hubs like Texas, for example.

According to a National Venture Capital Association report on 2024's VC trends, which leverages data from Pitchbook, U.S. venture funds raised $76.8 billion across 538 funds, representing a 23% year-over-year decrease from 2023. The top ten funds captured almost 40% of capital, with just ten mega-funds securing $29 billion collectively. At the same time, emerging managers raised only $15 billion (19.5% of total), the lowest share in at least a decade.

The strategy designed by the Private Equity team at the State Investment Council, and adopted by council members, has allowed the SIC to make investments that partner with world-class VC partners, versus uplifting emerging managers and attempting to replicate in New Mexico what the San Francisco Bay Area has created and will always dominate in.

To help New Mexico create an environment where New Mexico startups can succeed, Chris Cassidy, SIC Director of Private Equity and Venture Capital, with Bruce Brown, the SIC's Director of Strategic Climate Initiatives, have cultivated a Silicon Valley presence right here in New Mexico.

This has been enabled through meaningful investments in top-tier VCs through the state's sovereign wealth fund, and robust research and development institutions, opening up a new way for companies to think about the state and its opportunities.

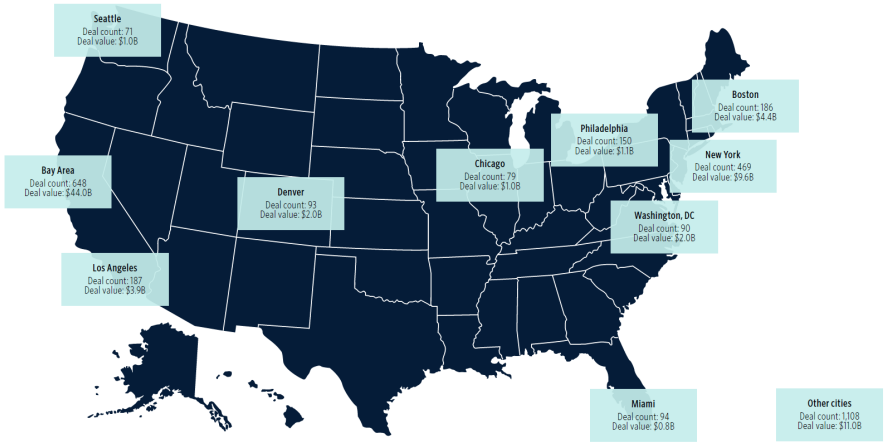
PitchBook nvca

Sponsored by J.P.Morgan DENTONS EISNERAMPER

Regional spotlight

57% of capital invested in the US has gone to Bay Area startups

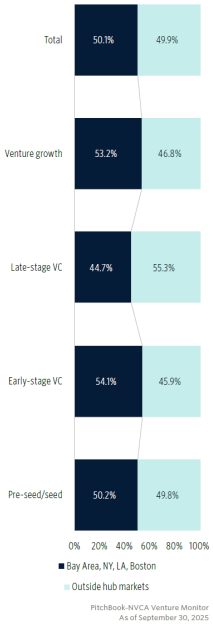
Q3 2025 VC deal activity by ecosystem



PitchBook-NVCA Venture Monitor • As of September 30, 2025

Hubs account for over half of deals across all but late stage

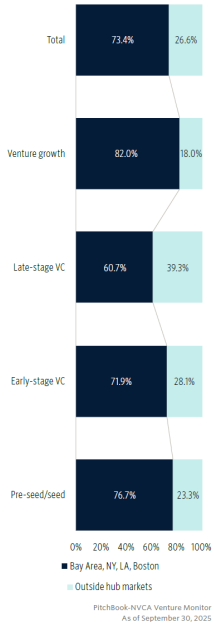
Share of VC deal count by market breakout



PitchBook-NVCA Venture Monitor
As of September 30, 2025

Deal value heavily concentrated in hubs

Share of VC deal value by market breakout



PitchBook-NVCA Venture Monitor
As of September 30, 2025

Source: PitchBook-NVCA Venture Monitor - October 13, 2025

Funds we've committed to (Total Commitments ~ $1,822,500,000)

DATE	FUND	NMSIC COMMITMENT
Nov 2022	America's Frontier Fund (modified in Aug 2024)	$50,000,000
Nov 2022	Roadrunner Fund (modified in Aug 2024)	$50,000,000
Nov 2022	Crosslink Ventures X and Crosslink Endeavor II	$35,000,000
Mar 2023	Lux Ventures VIII	$62,500,000
Mar 2023	Playground Ventures III and Leader Fund	$35,000,000
Aug 2023	Antler US Fund II	$40,000,000
Aug 2023	Tramway Ventures II	$20,000,000
Aug 2023	Thayer Ventures IV	$10,000,000
Sep 2023	At One Ventures II	$20,000,000
Nov 2023	Khosla Ventures VIII, Seed, and Opp II	$75,000,000
Nov 2023	Dangerous Ventures New Mexico I	$10,000,000
Jan 2024	Next Frontier IV	$10,000,000
Feb 2024	Upfront VIII	$50,000,000
Feb 2024	Airbus Ventures IV	$20,000,000
Mar 2024	DCVC Climate	$50,000,000
May 2024	J2 Ventures Argonne Fund	$15,000,000
Aug 2024	Outlander 3 Magellan	$30,000,000
Sep 2024	Builders VC Fund III	$60,000,000
Sep 2024	TK MediaTech Ventures	$15,000,000
Oct 2024	Anzu North America Tech Leaders Fund	$20,000,000
Nov 2024	UP.Ventures II, UP.Abundance I, UP.Labs I	$80,000,000
Feb 2025	8VC	$15,000,000
Jun 2025	Playground Next-Gen Compute: New Mexico	$50,000,000
Jun 2025	Playground Fund IV and Leader Fund II	$35,000,000
Jun 2025	Antler U.S. New Mexico	$65,000,000
Jun 2025	Root Ventures IV	$25,000,000
Jun 2025	Khosla Ventures IX, Seed G, and Opp III	$50,000,000
Aug 2025	DCVC VII	$50,000,000
Aug 2025	Lowercarbon: Q>10 Fusion Fund	$150,000,000
Aug 2025	Lowercarbon: New Mexico Dedicated Fund	$150,000,000
Aug 2025	8VC + Overmatch: Offset Fund I "Build NM"	$100,000,000
Aug 2025	Lightspeed: 2025 LSVP Fund Series	$100,000,000
Aug 2025	J2 Ventures Brookhaven Fund	$35,000,000
Sep 2025	J2 Infrastructure Tierra Adentro Fund	$100,000,000
Nov 2025	Acequia Capital Origin	$15,000,000
Nov 2025	Frist Cressey Ventures	$40,000,000
Nov 2025	Lux Ventures IX	$50,000,000
Nov 2025	Morpheus Ventures III	$15,000,000
Nov 2025	Scout Ventures Fund V	$15,000,000

Aztec Arches, Arches Rock Canyon (Photo: New Mexico True)

Our Strategy Draws from Best Practices

With our external advisor, global financial consulting firm Mercer, we developed the strategy for the Strategic Venture Capital Program based on best practices for:

> The creation of successful economic development programs; and

> The construction of institutional venture capital portfolios based on the unique characteristics of the asset class and its risk profile.

The SIC has approached development of the program with an entrepreneurial spirit by:

- **Building awareness** about New Mexico's untapped potential
- **Recruiting top firms** to participate in the program
- **Collecting feedback** from participants, particularly founders
- **Providing funding options** and VC expertise for companies at every stage of development

The creation of successful economic development programs

To ensure we created a successful program, the Private Equity team looked at the reasons economic development programs typically fail.[1] Programs can fail because they:

- Are not set up to earn market returns;
- Place arbitrary, counterproductive constraints on businesses;
- Try to recreate rather than partner with Silicon Valley;
- Have a mismatch between the program and available local resources; and
- Do not recognize that success requires more than capital – it requires engagement and expertise from other participants in the ecosystem.

We also looked at why economic development programs succeed,[2] which is because they:

- Require a substantial amount of funds to be raised from nonpublic sources;
- Use private-sector criteria for assessing prospective firms and funds;
- Focus on solid groups in industries with real local strength, avoid protracted financing of substandard firms that cannot raise private funds, and reduce local presence requirements to boost flexibility;
- Engage national and international investors for stronger capital access;
- Develop programs that encourage innovation and adaptability;
- Regularly review and update program rules to reflect changing market conditions, even if it means reevaluating or eliminating certain participant categories;
- Avoid funding dozens of groups immediately; start with a handful and scale based on market feedback;
- Build awareness by educating outsiders about the local market's potential;
- Recognize long lead times for public venture initiatives; and
- Leverage local academic and research resources.

1 The Peel Podcast, "Why Founders are Moving to Chattanooga, Tennessee to Lock-In, Cam Doody at Brickyard.

2 "Boulevard of Broken Dreams: Why Public Efforts to Boost Entrepreneurship and Venture Capital Have Failed – and What to Do About It," by Josh Lerner, 2009. For more detail, please see the section in the Appendix 7a titled "Best Practices of Successful Economic Programs" on pages 129 to 134.

The construction of institutional venture capital portfolios

Venture capital is "rocket fuel" for a small percentage of small businesses and startups that need equity financing to fuel rapid expansion (i.e., "scalable startups"). Therefore, venture capital returns do not follow a normal pattern; instead, they are often described by a power law distribution, where a small number of companies generate most of the returns. This means that most investments will either fail or return minimal profits, while a few will yield substantial gains.

This power law distribution is a key concept in understanding venture capital strategies, emphasizing the importance of finding those rare successful companies through exposure to well-diversified portfolios in each fund we commit SIC funds to. Specifically, we look for:

High dispersion of fund returns

High expected average returns

Cyclicality,

both in terms of the economic cycle and innovation cycles, and significant drawdowns

Power law distribution

small number of "home runs" offsets high loss ratios expected for startups J-curve, longer holding periods

Performance persistence

In practice, this means that the SIC needs to invest in a diversified portfolio of high quality venture capital funds.

Our 3-Pronged Strategy

1 Deliberate Sector Focus

The NMSIC should be a world-class investor in New Mexico's strengths: deep tech, climate tech, and aerospace/defense.

Economic Development Potential

- SIC invests in partners with the best founders.
- Firms provide "capital supply chain."
- Attract founders and companies to New Mexico.

Financial Returns & Risk

- Diversified top-tier VCs should produce good financial returns.
- Reduced risk and lower portfolio concentration relative to previous program iterations

2 Company Creation and Attraction Engines

In partnership with managers, support creation and development of venture studios, venture labs, & accelerators

Economic Development Potential

- Capital, infrastructure, and capabilities with national and global connections.
- Company creation engines recruit founders and companies to New Mexico.

Financial Returns & Risk

- Funds and SMAs are with existing managers with track records of success which will recruit founders and companies, increasing potential investment opportunities, reducing risk.

3 Scaling Industry

In partnership with managers, invest in SMAs to support companies scaling operations in NM.

Economic Development Potential

- Targeted investments support near-term, fully funded projects that build infrastructure in the state.

Financial Returns & Risk

- Typically growth stage and infrastructure investments.

While more than half of global VC funding comes from the coasts, crowded coastal hubs don't necessarily provide the best place to perform research and development, and build things.

New Mexico Economic Development Department (EDD) Secretary Rob Black explained that what notorious founder of Apple Steve Jobs did was commercialize the things we make in New Mexico, including silicon chips, touchscreens, the internet, and GPS - and put all of that into a singular device, the smartphone. At the same time, Silicon Valley had and today still has the environment and capital needed for companies to be successful, combined with marketing, product design, and commercialization needed to create an industry giant, like Apple.

"The deal flow that we're seeing at EDD is unprecedented in the history of the state," EDD Secretary Rob Black said. "I think it's in large part due to the synergies that we've created in alignment with the SIC around the areas of our strategic economic development strategy tied to assets and resources that give New Mexico an opportunity to be extremely competitive in certain sectors."

While capital availability in an ecosystem is important, capital alone is not sufficient. The combination of the state's sovereign wealth funds, active engagement from multiple local and statewide government entities, an existing energy ecosystem in the state, world-class research institutions, and a surplus of natural resources and land availability, make New Mexico an ideal place to do business.

