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FOR IMMEDIATE RELEASE

January 14, 2026
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Report outlines the New Mexico State Investment Council's multibillion-dollar venture strategy

New Mexico partners with Silicon Valley by aligning sovereign wealth funds with the state's key innovation strengths.

SANTA FE – The New Mexico State Investment Council (SIC) announced the release of its first report on its Strategic Venture Capital Program (SVCP), the largest regional venture program in the United States. The report, "Investing in New Mexico through the Strategic Venture Capital Program," details how the SIC's venture strategy has supported more than \$2 billion in projected economic impact through projects like Pacific Fusion, XGS Energy, and Castelion, among others.

"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," said State Investment Officer Jon Clark. "It's our belief 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 climate tech, aerospace and defense, and deep tech – New Mexico's key strengths – and bring thousands of high-quality jobs here."

"Over just the past year, our strategy has indirectly supported the creation of thousands of both construction and permanent high-wage jobs, and billions in economic impact," said Director of Private Equity and Venture Capital Chris Cassidy. "Traditional coastal innovation hubs remain the most common places to take a startup from zero to one, but New Mexico provides the right elements to take certain companies to the next level when they are ready to build."

The SIC, through its venture arm, has committed more than \$1.8 billion to top-tier venture funds over the past 3 years, however the unprecedented level of indirect economic impact resulting from the program can be attributed to one key policy change made in April 2025. In order to continue their partnership with the SIC, venture firms which receive commitments under the SVCP are encouraged to create economic impact in the state. In the past, the former policy dictated rigid headquartering requirements allowing only New Mexico-headquartered companies to "count" towards economic impact. That is why in April 2025, the Council eased headquartering restrictions, opening up economic impact assessment to be measured beyond where a company receives its mail.

That change has directly resulted in several key projects announced in 2025 alone.

- The SIC committed funds to Anzu Partners, a lead investor in Palo Alto, California startup XGS Energy. When XGS sought to expand, Anzu pushed New Mexico to the top of the chart for the geothermal company, leading to the development of its \$1.2 billion partnership with Meta announced in June 2025. The partnership is expected to bring 100 full-time skilled operating jobs.
- In September 2025, Bay Area-headquartered company Pacific Fusion selected New Mexico for its \$1 billion research and development facility in the state. The new facility is anticipated to create 200 high-wage jobs. The startup is backed by four firms the SIC committed funds to, including Lightspeed, Lowercarbon Capital, DCVC, and UP.Partners.
- In November 2025, Torrance, California defense technology startup Castelion announced Sandoval County as the site for Project Ranger, a 1000-acre solid rocket motor manufacturing campus, projected to generate over \$650 million in economic output and 300 jobs over the next decade.

“The SIC has created a globally unique venture capital stack for New Mexico, complemented by strong non-dilutive incentives and exceptional local talent and resources in deep tech, advanced energy, advanced manufacturing, aerospace, and defense,” said Brian Adams, Co-Founder and Managing Partner of UP.Abundance, an investment strategy of UP.Partners. “High-growth startups are increasingly recognizing New Mexico as an optimal place to expand during their ‘industrialization moment,’ and we’re proud to partner with breakout entrepreneurs who are choosing to scale in New Mexico and driving real-world impact.”

“New Mexico has key strengths, there is no doubt about it, but so do other states and communities where these companies have historically been headquartered. Allowing companies to expand to the state and bring jobs and infrastructure while they draw on New Mexico’s institutions to push their research and development just makes sense,” said Alex Hardstrick, Managing Partner at J2 Ventures.

The SIC’s venture strategy is heavily aligned with overarching state goals. Much like the Economic Development Department’s focus areas, the SVCP targets advanced energy technology, aerospace and defense, and deep tech.

“In the first six years after my return to New Mexico, when I worked at the Chamber of Commerce, I met with maybe two VCs that were not local funds. That was when the SIC was still in the beginning stages of its strategy to commit capital to world-class venture funds. In the past six months, I have met with two to three top VC funds weekly and as many portfolio companies considering New Mexico for their next move. That’s a direct result of the SIC’s shift in strategy,” said New Mexico Economic Development Department Secretary Rob Black, interviewed for the report.

Through case studies, the report highlights seven of the more than 30 SIC-backed firms investing in New Mexico including UP.Partners, Roadrunner Venture Studios, Builders VC, Antler, Anzu Partners, J2 Ventures, and Crosslink Capital.

The report also highlights five of the dozens of our VC partners’ portfolio companies with ties to New Mexico:

- **XGS Energy** – In June 2025, Anzu Partners-backed geothermal company XGS Energy partnered with Meta to power its Los Lunas data center. With 2030 targeted for commercial operations, the Palo Alto company’s New Mexico expansion is expected to create 100 skilled, high-wage jobs.

- **Pacific Fusion** – backed by SIC partner firms Lowercarbon Capital, Lightspeed, DCVC, and UP.Partners, the Bay Area company is in the process of expanding to New Mexico through a \$1 billion research and development facility anticipated to create 200 permanent high-wage jobs.
- **UbiQD** – headquartered in Los Alamos, New Mexico, UbiQD has received funding support from SIC-backed managers Builders VC and Scout Ventures. The advanced materials company employs 44 full-time staff members, with 40 residing in New Mexico.
- **Ashbrook Technologies** – backed by Builders VC, Antler, and UP.Partners, the startup relocated its operations from San Francisco, California to Albuquerque, New Mexico in 2025. Ashbrook is a holding company under which it operates Harvest IQ and Ash Capital Management. The company employs 18 people and brings technology platform and risk management solutions to U.S. livestock producers.
- **X-Bow Systems** – headquartered in Albuquerque, New Mexico and backed by SIC partner firm Crosslink, the commercial and defense technology company employs 350 people across 18 states with 26 located in New Mexico.

The report, developed in collaboration with SIC-backed venture firm UP.Partners, can be found at sic.state.nm.us/publications-reports.

About the SIC: The New Mexico State Investment Council is the state's sovereign wealth fund. Established by New Mexicans in 1958 to manage excess revenues from oil and gas production, the SIC is currently one of the largest sovereign wealth funds in the United States and among the top 30 globally. The SIC's assets under management have grown to more than \$68 billion, and in fiscal year 2026, the funds will produce more than \$2.6 billion in distributions and funding for public schools, early childhood programs, universities, hospitals, and other critical services for New Mexicans.

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