The development of an advanced energy industry in the state is the "skeleton key" that makes other business opportunities possible given the large amount of power required for strategic investments like AI data centers and advanced manufacturing.

At the stage when companies are looking to scale and build the facilities, and other projects that drive job growth, they also need to be sure:

• The state has sufficient available talent, land, power, and customers;

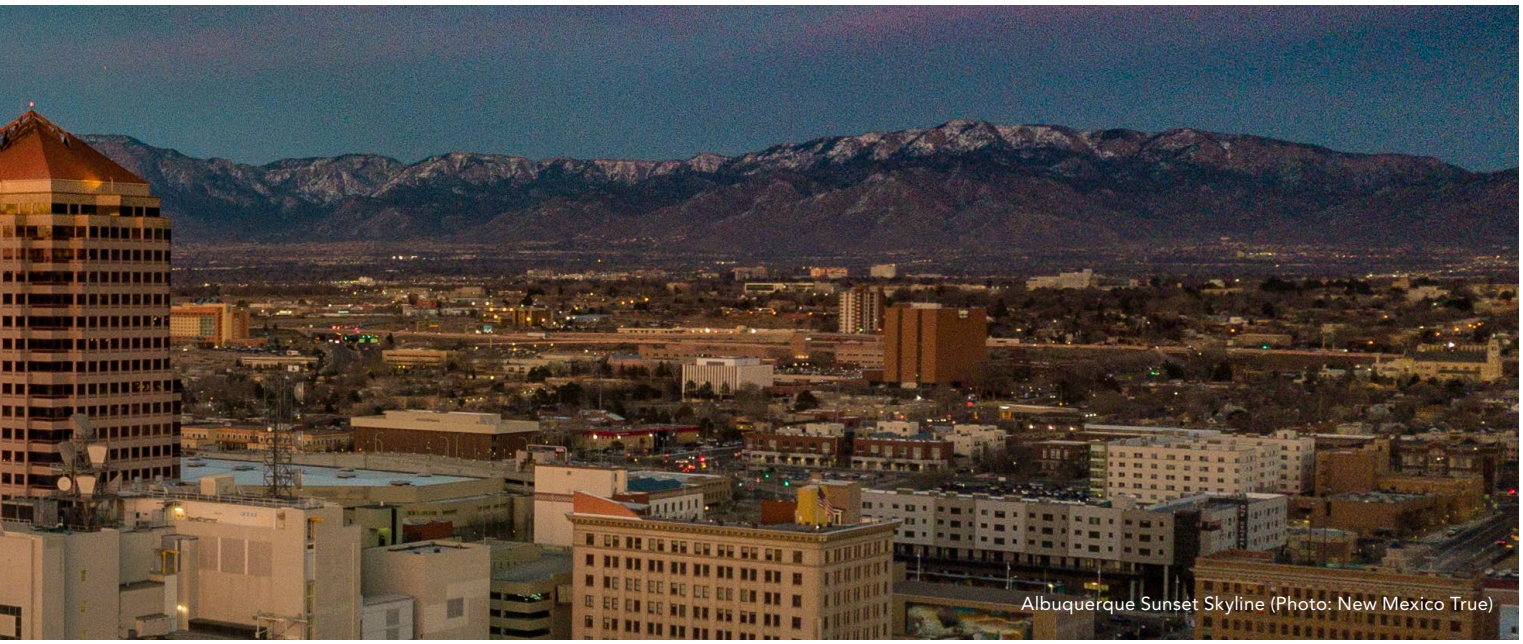
• There is a favorable regulatory framework for their industry;

• Other government agencies at the state and local level are actively engaged regarding items such as entitlements, licensing, permitting, and state incentives; and

• The state's sovereign wealth fund is committed to the venture capital asset class and to the types of funds willing and able to support equity rounds required to fund their business.

While the above requirements can be deferred for early-stage companies in any ecosystem, they become critical when rapidly growing companies need to scale. The benefit of allowing investments beyond just New Mexico companies or those willing to move entire headquarters here is that those companies are oftentimes well funded by institutional managers and proactively expand to the state after completing their own due diligence that New Mexico meets the above criteria, and is ultimately the right place for them to do business.

For example, California-based startup Pacific Fusion announced its selection of New Mexico for its research and development facility in September 2025, one of the largest tech transfer events in the state's history. An expansion to New Mexico came with the valid concern about loss of access



Albuquerque Sunset Skyline (Photo: New Mexico True)

to future funding rounds. Because of the SIC's work, and an increasingly impressive capital stack looking at New Mexico, the company ultimately had the confidence they'd be able to access later stage funding, alongside an expansion to the state.

In the first six years Secretary Black was in New Mexico working at the Chamber of Commerce, he recalled meeting with two VCs that were not local funds, when the SIC was in the beginning stages of shifting its strategy to commit capital to top-tier venture funds.

As of November 2025, Secretary Black said he's met with about eight of the largest VCs in the world such as Antler, Playground, America's Frontier Fund, and Airbus in the span of just 4 months.

"It is tied directly to what the SIC was doing," he said.

According to Secretary Black, he is in conversations with about a dozen other companies in the portfolios of funds the SIC has partnered with, and the biggest project EDD has worked on this year, Pacific Fusion, is funded by VCs to which the SIC has committed capital.

In November 2025, J2 Ventures set up meetings for Secretary Black in Singapore with their portfolio companies and connections. There, he met with Antler, where the global VC is headquartered. He then headed to Kyoto for the Airbus Ventures Summit, where the firm lined up their entire portfolio of companies based there.

On top of that, Secretary Black emphasized the newfound relationship EDD has with the SIC, communicating on a weekly basis to ensure companies interested in locating to, or expanding in New Mexico have a roadmap to do so through the state's economic development arm.

Roadrunner Venture Studios under America's Frontier Fund was the first to establish a physical presence in the state under the SIC's new strategy. Today, Roadrunner is a fundamental partner of EDD through the agency's $25 million Quantum Innovation Hub project.

This is creating a new ecosystem downtown around the emerging industry of quantum, accompanied by an agreement between the state of New Mexico and Defense Advanced Research Projects Agency (DARPA) to establish the Quantum Frontier Project. The partnership is designed to accelerate the development, testing, and validation of emerging quantum technologies. Under the framework agreement, DARPA and New Mexico may provide matching contributions of up to $120 million total over four years, with investments directed toward research, infrastructure, and independent verification efforts that advance Quantum Benchmarking Initiative and the Quantum Frontier Project.

"I moved back home to New Mexico in 2018, when the SIC had $24 billion in assets under management. Today, it's $67 billion. In the last six months, they've deployed a billion dollars into this venture program. We're going to beat Alaska, and be the largest sovereign wealth fund in the United States, and we're doing something that is so unique that only three or four places in the world have done it, and that's aligning sovereign wealth investment strategy with an economic development strategy. The only other places that have done this are Singapore, Saudi Arabia, and Abu Dhabi. It's going to be transformative for the citizens of the state, and create opportunities for prosperity that we have never had."

Our Investments Target Three Key Sectors

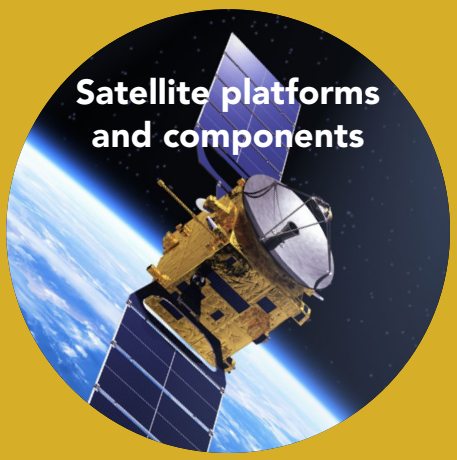
ADVANCED ENERGY

AEROSPACE & DEFENSE

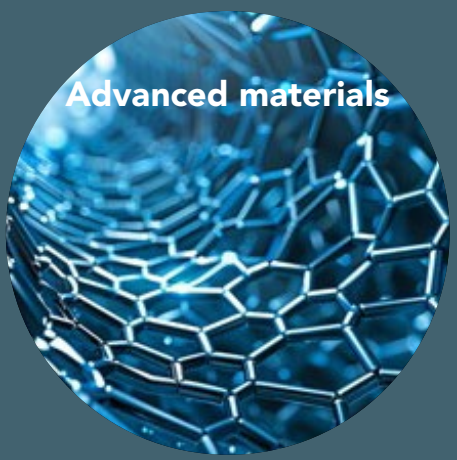
DEEP TECH

Advanced Energy

Aerospace & Defense



Deep Tech



New Mexico is best positioned to grow in three key sectors

There are certain sectors, aligned with the New Mexico Economic Development Department, where we expect homegrown businesses to thrive, and where new businesses can move or expand to the state. That's why our team is aligning capital with venture firms focused on advanced energy, aerospace and defense, and deep tech.

Advanced Energy

Technology that is clean, safe, secure, and efficient like geothermal, fusion, advancements in solar, wind, and battery storage.

Advancements in energy technology are powering the economy, expanding transmission infrastructure for improved grid resilience and energy affordability, and ensuring the energy sector remains competitive through new innovations. New Mexico strikes a unique balance, touting both a strong oil and gas industry and rapidly growing renewable industries such as solar, wind, and geothermal. It's also positioned to become a hub for research and development of emerging energy industries, like fusion.

The state's position as a leader in clean energy can be attributed to a variety of combining factors, including increased capital availability from the SIC; active engagement from multiple state agencies such as the Energy, Minerals, and Natural Resources Department, Environment Department, State Land Office, Economic Development Department, and the Governor's Office; an existing energy industry in the state; and a surplus of natural resources and land availability. The development of an advanced energy industry in the state is the "skeleton key" that makes other business opportunities possible given the large amount of power required for strategic investments like AI data centers and advanced manufacturing.

Passed by the legislature in 2019 and signed into law by Governor Michelle Lujan Grisham, the Energy Transition Act (ETA) sets a statewide renewable energy standard of 50 percent by 2030 for New Mexico investor-owned utilities and rural electric cooperatives like the Public Service Company of New Mexico (PNM) and Xcel Energy. The ETA is also helping transform New Mexico's energy workforce.The advanced energy sector has experienced job growth in recent years as a result of increased investment and advancements in technology, according to a 2024 Advanced Energy United fact sheet. The organization's analysis found that jobs surged from 2022 to 2023, with 4.1 million U.S. workers employed in the sector. Gains were also driven by the Inflation Reduction Act and the Infrastructure Investment and Jobs Act.

There are now multiple examples of companies with capital from SIC-backed funds locating in or expanding to New Mexico in the sector of advanced energy and climate technology. With regard to those backed by SIC partners, we've seen geothermal companies XGS Energy and Zanskar, Aquafortus in water treatment, Pacific Fusion pioneering fusion technology, and Spiritus in carbon capture.

Aerospace & Defense

Design, manufacturing, and maintenance of aircraft, spacecraft, and defense systems.

The U.S. defense tech market is driven by shifting geopolitical priorities, a strong demand for modernization and new technologies like AI, cybersecurity, and unmanned systems, and private and public investment. According to a 2025 report from the Aerospace Industries Association, the U.S. aerospace and defense (A&D) industry generated $995 billion in total business activity in 2024. Furthermore, the industry spurred $443 billion in economic value, making up 1.5% of the 2024 nominal U.S. growth domestic product (GDP).

New Mexico has historically had a strong defense tech presence driven by its national labs, Air Force installations, and a private sector that continues to grow. Key components include Sandia National Laboratories, and Los Alamos National Laboratory, Kirtland Air Force Base which houses important Air Force research and space-focused organizations, as well as White Sands Missile Range and Spaceport America which support research and development and testing.

There are multiple examples of defense technology companies backed by SIC partner funds, including Castelion, Blue Halo, X-Bow Systems, Reliable Robotics, and Space Kinetic.

Deep Tech

AI, quantum computing, biotechnology, and advanced materials, with potential for global impact and market disruption.

There is also an emerging opportunity set in quantum technologies and next-gen compute – seen in companies such as UbiQD, Mesa Quantum, Hoonify, and xLight.

According to New Mexico's S&T Roadmap, Governments are pouring funding into quantum research and development and infrastructure, jumpstarted by efforts through the CHIPS and Science act of 2022. Private investment has also grown, with large tech giants like IBM, Google, Microsoft, and Amazon building quantum computing teams and services. Startups have gone public, reaching valuations ranging from millions to over a billion dollars.

New Mexico is uniquely positioned to lead in the critical hardware layer, developing and supplying enabling components that support components of quantum systems. This is because of the state's resources such as Sandia's Microsystems Engineering complex and LANL's CINT user facility, as well as its designation as a Federal Tech Hub which could potentially win the state a $160M National Science Foundation award.

There is generally a benefit for these companies to be close to the state's national labs, which may assist companies in meeting technical requirements, performing validation testing, and reducing commercialization risks – key steps for getting technology accepted into a program of record, which is a formally approved and funded government acquisition initiative. This is why The SIC has prioritized managers like J2 Ventures with demonstrable experience helping companies navigate the process of obtaining contracts and non-dilutive funding from the government.

Our strategy is producing results

With $1.8B in capital committed to more than 30 top VCs, the SIC has already seen a full return on investment from an economic impact perspective. This is because of three key commitments to the state, all announced in 2025:

• Pacific Fusion - Lowercarbon Capital, Lightspeed, DCVC, and UP.Partners are all SIC partner funds invested in the California-headquartered Fusion company. The startup is expected to bring $1 billion in economic impact to New Mexico, and more than 200 long-term jobs and hundreds of construction jobs

• XGS Energy - Backed by Anzu Partners, the company announced a $1.2B partnership with Meta to provide geothermal energy to its Los Lunas data center. The project is anticipated to bring approximately 3,000 construction jobs and 100 full-time jobs for the 150 MW geothermal plant.

• Castelion - Backed by Lightspeed, the company chose Sandoval County, New Mexico, as the site for Project Ranger, a 1000-acre solid rocket motor manufacturing campus dedicated to next-generation hypersonic systems. The initiative is projected to create 300 high-quality jobs and generate over $650 million in economic output over the next decade. Castelion plans to invest more than $100 million in Project Ranger's development, with additional capital to follow.

Future Opportunities

We would note that the benefit of the SIC's diversified venture capital portfolio is that it can also support companies in other sectors that are operating in New Mexico. NMSIC staff and our external advisor, Mercer, will continue to look for market feedback regarding sectors which show further promise in the state and are credible candidates for a more dedicated investment focus.

(Photo: Craig Johnson)

We have partnered with top firms

to grow the benefits our funds deliver to New Mexicans, and create economic impact.

Here, we are highlighting six of our 30 partners.

UP.PARTNERS
VENTURES | LABS | SUMMIT

Total AUM

$500M

Headquarters

Santa Monica, CA ; with the UP.Abundance office and team based in Albuquerque

Investment focus

Companies that aim to transform the movement of people and goods by making it cleaner, faster, safer, and more cost-effective, with a focus on "frontier mobility technologies."

SIC Commitment

$80M across UP.Partners funds, including $20M to UP.Abundance which focuses on New Mexico opportunities.

In 2020, Ben Marcus, Cyrus Sigari and Adam Grosser co-founded UP.Partners to invest in the entrepreneurs and technologies shaping the future of mobility, across land, air, sea, and space. The firm's mission is to enable people and goods to move cleaner, faster, safer, and at lower cost, a vision it pursues through a multi-strategy approach designed to transform the moving world. UP.Partners invests in enabling technologies that represent the "physical manifestations of artificial intelligence," a core thesis that anchors its portfolio. Through UP.Ventures and UP.Abundance (UP's New Mexico Investing Strategy), the firm partners with pioneering founders and innovative investors to accelerate the future of mobility and energy. UP.Labs, launched in partnership with Porsche, is a first-of-its-kind venture lab that builds companies addressing critical challenges faced by the world's largest corporations and society at large. The firm also convenes global industry leaders through the UP.Summit, an invitation-only gathering co-hosted with Tom and Steuart Walton, Ross Perot Jr. and Phillip Sarofim, bringing the world's most innovative minds to rethink the future of transportation.

Ben and Cyrus have known Brian Adams for more than 25 years. The three first met while studying aviation-related disciplines at Purdue University. After graduating, they, together with several classmates, relocated to New Mexico to join Eclipse Aviation in 2004.

Brian Adams, Co-Founder of UP.Abundance

Eclipse, at the time, was widely regarded as "the hottest company in aviation," according to Adams. He remained there until the company's collapse during the 2009 financial crisis, after which he moved to Seattle to join an early-stage startup with two other former Eclipse colleagues.

While living in Seattle, Adams met his now-wife, an Albuquerque native. After their first son was born, the family returned to Albuquerque in early 2022 with Adams initially expecting to work remotely long-term.

Ben Marcus, Co-Founder and Managing Partner, UP.Partners

After leaving Eclipse in 2006, Ben and Cyrus moved back to Santa Monica and founded jetAVIVA with the goal of creating a differentiated approach to aircraft ownership and operations. The company began by managing Eclipse jets for individual owners and ultimately grew into one of the world's largest business-aircraft sales firms by annual transaction volume, completing approximately 100 transactions per year.

In 2014, Ben left jetAVIVA and founded AirMap, a company that built air-traffic-management infrastructure for unmanned aircraft systems and emerging eVTOL vehicles. AirMap was acquired in 2021.

The Origins of UP.Partners

The roots of UP.Partners trace back to the UP.Summit, which began in 2017. The first UP.Summit brought together a small group of innovators at a small ranch in Wyoming. The UP.Summit's origins, however, stretch further into the past. When Cyrus and Ben founded jetAVIVA in 2006, they intentionally positioned themselves beyond the role of traditional aircraft brokers. They specialized in aircraft flown by owner-operators, and over time, they not only sold aircraft but also became flight instructors and trusted advisors to this growing community of pilots.

This level of engagement naturally led to convening these individuals, ultimately forming several pilot-owner organizations and a network deeply aligned around aviation innovation.

By 2019, the UP.Summit had evolved into a highly impactful gathering of visionaries, leaders, investors and entrepreneurs working on transforming the moving world. Multiple founders that attended and presented at the event received investments directly from attendees in the room. Recognizing the emerging momentum, Ben and Cyrus decided to formalize this model into a sustainable enterprise by raising their first institutional venture fund, which launched in 2020.

UP.Abundance: The Firm's New Mexico Strategy

David Ellmann, Co-Founder of UP.Abundance, launched several startups before joining an incubator where he helped build more than a dozen additional ventures. While advising climate-technology startups independently, Ellmann's wife accepted a position as a Pediatric ICU physician at the University of New Mexico Hospital, prompting their relocation to Albuquerque in 2023. Initially planning to work remotely and enjoy the state's affordability and quality of life, Ellmann gradually became embedded in New Mexico's growing innovation ecosystem, eventually meeting Brian Adams. The two would go on to co-found UP.Abundance in partnership with UP.Partners.

Today, Adams describes UP.Abundance's mission as

supporting companies with an existing New Mexico presence or those seeking to establish a strategic presence in New Mexico; often when a company is considering expansion beyond where they 'grew up' - the UP.Abundance teams calls this the startup's "industrialization moment".

Originally, the team believed they would focus on helping early-stage startups relocate to the state, consistent with the fund's relatively small check sizes of up to $1M. However, as Adams and Ellmann engaged with companies beyond the early-stage phase, they recognized a broader opportunity.

One of their first substantive conversations was with Reliable Robotics, a Mountain View, California-based company that had raised 9-figures of funding to date to build the first autonomous aircraft system with a clear pathway to FAA certification requiring no regulatory changes. The company already had over 20 employees in New Mexico.

The initial objective in meeting Reliable Robotics was not to invest, but to explore opportunities to bring startups to the state to help support the company's aircraft operations. Instead, the founder expressed strong interest in scaling in New Mexico and asked Adams and Ellmann to determine how UP.Abundance could support that expansion.

"That was the 'aha' moment for us," Adams said. "Our relatively small check would not meaningfully shift the company's overall capital position, but our strategic partnership could. That insight is what shaped our current multistage model: we can be a meaningful capital partner for early-stage companies raising a few million dollars, while also serving as strategic partners to growth-stage companies. Even with a modest investment relative to their total capital raised, we can help them solidify a New Mexico presence and scale effectively."

Ellmann emphasized New Mexico's unique advantages, a value proposition he actively communicates to venture capital firms worldwide. These include abundant nondilutive funding, affordable land and labor, a supportive government, partnerships with national laboratories, and one of the most robust state-backed venture programs in the world.

"Pacific Fusion is a perfect example," Ellman said. "Building something large and physical in the Bay Area is expensive, slow, and highly bureaucratic. What takes years in other states often takes months in New Mexico, with significantly more incentives available. It's a real strategic advantage for companies that need to scale quickly in a place that will deliver significant economic advantages."

He added, "It's a combination you more commonly see in places like Saudi Arabia or the UAE– venture capital paired with significant nondilutive funding and an environment that actually enables building."

With just the seven companies UP.Abundance has invested in as of this report, the fund projects approximately 300+ jobs to be created by the end of 2026.

The New Mexico State Investment Council originally committed $20 million to UP.Abundance, with the expectation that the fund would deploy capital over three years. According to Adams, the deployment timeline will likely be significantly shorter due to the quality and volume of opportunities identified.

ROADRUNNER VENTURE STUDIOS

Total AUM

Not publicly disclosed

Headquarters

Albuquerque

Investment focus

Early-stage companies

SIC Commitment

Re-allocation of $50M, August 2024, Roadrunner Fund I, $100M, November 2022, Frontier Fund I

America's Frontier Fund received a commitment of $100 million to its Frontier Fund I in November 2022. At the same time, the top venture capital firm was designing a concept that would later become Roadrunner Venture Studios, and invested $10 million of that $100 million total into the studio, which launched in Albuquerque in 2023.

In August 2024, the SIC approved a restructuring of the $100 commitment and split it into two $50 million pools with one allocated to Roadrunner Venture Studios' Roadrunner Fund I.

That fund is supporting the studios' seed and early-stage companies.

"When we arrived in 2023, we believed New Mexico was primed for a technology revolution but was still missing some of the connective tissue required to consistently generate venture-ready deep tech companies. The SIC recognized that challenge early and backed a new kind of company-creation platform to help fill that gap. In doing so, they helped seed the foundation for a scalable engine that can repeatedly create frontier-technology startups and attract world-class capital to the state," said Adam Hammer, Co-founder and CEO.

Maggie Newman, one of the organization's first hires from the state, said her motivation for joining Roadrunner was for the potential positive impact on the community. As someone who had worked in Albuquerque and in the entrepreneurial marketplace broadly for a number of years, she was thinking about how the city and the state could support small businesses in New Mexico.

"This felt like an extension of that work that I was already doing. I did not come to my role at Roadrunner from a technical perspective or from a VC background. I came to it from a community standpoint, and looking at starting these deep tech businesses in New Mexico, and offering support to keep them here, and looking at how that could help the state grow, help the economic base increase, and provide better lives for New Mexicans," Newman explained.

Chris Haugh has witnessed Roadrunner Venture Studios' growth since its inception, and watched the number of founders the organization assists increase in number.

According to Haugh, the understanding of what it takes to create a technology company seems to be more clear to the ecosystem, and he's found the New Mexico community to be generally welcoming to Roadrunner's efforts to build something tangible in the state. This has become the company's pitch to partners and founders considering involvement, expansion, or re-headquartering to New Mexico.

"There's a number of reasons to come to New Mexico. Primarily, you could be a deep tech startup in San Francisco and fight tooth and nail for limited resources or you can come to New Mexico, access the same quality of capital, and find a more receptive environment for pilots, strategic partnerships, and of course two national laboratories and an Air Force lab," he said. The SIC has itself become an "open for business" sign attracting talent to the state.

In December 2023, Roadrunner launched and opened its 10,000 square foot studio headquarters in Downtown Albuquerque. This year, because of a first-of-its-kind $25 million grant award the venture studio won through the New Mexico Economic Development Department, that space is growing to 40,000 square feet.

"You can draw a direct line from capital the SIC has committed to the idea of the phrase 'Innovation District' — let alone the actual creation of a dense, rich innovation ecosystem in Downtown Albuquerque," Hammer said.

Maggie Newman, Senior Manager, Community and Studio Operations, said part of the mandate of Roadrunner was to have a physical presence. Adam Hammer made a conscious decision to be downtown, near the university.

The space the company is in today, nested next to Villa Myriam Coffee, co-locates startups, founders, and other SIC-backed firms like UP.PArtners, Antler and Builders VC. Builders recently expanded into its own office space in October, also Downtown. Other Bay Area partners are also welcome to use the space when in town, in a lighter capacity.

Roadrunner starts 4-5 companies per year, Newman explained. Connective tissue to other funds creates founder density in New Mexico. That's why Roadrunner created the Roadrunner Venture Consortium (RVC) in 2025 with Playground Global, Crosslink Capital, Lux Capital, and At One Ventures, along with support from the SIC. Proximity to other funds that produce more companies is an advantage and they expose each other to companies beyond their narrow views.

"We aren't often in competition. There's enough to go around. We do want to collaborate more than we want to compete," Newman said.

The Studio's space in Downtown Albuquerque anchors what's being called the Innovation District.

Roadrunner, which supports early-stage companies, writes check of $500,000 or $1 million for a seed round, but to get to a billion dollar Series E stage, companies and VCs alike need partners.

"Its written into our DNA that we have an open-door policy when it comes to great VC and capital partners. We want to be a magnet for great people, products, and ideas in New Mexico. That's part of the ethos, part of why we have a physical presence, and why so much of our team is based in Albuquerque, so that folks can turn to us and get what they need in the VC community," Newman said.

Roadrunner's goal is to have anywhere from four to six companies in their studio at a time, relatively abnormal for accelerators and incubators, and why the firm calls itself a "Venture Studio." Others might take on dozens, if not hundreds at a time, which is a great model, surfacing the best talent and spreading out bets, playing into the power law of VC.

The venture studio is heavily involved with its companies, acting not just as an investor, but essentially a cofounder. That means they help companies build cap tables, find product market fit, technical co-founders, license technology, connect with the U.S. Government, and more. It's a bespoke process that does not run each company through a standardized curriculum.

Roadrunner is looking to work with local companies, but also working to find the best founders in the world and show them that New Mexico is the place for them to build.

For example, Halo materials was founded by Darren Hau, who lives in Palo Alto, California. Hau is exclusively hiring in New Mexico now. That is not because Roadrunner wrote it into Halo's investment documents, but because Hau saw an opportunity in New Mexico for strategic partnerships, finding the right talent, and customers.

What the SIC has found is that where a company is headquartered is not a correlation to jobs created and dollars spent in that location. Its core operations can be located elsewhere, and New Mexico offers the perfect place for certain industries to expand.

Newman highlighted Roadrunner's facilities team, which provides physical space to companies when they need it, including a wet lab space down the street from the studio.

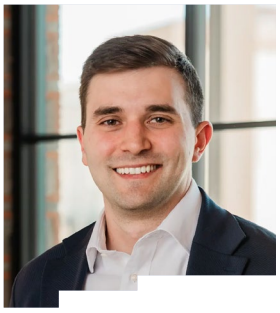
The firm is building out a new wet lab space adjacent to its office, to open in Jan. 2026, which will allow 3-4 companies to have chemistry labs to do their testing. This includes Halo Materials, with their three local employees.

In August 2025, Roadrunner won an unprecedented $25 million award from the Economic Development Department, which will allow the company to build a quantum facility and bring a combined $6 billion in assets under management from partner venture firms associated with the coalition, according to an Albuquerque Business First article.

The new facility will be open later in 2026, with quantum machines and equipment turned on before the end of the grant period.

"The NMSIC is one of New Mexico's best kept secrets and most important comparative advantages when it comes to deep tech, breakthrough companies, and venture. Jon Clark, Chris Cassidy, Bruce Brown, and the entire private equity team have pioneered a new model for limited partnership -- one that delivers returns for taxpayers while also building the long-term innovation capacity of the state. Their commitment to developing not just companies, but the underlying infrastructure that produces companies, has effectively created a new asset class for New Mexico.

The impact is now unmistakable. New Mexico is firmly on the map in fields like quantum, fusion, geothermal, and advanced manufacturing. And while this progress is the product of collaboration across government, academia, and the private sector, everyone who has watched this transformation up close will point first to the State Investment Council. Their leadership, conviction, and willingness to support new models have fundamentally altered the trajectory of the state's innovation economy for decades to come," Hammer said.



Adam Hammer, Co-Founder and CEO, Roadrunner Venture Studios

Maggie Newman, Senior Manager, Community and Studio Operations, Roadrunner Venture Studios

builders | vc

Total AUM

Not publicly disclosed

Headquarters

San Francisco, California, with the Builders VC office in Albuquerque

Investment focus

Early-stage companies that use technology to modernize antiquated industries. Key sectors include healthcare, agriculture, industrials, and real estate, with a focus on the intersection of technology and new business models to drive innovation.

SIC Commitment

$60M, September 2024, Builders VC Fund III

According to Angelica Maestas, who leads the firm's New Mexico strategy, Builders VC was originally introduced to SIC via another fund in the program.

This, combined with the work that the SIC's external consultant, Mercer, had done on Builders VC Fund III for another client, informed the SIC on Builder's mandate to generate the best returns in venture capital by investing in technologies driving efficiency and new business models in the " real economy" (the production, sale, and consumption of goods and services).

Conversations with the SIC progressed efficiently given overlap of Builder's sectors of investment with New Mexico's economic priorities, including agriculture, energy, real-assets, and healthcare.

For Builders VC, the partnership with the SIC provided the firm's companies with access to potential customers and a welcoming environment in which to build their companies. For example, a range of organizations from government entities to industry associations, willingly helping Builders portfolio company HarvestIQ reach cattle owners, leading to customer wins.

90% of cattle in North America are uninsured, and HarvestIQ is offering those growers risk reduction and stability of income from catastrophic events. The company has since relocated its headquarters from Silicon Valley to Albuquerque, to better service customers in the Southwestern United States and hire talent in the technical and financial services industry.

"The win-win potential for Builders VC portfolio companies and New Mexico creates a competitive advantage for our fund, and joining the SIC has created a competitive advantage for us in a crowded VC landscape," Maestas said.

"The SIC's commitment gave Builders the foundation to establish a meaningful and lasting presence in New Mexico. While other geographies have expressed interest in implementing programs that create economic advantages for tech companies to move locally, the only successful initiatives can be directly attributed to deployment of capital. 'Skin-in-the-game' is critical since entrepreneurs and engineers follow capital sources and talent pools. The SIC (Strategic Venture Capital Program) fosters both," she added.

According to Maestas, the SIC demonstrated with its commitment to Builders VC that New Mexico is committed to strengthening key sectors through technology and innovation. The state's research assets and collaborative public sector have set the stage for an attractive environment to build companies, and capital from the SIC is the tipping point for top funds to invest their resources and bring their company-building playbooks into the state. With SIC's long-term backing, Builders VC now can invest intentionally in New Mexico and help founders navigate incentives, talent pathways, and ecosystem partners essential to scaling operations in the state, Maestas explained.

The SIC's investment has also sent a clear signal that New Mexico is committed to fostering an innovation-friendly environment, which has helped Builders support, for example, UbiQD's continued work in Los Alamos and Ashbrook's move of its headquarters to Albuquerque. Ashbrook has already moved into Builders' downtown office suite and expects to complete five local hires by the end of the year, with more anticipated in the future. Both companies have benefited from access to talent, state incentives, and guidance on leveraging New Mexico's expansion resources.

"Their early traction shows that companies can successfully relocate and grow here, making New Mexico more attractive to other startups evaluating similar opportunities," Maestas said.

UbiQD and Ashbrook are already contributing to high-quality job creation, increased local spending, and the growth of advanced engineering and manufacturing capabilities in New Mexico. Their presence demonstrates the effectiveness of the state's incentive programs and talent infrastructure, encouraging more innovation-driven companies to evaluate New Mexico as a competitive location for expansion. Over time, these firms have the potential to become anchor employers and help build industry clusters that support long-term economic growth, Maestas said.

Founders now proactively raise New Mexico as a potential location for expansion, asking about incentives such as the state's Job Training Incentive Program (JTIP) and Local Economic Development Act (LEDA) funding, talent availability, cost advantages, and how they can tap into local networks. Similarly, Maestas said VCs are interested, and want to understand what's driving momentum in the state and how their portfolio companies can engage. They're also paying close attention to the acceleration happening across the ecosystem, momentum that Builders is helping to shape through planning, sponsorship, and on-the-ground

participation.

This includes collaboration with other SIC-backed VCs, working with regional tech organizations to co-host New Mexico's largest climate and innovation hackathon (which Builders sponsored and participated in), and helping plan and host community events like HealthInno's first-of-its-kind HealthAI Summit, which drew more than 200 attendees.

Builders is also supporting statewide partners in planning for the second annual "New Mexico House" activation at national venues like South by Southwest, expanding visibility for New Mexico's innovation and entrepreneurial activity.

Builders collaborates broadly across New Mexico's ecosystem, and works with the New MExico Economic Development Department primarily on workforce and hiring incentives like JTIP, and on helping companies understand the resources available when evaluating relocation or expansion into the state. The firm also engages with municipal partners, particularly the City of Albuquerque, as companies assess office locations. Builders also collaborates with regional tech organizations, other SIC-backed VCs, and community partners.

"Across these relationships, our goal is to make it easier for companies to explore, land, hire, and grow in New Mexico," Maestas said. "New Mexico has a unique mix of collaboration, institutional alignment, and grassroots momentum that allows innovation-driven companies to take root. SIC's partnership has enabled Builders to support company relocations, connect founders to statewide resources, and elevate New Mexico in national conversations with startups and VCs. The progress to date—from new jobs and company expansions to increasing VC interest and a more active tech community—shows what is possible when public and private partners move in the same direction. And the momentum is only beginning."

Angelica Maestas, Director,
Strategic Partnerships

ANTLER

Total AUM

Over $1 billion

Headquarters

Global - active across 27 locations. The firm's U.S. operations are based out of San Francisco, New York, and Austin where it offers residency programs to early-stage founders and teams.The firm has an office in Albuquerque.

Investment focus

A "day-zero" investor, supporting innovation across fintech, healthtech, climatetech, and beyond.

SIC Commitment

$40M August 2023, Antler US Fund II &
$65M July 2025, Antler U.S. New Mexico

Much like the SIC, Antler has a dual mandate of empowering people and generating economic development in places not traditionally thought of as centers of innovation.

The firm, founded in Singapore in 2018, only recently launched in Silicon Valley in August 2025, years into the company's journey. It started with eight other places, for a total of nine original locations with Singapore,: Nairobi, Sydney, Amsterdam, Oslo, Stockholm, New York City, London, and Berlin.

Since inception, Antler has had a vision to create a place where the highest quality talent in the world could build businesses while solving meaningful problems.That vision has largely come to fruition, according to Ryan Sommerville, General Partner.

"We were trying to bring a capital supply chain to these markets that didn't otherwise have it. What they had was the core ingredient, and that's highly talented folks who were looking to build companies, but in an underdeveloped ecosystem, almost always, with respect to the access to financing and the requisite support mechanism at the time," Sommerville said.

That's where New Mexico was at in its journey when the company began to engage with the state, and to some extent, where it is today, he explained.

From a capital perspective, Antler is currently engaged with several sovereign wealth funds, all of which share a mission fairly analogous to the SIC which is to create good returns for their stakeholders, accompanied by an underlying economic initiative.

The firm became connected with the SIC through Mercer, and their first touchpoint was Chris Cassidy, the SIC's director of private equity. Cassidy traveled to the firm's offices several times to engage with founders in Antler's program, learn what the VC had accomplished in the U.S., and get a sense of whether the firm could both source and support New Mexico entrepreneurs at its existing hubs, and bring quality founders to the state.

According to Sommerville, Antler has mainly been successful in terms of bringing new talent to New Mexico. Beyond that, they are helping to grow the New Mexico ecosystem by bridging access to cofounders, early hires, and the broader VC community as a whole.

"We saw in New Mexico an opportunity to bring our mission to the state, and thankfully that aligned with an LP, which is necessary for us to function, that had a similar mindset," Sommerville said of the SIC. "The unique aspect of the SIC is that they're understanding of where the ecosystem sits now, and open minded about different approaches to how to tackle that. For example, bringing entrepreneurs to the state and creating some semblance of presence that can blossom into a larger presence is something that I think is fairly unique to our relationship with the SIC that I didn't find in other partners across the U.S when we had similar conversations."

The firm secured a $40 million commitment from the SIC for Antler U.S. Fund II in August 2023.

According to Cash Allred, Senior Principal, the Antler team found what worked in the broader U.S. but also in New Mexico was providing the state's founders the opportunity to leave the state for a short period of time, work with them at some of the VC's hubs, secure capital, absorb new insight and expertise, and then return home.

Antler has a large top of funnel deal flow, which includes tens of thousands of founders every single year that go through the firm's U.S funnel, Allred explained. The VC has found that many of its companies should consider doing business in New Mexico, hiring its talent, but also looking to it for strategic capital.

In July of 2025, Antler launched a $65 million fund, Criticality, with a focus on investing in transformative technologies at the seed and series A stages. The fund is designed to partner with founders building breakthrough solutions in deep tech and underserved sectors. Sommerville is the lead partner of the fund.

Criticality started with a small pilot commitment from the SIC, made a few investments, and then increased the size of the fund to $65 million, in July.

Austin-based American Housing Corporation (AHC) is one of Antler's portfolio companies, and a recipient of funding from Criticality. The startup is on a mission to solve the housing crisis by building missing-middle housing at scale. Recognizing that 4.5 million homes are needed to close the American housing shortage, AHC created a kit-of-parts to manufacture, ship, and assemble into townhouses and small multifamily housing for half the cost of builders in large cities like Los Angeles and San Francisco. To make this possible,

AHC has redesigned every component of the home and invented new ways to manufacture them.

"(ACH is), I think, a perfect example of a really high quality team that we would invest into agnostic of having an economic development mandate, but the economic development mandate is very applicable in their case," Sommerville said, adding that the housing shortage is particularly egregious in New Mexico, making the state an ideal site for the company to launch manufacturing of its first homes next year. A 2022 Mortgage Finance Authority analysis outlines New Mexico's lack of 32,000 affordable housing units, though a Source New Mexico article explained it could be nearly three times as high as that estimate.

Through Antler's on-the-ground expertise in New Mexico, AHC has sourced property developers in Albuquerque, which will allow the startup to launch in the state soon and address a critical infrastructure problem.

Another example of a portfolio company planning to expand to New Mexico is OM Therapeutics, which is helping researchers launch drug discovery programs instantly. With its proprietary training set, OM is annotating trillions of potential interactions between billions of molecules and entire proteomes, and decentralizing access to the data and proprietary ML models across the globe.The startup has committed to opening an operational lab in New Mexico, and in the process of hiring a lab technician role in the state.

Antler portfolio company Fuel-Up, a tech-enabled marketplace for complete maintenance and fuel delivery for fleet-dependent businesses, has secured a deal with New Mexico's Amazon distribution facility to service its fleet of vehicles. That contract will launch in the first quarter of 2026.

"(These companies are) not coming to New Mexico as a concession for us investing, they see the legitimate potential, but that potential takes different forms, depending on what the company is doing," Sommerville said, noting that OM can hire from a dense population of PhD's in the state, whereas AHC can work with local developers and easily find available land on which to build its homes. Antler sees even more opportunities to fill in gaps where New Mexico could see improvement, such as health care.

In addition to creating an increasingly attractive capital stack, the SIC is creating a "good testing ground for all kinds of companies," Allred added.

When an early-stage company is building in San Francisco or New York, they tend to be "low on the totem pole" in terms of access to relevant stakeholders. New Mexico's emerging ecosystem provides greater accessibility to public and private partners, allowing for steadier growth whereas a company in a larger ecosystem may have to employ a more aggressive strategy around scaling.

"It's speed to introduction because the startups could say, 'Well, that introduction was very helpful, but if I have to wait six months or a year to get it, it's naturally not helpful. But if you could shorten that to a few days or a couple weeks, then it actually is very helpful.' … The other piece is being able to get connected into the labs, which is hard for people to navigate themselves, but because of the SIC investing in funds like us, now we (at Antler) have the expertise and can make those introductions quickly," Allred said.

ANZU PARTNERS

Total AUM

Approximately $1 billion in strategic assets across three venture funds.

Headquarters

Washington, D.C.

Investment focus

Breakthrough industrial and life science technologies, focusing on clean tech, industrial, and life sciences.

SIC Commitment

$15M June 2021 Industrial Capital Partners II

$20M October 2024 North America Tech Leaders Fund

David Seldin, managing partner at Anzu, first met with David Lee in 2021. Lee previously led private equity for the SIC, when Chris Cassidy was an analyst with the program.

Seldin presented Anzu's thesis and their interest in investing in breakthrough industrial technologies.

"I think they were attracted to our investment thesis and looked at our portfolio and liked that as well. We certainly were attracted to the possibility of having the State fund support us. New Mexico is exactly the kind of place that we like to look for investments - places that are less explored by the traditional venture capital community, we find are particularly attractive. New Mexico with its strong science and technology background in the National labs seemed like a very fertile area. So we were excited about participating in the program and making a commitment that we would look very hard at supporting New Mexico companies," he added.

Seldin explained that throughout Anzu's five-year relationship, the SIC made commitments to the firm's second and third funds.

Throughout that time, Anzu has been heavily involved in looking at New Mexico companies, investing in Nature's Toolbox and BioFlyte.

Most recently, the company has fostered the interaction between New Mexico and portfolio company XGS Energy, a Houston-headquartered geothermal startup which recently announced a more than $1 billion partnership with Meta to deliver power to the tech giant's Los Lunas data center.

Anzu began looking at XGS more than two years ago, originally introduced to the startup through one of the law firms the VC works with.

Anzu subsequently led an extensive due diligence process, spearheaded by Henk Both, Ph.D., a principal at Anzu based in Atlanta, Georgia.

Ultimately, the team negotiated to lead an investment round. The Anzu team then worked with the company and its board to build out a strong management team, board of directors, and aligned business plan.

As XGS progressed the development of its technology, the company began a search for attractive project sites and parts of the country with the appropriate geology.

They looked for places where hot rock is abundant underneath the earth's surface particularly applicable for XGS' technology—namely areas lacking abundant water resources.

Most geothermal technologies do require both subterranean heat and water, and XGS is unique in that it does not require water. That made New Mexico, and a handful of other states, very attractive to XGS.

However, because of Anzu's strong relationship with New Mexico, the firm encouraged XGS to focus on New Mexico in preference to places like California and Oregon and helped connect Company management to key New Mexico leaders.

"I would say the relationship that Anzu, the lead investor in XGS, has with the state of New Mexico is an important factor in New Mexico rising to the top of the chart at XGS. And that led to the development of the project with Meta, which is really a three-way play between our company XGS, Meta, and New Mexico," Seldin said.

The full implementation of XGS's plans for New Mexico would involve thousands of wells and the production of up to three gigawatts of energy.

"Those are very big numbers. Three gigawatts is a lot of power, which would support significant data center and other industrial development. But importantly, the economic engine of drilling thousands of wells would be profound for New Mexico in terms of materials, supply, and jobs," Seldin added.

"What we want to do is help build great companies. I would hope that over the coming years, we will be able to identify great company candidates, invest in them and help them grow in New Mexico. That is what our business is about. It is about finding really good technologies and really good teams and then supporting them with both capital and with our human resources, and hopefully some intelligence, to help them grow into great companies," Seldin explained.

Another emerging example, in addition to XGS Energy, is Azumo, a Chicago-based startup which develops low-power display technology for electronic devices. The firm has relocated its manufacturing operations from Illinois to New Mexico, with the sponsorship of Anzu.

Azumo's operations will commence near the end of 2025, moving expensive, state-of-the-art machines for production from Chicago to New Mexico.

"That probably wouldn't have happened without our partnership," Seldin added.

"We look at it as a multifaceted relationship where we try to look out for New Mexico, wherever we can, because the state's been a great partner with us," he said.

David Seldin, Managing Partner,
Anzu Partners

J2 ventures

Total AUM

Over $200 million

Headquarters

Boston, MA

Investment focus

Deep-tech. Specifically, advanced computing, cybersecurity, telecom/infrastructure, and healthcare.

SIC Commitment

$15M May 2024 Argonne Fund

$35M August 2025 Brookhaven Fund

$100M September 2025 Tierra Adentro Fund
(A legally distinct entity from J2 Ventures)

According to Alexander Harstrick, co-founder and managing partner of J2 Ventures, the firm was first introduced to the SIC through the institutional investor's external advisor, Mercer.

The Boston-based venture firm saw that the SIC was investing New Mexico's funds with premier managers, piquing the J2 team's interest.

"New Mexico wants domestic job growth. They want to be forward-leading in new industries. Those are all things that are consistent with our investment mandate. We like to have (limited partners) that want us to not only make money for them, but to have a positive impact in the way they like, and working together was a no brainer."

J2 ventures invests in technology that operates at the intersection of the commercial and national security world, according to Harstrick, usually where government nondilutive financing can help de-risk short-term product market fit for the process of scaling a business.

Some of their most notable startups include Oura Ring and Apex Space, along with other well-known investments in technology and defense sectors like Aalyria, Paravision, Druid, and Micron Biomedical.

The state of New Mexico has historically been a hotbed for science and technology innovation, financed by the U.S. government, allowing New Mexico and J2 to understand each other's goals, and ultimately align in a partnership.

One of J2's portfolio companies has expanded to New Mexico, Boulder-based Mesa Quantum. The startup, licensing IP from Sandia and Los Alamos National Laboratories, is part of the state's growing quantum technology ecosystem, commercializing chip-scale quantum sensors to meet the demands of industry.

The New Mexico Economic Development Department, through its Office of Strategy, Science & Technology, awarded $100,000 in competitive non-dilutive grant funding to Mesa Quantum in April 2025.

The inaugural round of the Quantum Technologies Award Pilot Program, launched in December 2024, is a competitive, state-funded grant award of non-dilutive funds to early-stage companies working in quantum technologies located in New Mexico or establishing a presence with employees in New Mexico.

While partnering with New Mexico has been a natural fit, Harstrick said the main challenge he faces is educating outside companies on the state's available funding and attractive incentives.

"New Mexico has a marketing problem, period," Alex said. "All of the advantages that you could want from a top tier LP, they have in spades. They are one of the best partners that you could hope for because they have a population that's excited for you to be there and a location that is ideal for deep tech. They have a team of (statewide and local leaders) that all want you to succeed. They have money, they have a very transparent approval process. …What I have found is when we are trying to convince people to build in New Mexico, the only thing that I really have to do is make people aware of all the great things about the state and then it speaks for itself," Alex said.

J2 is no stranger to navigating government systems, and works with statewide and local governments across the United States.

"Almost every day, we're interacting with some kind of entity in that regard. And it's highly variable. I'd say, what drives the variability is how well understood the vision statement is at the very top. Like, what are we doing here? And the better that statement is clarified and enforced, the easier it is to work with different people," he explained.

Alex would sum up New Mexico's vision statement in three parts. The state would like to see the future of technology built into Mexico, job creation, and an above market return for each asset class allocation made at the State Investment Council.

"That's made it very easy to work with you guys," he added.

The SIC made a key change in April 2025, opening up opportunities that "count" as economic development in New Mexico. This changed rigid headquartering requirements, allowing companies to keep their original headquarters and expand into the state, allowing this to count towards involvement in New Mexico which is a key requirement for the VCs the SIC partners with to demonstrate.

"I think that's a very intelligent thing to do," Alex said of the change. "We have to ask ourselves, what are we trying to do here? I come back to that high level mission statement: bring

really cool technology in the state, create jobs, make money. That has nothing to do with whether or not the company is predominantly domiciled in New Mexico or founded in New Mexico," he said.

The way Alex sees it, there are 49 other states each with unique advantages that a company should not have to forego in order to secure funding from an entity like a VC. This stringent application around headquartering requirements would likely lead to an adverse selection, resulting in many people that want money because they need it in the moment, but will fail to demonstrate why they should receive funding in the future.

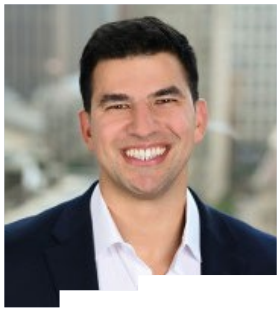
"In the case of J2, not only are we investing in New Mexico founders all over America, who have expressed the goal of coming back and contributing to the state in some capacity very often in building there, but we set up the Tierra Adentro Fund," Harstrick said.

Tierra Adentro is a legally separate entity from J2 founded by the same people, with the goal of building infrastructure in New Mexico. The fund plans to break ground on a project by early next year.

"We are building the literal buildings for the jobs of people in New Mexico, only focusing on future industries," he said.

Alex said the Tierra Adentro fund is excited to hear proposals about the right way to build in New Mexico. Even if they are not explicit calls for money, he and his team hope to hear from the community in New Mexico.

"If people are seeing things that are happening or things in industries they are excited about, this only works if we build the infrastructure and provide the jobs for people to work within that infrastructure. That's how this becomes really awesome. Getting investment from SIC is amazing, but that's not where we want this to stop. We want this to be a holistic effort where we're working with people in New Mexico, that way we can be close to the problems and solutions that people feel are most appropriate."



Alex Harstrick, Managing Partner,
J2 Ventures

CROSSLINK CAPITAL

Total AUM

$3.4 billion

Headquarters

San Francisco, CA

Investment focus

Crosslink partners with ambitious early-stage founders building category-defining companies across the IT spectrum from inception through series A. Key areas of interest include artificial intelligence, financial technologies, IT infrastructure, cybersecurity, national security, healthcare IT, consumer and frontier technologies.

SIC Commitment

Crosslink Ventures VIII (2017) – $15 million

Crosslink Ventures IX (2020) – $15 million

Crosslink Endeavour Fund II (2023) – $15 million

Crosslink Ventures X (2022) – $20 million

Crosslink Capital became engaged in New Mexico through a combination of introductions through Harold Lavender, formerly a council member at the SIC as well as Sun Mountain Capital, a previous external advisor to the SIC.

"It quickly became apparent that there was a fit," Matt Bigge, partner at Crosslink, recalled.

The firm had invested in Santa Fe-based geospatial data startup Descartes Labs, a Los Alamos spinout, acquired by EarthDaily Analytics in October, 2024.

"In a lot of ways, Crosslink was the ideal candidate to be one of the original firms the state invested in," Bigge added.

In 2019, the SIC's external advisor changed from Sun Mountain to Mercer, which had been a strong partner for Crosslink dating back to earlier funds V and VI.

Today, Crosslink is a key investor in X-Bow Systems, an Albuquerque-headquartered aerospace and defense tech company.

Lavender had met with X-Bow, and reached out to Bigge and his partners to let them know the company was "onto something."

Crosslink spent a few months on a due diligence process around X-Bow, working to understand whether it was truly an innovative capability and disruptive technology and what its addressable market might be.

In the context of solid state energetics, the incumbent market share leaders had stopped innovating, Bigge explained. X-Bow offered an opportunity to out-innovate industry incumbents in a way that would force them to refactor their manufacturing in order to compete with the startup's technology in terms of performance and price.

Bigge explained the X-Bow founders brought together about a century of experience developing leading capabilities in the associated marketplace, and deeply understood the market, and the available government contracting opportunities which is a frequent area of disconnect when evaluating emerging national security-focused businesses.

All of these factors made X-Bow a compelling option, on top of the fact that just a year earlier Crosslink had raised Fund VIII, in which the SIC was an anchor tenant.

"A lot of great things came together all at once," Bigge said.

Bigge said the firm's investment in X-Bow helped inform Crosslink's thesis around national security investing writ large, namely around modularity, interoperability, and responsiveness.

"It's really been a seminal investment for us. In the venture world, we look for outliers, and we thought they were an outlier. Over the years, they've proven that they are an outlier in terms of their return profile and their ability to execute and really build a company of consequence," he said.

Bigge has been on X-Bow's board since 2019, and communicates with the team 3-5 times per week. This is common among the Crosslink portfolio, and the company takes an active approach with their companies.

According to Bigge, one of the ways New Mexico stood out, is the support both from the public sector and the private sector, for fostering innovation and entrepreneurship in the state. In Florida, where Bigge lived and worked in startups for a long time, it was an "uphill battle" to do that, he recalled.

Crosslink is a member of the Roadrunner Venture Consortium, sits in on New Mexico Angels meetings when scheduling allows, and works to immerse themselves in the "early stages of an ecosystem that has a lot of potential," Bigge explained.

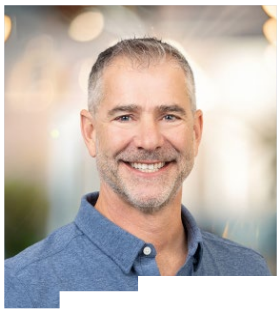
However, he said Crosslink reviews 3,000 to 4,000 companies per year and invests in about ten. In making those decisions, Crosslink works to be a good steward of capital, generating good returns, and that doesn't always correlate with New Mexico.

"Increasingly, I think it will," Bigge added. "Certainly X-Bow is a potential power law type portfolio company. … 25 years ago, Austin was in a very similar place to where New Mexico is today. I think when you look at some of the ingredients to ecosystems success, we're starting to see those develop, because when you have a power law company in a given geography, invariably one company, the people who worked at that company and experience the explosive growth and success, they peeled off and start using those learnings

to build the next generation of companies. I think that's where the real potential is from an economic development standpoint, and also the real potential for firms like Crosslink, who look at making future investments in the state's ecosystem."

According to Bigge, White Sands Missile Range is a "treasure" as one of the only places where you can plan and execute a launch with a reasonable amount of efficiency, whether its X-Bow working with Los Alamos National Laboratory to fly rockets, or a drone autonomy company out using the various ranges to test out a new product.

"A lot of people don't realize the incredible technology history of the state in terms of creating things …people don't realize until they get down there and witness it. Once they do, they start realizing there's a ton of talent down here, and you can augment it in the right ways with capital and commercial expertise," Bigge said.



Matt Bigge, Partner, Crosslink

New Mexico's investments are creating economic impact

Companies with a presence in New Mexico gain access to world-class investors, allowing them to plant roots and grow here.

At the same time, our partner firms are putting our state on the map by asking their portfolio companies if they've ever considered New Mexico.

Our partner funds are in the SVCP invested in a variety of companies with strong connections to the state.

This list is not comprehensive, subject to change and growing.

Companies headquartered in New Mexico

Ashbrook
fidari
HALO MATERIALS
hoonify
IRIS
KarooHealth
SPIRITUS
ntx nature's toolbox
RS21
SPACE KINETIC
UbiQD
X-BOW SYSTEMS

Companies with an existing presence in New Mexico

aquafortus™
Frontera
mesa quantum
RELIABLE ROBOTICS
zanskar
Qunnect
AZUMO

Companies expanding to New Mexico

carbogentics
OM
eli
PACIFIC FUSION
Castelion
PHOTON QUEUE
XGS ENERGY

Companies operating in New Mexico

The American Housing Corporation
Fair Your Roadside Ally
FUEL UP
HEALTHCARE TRIANGLE. Reinforcing Healthcare Progress™
VENUS AEROSPACE

SIC-backed funders

ANZU PARTNERS

Anzu Partners was XGS's first institutional investor, involved at a very early stage of the geothermal startup's development, when the technology was still at the lab stage of testing in 2022. Today, the startup's technology has matured and is ready for commercial scale.

"They've played a critical role at the company shaping the buildout of the team, pressure testing, thinking through risk management, and then also being a key partner as we built out the commercial approach. Part of that involved making sure we were connected and had an opportunity to explore everything that could be possible in New Mexico," said Lucy Darago, Ph.D., Chief Commercial Officer for XGS.

Early in the company's development, conversations with Chris Cassidy, Director of the SIC's Private Equity and Venture Capital Programs, highlighted the goals of the NMSIC's targeted investments, one of which was advanced energy technology.

The geothermal company also met with state officials like Energy, Minerals and Natural Resources Department Secretary Melanie Kenderdine, and the agency's Director, Rebecca "Puck" Stair, to learn how the state is actively reviewing geothermal permitting procedures both considering the new generation of technology that is becoming available, but also even more simply to make sure the rules are clear for developers who will ultimately build out commercial infrastructure. They also engaged with state policymakers and regulators.

"My favorite thing about New Mexico is how constructive folks are, how solution-oriented everyone is, and how easy it is to get everyone around the table to have a conversation to work on solving shared challenges together," Darago said.

As XGS was advancing its technology, the AI boom and influx of data center infrastructure accelerated, becoming a substantial driver for XGS's business. In June 2025, XGS and Meta announced a partnership to advance a 150 MW geothermal project delivering to the Power Company of New Mexico (PNM) utility grid to support Meta's Los Lunas

data center operations. Meta saw the partnership with XGS as a great opportunity to tie technology that unlocks clean, reliable energy at scale to a strategically important location for the company. Key factors in the deal were XGS's ability to deliver significant scale to support Meta's ambition for growth, as well as the water-independent nature of the system, distinguished from any other geothermal system on the market - and a critical factor for arid communities across the western United States.

"It was clear to us that there was a great network and foundation in New Mexico to support geothermal scale and advancement. And then Meta has obviously also had a huge presence in the state with their Los Lunas data center," Darago said. "Our partnership and the decision to focus on New Mexico together reflected an incredible confluence of people, capabilities, ambition, and commercial opportunity in the state."

Another parallel to this is that the state's largest utility provider, PNM, was at the table working to support and increase commercial and industrial electricity load and infrastructure buildout and economic opportunity advancement in the state, while also managing reliability, affordability, and sustainability for their rate payers. XGS and geothermal more broadly as an industry have a unique opportunity and capability to support those needs.

"When you build out new infrastructure, new economic growth factors, those things almost always require more energy and more power, and we hope to be the fastest, cleanest and most scalable partner for that growth," Lucy said.

XGS is targeting 2030 commercial operations, with the potential for some phases to come online sooner.

In the next 12 to 18 months, the company will be focused on permitting activities, both subsurface and surface, filing applications for interconnection, and putting in place major supply chain orders needed to build at scale.

One unique aspect of the startup's expansion in New Mexico is the company does not need to worry much about sourcing or creating a workforce. That's because New Mexico's oil and gas leadership has fostered a mature, existing workforce for subsurface engineering and development. The capabilities needed for geothermal are the same as those already used in the Permian Basin, from manpower to the actual equipment needed to operate.

Notably, multiple companies setting up data centers can share cost benefits from having similar construction crews in the same place, which is why when you see one data center pop up, more follow.

"Meta was really the first in the door in a lot of ways but there are many folks looking to New Mexico now and asking, "Is this the next Virginia or Texas – is New Mexico where a bunch of different hyperscalers decide to stack hands and build infrastructure,'" she said.

When we talk about energy in most settings today, the focus is often on data centers and AI, Darago added. However, when XGS examines their commercial pipeline, it's about 50% data center-driven requirements, and the rest is provided to traditional utilities customers.

XGS's first 150-megawatt project is expected to support 2,500 to 3,000 construction workers during peak construction. Looking to historical geothermal plant operations, XGS estimates 100 high-wage high-quality operational jobs will be created to run the plant, mainly filled by individuals holding engineering certifications.

Plants are typically contracted for at least 30-year lifetimes, though that typically increases over time, demonstrated by the oldest geothermal plants in the country, some of which have been running for 50 to 70 years.

"We see a gigawatt-plus opportunity in New Mexico," Lucy said. "We're tremendously excited about this first 150 megawatt project with Meta. It's a great milestone for XGS and really substantial for the state as well. It'll be 10x more geothermal than the state has today, just in that one project. But we see demand to go 10x bigger, at least. This reflects the beginning of what we hope becomes many commitments to the state."

PACIFIC FUSION

SIC-backed funders

DCVC · Lightspeed · LOWERCARBON CAPITAL · UP.PARTNERS VENTURES | LABS | SUMMIT

Just after XGS Energy had made its announcement of its $1 billion agreement with Meta, the headlines rolled in one after the other, all with a similar theme: New Mexico had attracted a landmark project — a fusion research and manufacturing facility expected to generate over $1 billion in economic impact.

Pacific Fusion, a Bay Area-headquartered startup developing technology to deliver abundant, affordable, clean energy, selected New Mexico as the site for its 225,000-square-foot research and manufacturing facility in September 2025.

The company, now in the design and pre-construction phase for its Research and Manufacturing Campus in Albuquerque, has opened a 200,000 square-foot build center in Los Lunas, New Mexico. The startup is already making immediate hires for that facility and will begin manufacturing operations next year while waiting to take occupancy of the company's newly constructed facility in 2027.

Pacific Fusion expects to create about 200 permanent, high-wage jobs once the facility is operational, in addition to several hundred construction during build-out.

The startup's technology, based on Sandia National Laboratories' Z Machine, meant the company already had strong alignment with Lawrence Livermore National Laboratory's sister lab in New Mexico.

Carrie von Muench, COO of Pacific Fusion, said that New Mexico's universities, community colleges, and national labs are already training world-class talent in the fields the company hires from such as applied physics, engineering, and advanced manufacturing.

In fact, they're now in talks with several institutions to develop new curricula and training programs that can support a growing fusion industry in the state and expand opportunities for local talent.

"We've been incredibly impressed with the close collaboration among all levels of government in New Mexico. State and local agencies have been proactive and solution-oriented when it's come to things like permitting and identifying local and state incentives. This coordinated, pragmatic and collaborative effort was a big driver of our decision to build in the state," Von Muench said.

When companies are interested in coming to the state, New Mexico Economic Development Department (EDD) Secretary Rob Black and his team design a package that will work for the company, create good returns for the State Investment Council, and grow the local economy.

According to Secretary Black, that's what the agency did when New Mexico Energy, Minerals, and Natural Resources Department Secretary, Melanie Kenderdine introduced them to Pacific Fusion in February 2025.

Mark Roper leads the economic development division that helps EDD put together the "nuts and bolts" of an incentives package including finding sites, identifying the company's capital expenditure (the money a company spends on acquiring, upgrading, or maintaining long-term physical assets like buildings, machinery, and equipment), learning how many employees the company plans to hire, and their wages.

EDD then worked with local stakeholders at the City of Albuquerque, in addition to the New Mexico Partnership to identify the site which Pacific Fusion ended up selecting, at Mesa Del Sol.

From there, EDD worked with City of Albuquerque Economic Development Department Director Max Gruner to build a package for both Local Economic Development Act

(LEDA) funding and Industrial Revenue Bonds (IRBs), and subsequently, zoning for the new site. The teams expertly aligned hearings to move approval processes forward as quickly as possible, ensuring New Mexico's city and statewide government entities were ready for September 2025, when Pacific Fusion's board would ultimately make a decision on whether the company would expand in California or New Mexico.

In sum, the incentives secured from New Mexico included a $776 million industrial revenue bond or IRB, $9 million in Local Economic Development Act funding from the state, and $1 million in LEDA funding from the City of Albuquerque.

"In three years' time, New Mexico will be the place to be if you're working to develop fusion technology. I believe that's going to happen," Secretary Black remarked.

Several of Pacific Fusion's investors are backed by the SIC, including Lowercarbon Capital, Lightspeed, DCVC, and UP.Abundance.

The SIC strategically invested a substantial amount of money into those key funders of Pacific Fusion, about $300 million.

When the startup's team began considering where to build the Research and Manufacturing Campus, the company's SIC-backed investors strongly encouraged them to consider New Mexico. Once Pacific Fusion was in serious diligence, they made many helpful introductions that helped them quickly make the right connections.

From Pacific Fusion's very earliest days, the company has made a conscious effort to partner with investors who bring:

Real experience building capital-intensive hardware companies;

A deep and diverse capital stack that can continue to support Pacific Fusion as we grow; and

A track record of successful outcomes in their portfolio.

Lightspeed and Lowercarbon are great examples of funds backed by the SIC that have these characteristics, according to Von Muench.

In the six weeks following the company's announcement of its selection of New Mexico, its team has had dozens of conversations with companies and suppliers considering building in the state. Many of these companies could bring hundreds of jobs to the area, further building the ecosystem and talent base.

"If any one of those companies succeed in earnest, they could have an exponential impact. Consider just fusion, for example: To make our $1 billion Research and Manufacturing campus successful, we are spending hundreds of millions of dollars, representing approximately 1,000 jobs, with suppliers across the country. If we can bring more of that supply chain to the state over time, we can bring thousands more clean energy jobs to NM – which then become tens of thousands as we begin to manufacture fusion power systems," Von Muench explained.

For New Mexico to win the next generation of technology companies, it needs to offer:

- A capital efficient environment in which to build;
- World-class talent;
- The ability to move quickly

The State Legislature has an essential role to play in creating the conditions that make the state become the obvious choice for more companies. For example, expanding resources for the Technology and Innovation Office, making the Advanced Energy Equipment and R&D tax credits more accessible, and making financing options like CPACE available to IRB projects would be hugely impactful for the state's competitiveness - and hopefully, help us get more of the prospective neighbors we are meeting to choose New Mexico.

"We're proud to be investing in New Mexico and deeply grateful for the support and enthusiasm from local leaders and institutions such as the SIC," Von Muench said.

UbiQD

UBIQUITOUS QUANTUM DOTS

SIC-backed funders

builders | vc

SCOUT VENTURES

Los Alamos-headquartered UbiQD, Inc. is an advanced materials company powering product innovations in agriculture, clean energy, and security. Founded in 2014 by Hunter McDaniel, Ph.D., the startup is advancing breakthroughs in quantum dot nanotechnology.

According to McDaniel, the SIC's strategic investments are helping UbiQD scale and grow in New Mexico by completely changing the conversation the company's team has with investors. SIC-backed VCs from outside of the state are spending more time in New Mexico, actively looking for deals. UbiQD's lead investors for its Series A in 2020 and Series B in 2024 both received support from SIC-backed funds. In fact, UbiQD continues to receive inbound interest from other firms the SIC has committed to that are looking to invest in New Mexico.

"To have growth stage companies succeed, you first need to have had successful seed and pre-seed stage companies get traction. Currently funding is mostly targeted at pre-A stage companies, so that aspect is on the right track. Next, you need Series A/B stage VCs being more active in the state. There are only a handful of those. I think the Series A/B stage and beyond is still a weak point in the system. It's possibly a chicken and egg problem. Investors don't have enough deals at those stages to be active in the state, and companies getting to the growth phase can't find investors either. UbiQD is somewhat rare in this regard, and we've been able to find investors that fit our stage well," McDaniel said.

"I think one strategy to get companies to stay in New Mexico as they scale is to support growth stage companies making capital investments. Capital investments are regionally sticky, because it's hard to move equipment, and impossible to move buildings. So, if you want these companies to stay in the state, help them invest in physical assets in the state. Not to mention, it's going to be critical to those companies' success to build out the physical assets, so a win-win," he added.

UbiQD bought the building where it is headquartered in 2017 with Local Economic Development Act (LEDA) funding support, a driving factor as to why the company has remained headquartered in Los Alamos.

Beyond LEDA funds, UbiQD has leveraged "nearly every program available" according to McDaniel. This includes state and county LEDA, Job Training Incentives Program (JTIP), high wage credits, and research and development tax credits.

Additionally, the startup has taken advantage of the New Mexico Small Business Assistance and Technology Readiness Gross Receipts Tax Credit Program (TRGR) programs with the national labs, mainly through Los Alamos National Laboratory. The startup has also tapped into emerging New Mexico Economic Development Department programs like the Advanced Energy Pilot, which was extremely helpful for buying pilot manufacturing equipment according to McDaniel.

He added that it is a "point of pride" for New Mexico to have its sovereign wealth fund, and moreover, active commitments of capital.

"We see entrepreneurs excited about building here and in some cases interested in moving here because of how active the SIC has been. It sets our state apart from every other state. We like to highlight the VC activity growth in New Mexico, which seems to be leading the nation right now. It's easy to get excited about the future when investors are so actively seeing opportunities," he said.

UbiQD currently employs 44 full-time staff members, with 40 of those residing in New Mexico. The company is expanding its footprint in Los Alamos with two buildings under renovation and a new manufacturing site nearby that will be announced in early 2026. Meanwhile, the firm is building quantum dot manufacturing capacity, and by the end of 2026, will be the first or second largest globally in terms of quantum dot manufacturing capacity.

The startup makes use of technology licensed from Los Alamos National Laboratory, the Massachusetts Institute of Technology, Western Washington University, and the University of Washington.

"New Mexico is quietly becoming a leader in nanotechnology and nanomaterials manufacturing," McDaniel said.

The workforce UbiQD is building has and needs all the things you'd expect for an advanced materials and manufacturing business. Historically they have been more R&D focused, which requires chemists, physicists, and engineers. About a third of the company's staff today has a PhD in these fields. As they grew, they needed help with finance, administration, and business development, so some MBAs and industry veterans have been hired as well. They also have a sales and marketing team. In recent years the company has been hiring more technicians, equipment operators, and production managers. "As we look to the future, UbiQD is evolving from a technology development company to a manufacturing and sales company, and so we see a growing need for manufacturing and sales roles too," McDaniel said.

It's an exciting time for UbiQD and New Mexico startups in general, and the SIC has played a huge role in the current momentum. In our business, we see traction in solar and agriculture, and not just with customers outside the state. Increasingly, we are finding customers in the state too. It's a great place to live and an even better place to build a company. We are particularly excited about the improving quality of the startup ecosystem. There's a lot of room for improvement, but as startups gain traction, and funding, eventually we will see some liquidity events which will feed the system further. More entrepreneurs will feel comfortable taking risk, and the ecosystem will get stronger," McDaniel said.

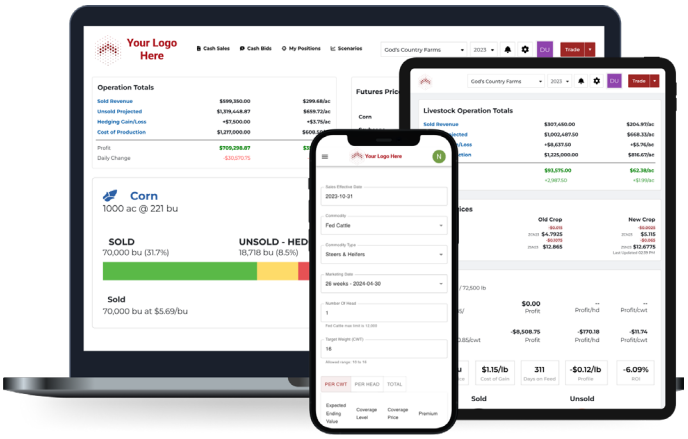
Ashbrook

SIC-backed funders

builders | vc

ANTLER

UP.PARTNERS
VENTURES | LABS | SUMMIT



Ashbrook Technologies is relocating its operations from San Francisco to Albuquerque, New Mexico. Ashbrook is a holding company that operates Harvest IQ and Ash Capital Management. The company and its subsidiaries are currently pioneering technology platform and risk management solutions for livestock producers.

The startup first heard about the SIC's Strategic Venture Capital Program through Builders VC, which has received a commitment through the program, and is one of Ashbrook's anchor investors. Through Builders' introduction, the Ashbrook team met with Chris Cassidy and Bruce Brown from the SIC in the summer of 2024, which coincided with the startup's entrance to a growth phase and the need to find a new home for its headquarters.

Having heard firsthand from the SIC the level of support that they were giving to emerging companies, the startup's team began to seriously consider a move to New Mexico, according to Ashbrook CEO Euweng Chan.

"The more we looked, the more it made sense. There is a deep pool of technical talent, favorable regulatory environment, talent pipelines from the state's universities that are addressing current gaps in industry, and of course, a concerted effort to deploy capital to build the state's innovation economy. All of this made New Mexico the perfect choice for us to base our expansion over the coming years," he said.

However, making a place attractive for emerging companies is not just about deploying capital, Chan added.

For emerging companies like Ashbrook to thrive during rapid growth, it's essential that there is a self-reinforcing ecosystem, and the SIC has built exactly that, he said. With their focus on catalyzing innovation, by deploying through VCs, working with other statewide and local agencies, the SIC is creating the macro conditions for New Mexico to be a great place to build a business.

"We see this in the innovation community that is now emerging in NM — there is a vibrant community of entrepreneurs, investors, and operators in the state that all trace their presence to the SIC's investing," Chan said.

Ashbrook is currently undergoing the application for the Job Incentive Training Program (JTIP) through the New Mexico Economic Development Department.

The startup is building its software and quantitative development hub in New Mexico, and has already hired three team members in the state. Ashbrook's leadership team is now based in New Mexico, and works out of Builders VC's headquarters.

As it scales, Ashbrook will continue to hire in New Mexico and eventually find its own space.

Ashbrook looks for people with a strong quantitative background, and according to Chan, there has been no shortage of highly-qualified candidates in New Mexico. He said the team was able to get a very strong shortlist within 2 weeks after initiating hiring processes, and ultimately filled roles in just over three weeks — timelines that are "unimaginable" in other tech hubs in the US.

Chan said Ashbrook looked into 20 other states to base its business, and ultimately decided on New Mexico because of the favorable macro conditions (favorable regulatory environment, existing talent pool, and highly-relevant university programs creating a talent pipeline) and the long-term trajectory of the state (the SIC deploying through top-tier VCs, attracting other like-minded founders, and having a strong focus on innovative industries).

"A big part of that has to do with the SIC's commitment to catalyze innovation in the state. There is nowhere else in the U.S. that has such a coherent and concerted effort to build up an innovation economy, and we are proud to be a part of this movement," Chan said.

SIC

X-BOW

SIC-backed funders

CROSSLINK CAPITAL

SIC-backed venture firm Crosslink has been a multi-stage supporter of X-Bow, investing in both the company's Series A and Series B funds.

According to Jason Hundley, the startup's CEO, Crosslink invested in X-Bow not just for the fact that it was based in New Mexico but because they saw it as a rapidly growing and overall promising company.

Commercial and defense technology company X-Bow, headquartered in Albuquerque, is a leading producer of advanced manufactured solid rocket motors, affordable launch vehicles and defense technologies.

Today, the company employs 350 people across 18 states, with 26 employees located in New Mexico. Its two in-state offices are located in the Uptown area of Albuquerque, and Socorro.

X-Bow was originally based in Huntsville, Alabama and moved to New Mexico in 2019, when the company opened a 1,600-square-foot office in the Sandia Science & Technology Park. The startup's move to New Mexico was mainly driven by a Cooperative Research and Development Agreement (CRADA) with Sandia National Laboratories.

Around that time, X-Bow's co-founder and Chief Revenue Officer, Maureen Gannon, led the effort to identify and engage with potential funders, including Crosslink Capital. Gannon spent months tracking and working with Crosslink, culminating in X-Bow's $2.2 million seed round on June 28, 2019. This funding helped X-Bow in its early stages of developing innovative and cost-effective advanced manufactured energetics for solid rocket motors using 3D printing technology.

Harold Lavender, who worked for CNM Ingenuity—a unique nonprofit that helps Central New Mexico Community College pursue cooperative ventures in technology and entrepreneurship—played a key role in connecting X-Bow to the New Mexico community. Lavender's efforts helped X-Bow establish valuable ties within the state.

Crosslink stood out among the potential funders because of their deep understanding of hard tech areas, while most other funds were focused on software and medical investments. This early partnership with Crosslink laid the foundation for X-Bow's subsequent growth and success.

Hundley said he has seen the recent "extraordinary increase" due to the SIC's commitments to venture funds, but was surprised to find that when the startup carried out its Series B

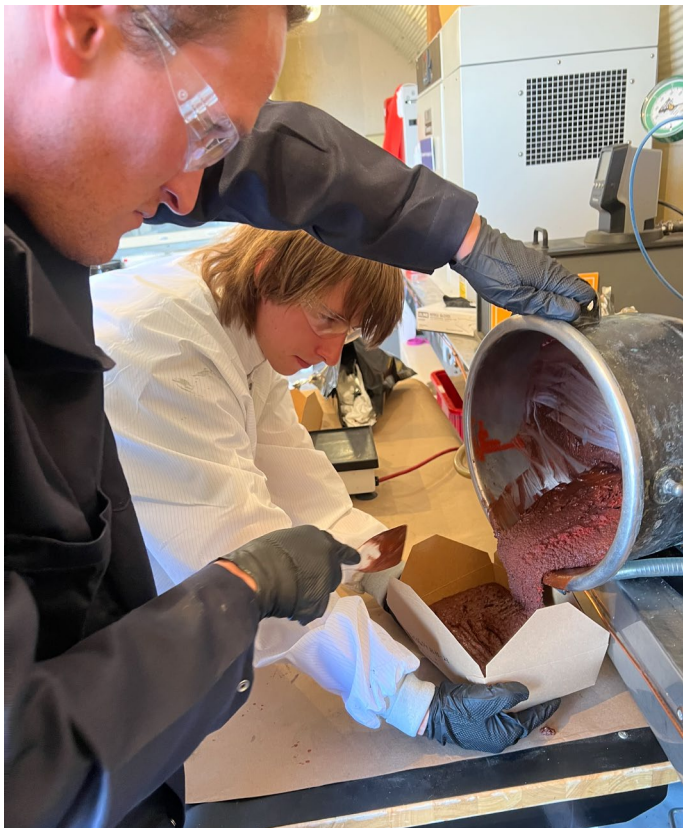


Image 2: Chris Jarocki and Spencer Rask at the completion of a propellant mix in X-Bow's Torres propellant facility, part of the Energetic Materials Research and Testing Center (EMRTC), a research division of New Mexico Tech.

capital raise, that the SIC took a hands-off approach with its VCs.

Most of the firms X-Bow would interact with said the startup was too large for them to invest in now. Many VCs wanted around 30% ownership in the company, and for a company to be in an earlier Seed or Series A stage.

"It didn't seem like, at the time, the deployment of funds was matching the maturity that we were approaching," Hundley added.

Hundley said when the SIC is identifying investors, companies reaching a series B or C round require a different kind of investor, and it's important to consider a mix of those investments that can support later stages in a startup's life cycle.

Hundley noted that attracting specialized talent to New Mexico has presented some challenges, particularly as X-Bow grew rapidly during 2020 and 2021, in the midst of the COVID-19 pandemic. To address this, the company adopted a virtual-first environment, enabling it to tap into a broader talent pool while continuing to prioritize hiring locally whenever possible.

"We look at New Mexico first, and at our Texas campus as our signature hiring centers. … We're looking for particular experience, especially in the niche we're in. What we don't want to do is pass up on talent that may be living in a

Image 1: X-Bow's propellant group hard at work in X-Bow's Socorro Torres East energetics facility. Work here on supports not only operations in Socorro, but also X-Bow's Luling, TX facility, and also with our government partners located at the Naval Surface Warfare Center Indian Head, MD. Pictured l to r: Nick Goodwin, Caeleigh Boddy, Adrian Mercadante.

completely different state," Hundley said.

When X-Bow was looking at its first production campus in 2021 and 2022, Hundley said the New Mexico Economic Development Department put together a "good incentives package." At that time, X-Bow was considering a location just south of Las Cruces.

The company eventually selected Luling, Texas, near Austin, San Antonio, and Houston, for its solid rocket motor manufacturing facility. This facility completed phase 1 of its construction plan in November 2025, and is equipped with the company's patented Additive Manufacturing of Solid Propellant (AMSP) technology.

In New Mexico, X-Bow has been leasing rather than constructing facilities. The startup has continued to invest in its partnership at the Energetic Materials Research and Testing Center in Socorro, trying to expand and build up capability on facilities that they've leased from the organization, which "doesn't necessarily translate well" when X-Bow looks at some of the tools EDD has available Hundley explained.

The company is a growth-stage focused startup and is capex intensive, meaning it requires substantial capital to purchase and maintain its fixed assets, such as property and plant equipment.

New Mexico's institutions and testing sites such as White Sands Missile Range are part of the attraction that keeps X-Bow located in New Mexico and encourages other companies to locate in or expand to the state.

Other factors keeping X-Bow located in the state include its partnership with RedWire, with which it has subcontracted millions of dollars, as well as collaboration with Los Alamos National Laboratory which has supported some of the startup's launches, and the Air Force Nuclear Weapons Center, headquartered at Kirtland AFB.

The startup secured impressive Department of War contracts recently, which Hundley attributes to the firm's in-house expertise navigating complex government systems to identify and secure those contracts.

One contract, announced September 26, 2025, is a four-year, $191.3 million contract for "advanced integrated motor manufacturing," from the Department of War's Air Force Test Center for the "design, build and demonstration of advanced solid rocket motor propellant manufacturing capability," according to a Space News article.

X-Bow has selected its partners with the premise that they are knowledgeable and synergistic to securing government contracts.

Some of that contract work is being done in New Mexico.

"New Mexico is front-and-center when we're thinking of expanding," he said, adding that they are looking to grow their New Mexico operations.

"We'd like to think that we've been a good engine of progress for other companies, not just X-Bow," Hundley said.

Conclusion

Like other sovereign wealth funds across the globe, the SIC's ultimate goal is to grow revenue originating from oil and gas – a diminishing resource – into a renewable financial engine that benefits New Mexicans today, and for generations to come. Much of our funding benefits education, from pre-k to the state's research universities.

The SIC's Private Equity team works every day to increase our returns so that teachers and professors across the state can wake up, make their coffee, walk into their classrooms, and begin to prepare the next generation of leaders. Those future leaders may decide to stay right here in New Mexico and make the world a better place, or in the case of Chris Cassidy or Rob Black, they may go to new places and return later in life, equipped with fresh perspectives that help move New Mexico forward.

Part of that effort is the Private Equity team's secondary, albeit still important goal, which is to leverage unprecedented funding to spur New Mexico's economy.

New Mexico will never be a replica of Silicon Valley, nor should it try to be. Instead, the SVCP has partnered with Silicon Valley, creating a bridge to the state's existing startup ecosystem. The partnership works both ways though, and this has opened the state up to new opportunities tied to world-class venture firms and their growing portfolio companies.

At the SIC, we are striving to be a world-class investor in clean tech, aerospace/defense, and deep tech. New Mexico is well-positioned to turn decades of innovation into economic development, in collaboration with the largest regional venture capital program in the United States.

Many of our partners are investing in the state's homegrown startups. However, these investors are also moving the state forward by encouraging portfolio companies to consider the state as a place to expand or do business, and in some cases perhaps move their headquarters here. In April 2025, our team opened up the SVCP's rigid headquartering requirements, allowing economic development to "count" towards our program even if companies are not headquartered here in the state.

Where a company receives their mail and carries out core operations does not often reflect robust economic impact in a place. For example, California-based Pacific Fusion will create 200 permanent high-wage jobs right here in New Mexico once its facility opens, plus several hundred construction jobs during its build-out of new infrastructure. XGS Energy's first 150-megawatt project is expected to support 2500 to 3,000 construction workers, at peak construction. There will be 100 high-wage high-quality operational jobs to run the plant, mainly filled by individuals holding engineering certifications.

The state's startups have a chance to compete alongside new players for partnerships with world-class venture capital managers, which will bring the state's ecosystem and economic development opportunities to the next level. Our 30+ partners including Roadrunner Venture Studios, Up.Partners, Antler, Builders VC, Anzu, and Crosslink all have a vested interest in finding the most competitive companies, and uplifting the state while doing so in order to be a good partner of the SIC.

The SIC has built this program through expertise and extensive research. Our team understands this is not the traditional approach to building an ecosystem, and the development of our approach is an iterative process. But in just the year of 2025, since opening up the headquartering requirement and allowing economic impact beyond just New

State Capitol, Santa Fe (Photo: New Mexico True)

Mexico's startups, companies like Pacific Fusion, XGS Energy, and Castelion and bringing high-wage jobs, business revenue, tax revenue, and infrastructure that will create a multiplier effect across the state for years to come.

As we look to the future, we're hoping to explore the state's emerging sectors, and look at providing capital for later-stage companies as our program continues to deliver good financial returns, and real economic impact from fresh talent looking to expand to the state.

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This report was prepared by Molly Callaghan, Communications, Public Affairs, and Marketing Manager.

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