

Report of Independent Auditors  
and Financial Statements  
with Supplementary Information

**State of New Mexico**  
**Investment Council – Investment Office**  
**A Department of the State of New Mexico**

June 30, 2025



# Table of Contents

---

	<b>Page</b>
<b>Official Roster</b>	1
<b>Report of Independent Auditors</b>	2
<b>Management’s Discussion and Analysis</b>	6
<b>Financial Statements</b>	
Statement of Net Position	17
Statement of Activities	18
Balance Sheet – Governmental Funds	19
Reconciliation of Balance Sheet to Statement of Net Position – Governmental Funds	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance to Statement of Activities – Governmental Funds	22
Statement of Revenues and Expenditures – General Administrative Fund – Budget and Actual (Non-GAAP Budgetary Basis)	23
Notes to Financial Statements	24
<b>Supplementary Information</b>	
Combining Balance Sheet – Governmental Nonmajor Funds	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Nonmajor Funds	62
Changes in Land Grant Permanent Fund Held for Beneficiaries – Exhibit 1	63
Detail of Interagency Transfers – Exhibit 2	64
External Investment Trust Funds – Exhibit 3	66
Schedule of Deposit and Investment Accounts – Exhibit 4	80
Schedule of Investment Management Fees – Exhibit 5	83
<b>Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	84
<b>Summary of Audit Results (As Required by 2.2.2.10 NMAC (L)(1)(f))</b>	86
<b>Schedule of Findings and Responses</b>	87
<b>Summary Schedule of Prior Findings</b>	88
<b>Exit Conference</b>	89

**State of New Mexico Investment Council – Investment Office**  
**Official Roster**  
**June 30, 2025**

---

**GOVERNING BOARD**

The Hon. Michelle Lujan Grisham, Governor	Ex-Officio Member, Chair
The Hon. Stephanie Garcia Richard, State Land Commissioner	Ex-Officio Member, Vice-Chair
Wayne Propst, DFA Cabinet Secretary	Ex-Officio Member
The Hon. Laura Montoya, State Treasurer	Ex-Officio Member
Nick Telles, Vice President of Finance, Santa Fe Community College	Public Member, Governor's Appointment
John Bingaman	Public Member, Legislative Council Appointment
Kurt Sommer	Public Member, Legislative Council Appointment
Allen Sánchez	Public Member, Legislative Council Appointment
Catherine Allen	Public Member, Governor's Appointment
Vacant Position	Public Member, Governor's Appointment
Kelly O'Donnell	Public Member, Legislative Council Appointment

## **Report of Independent Auditors**

The Honorable Michelle Lujan Grisham, Chair  
State of New Mexico Investment Council – Investment Office

Mr. Joseph M. Maestas, PE, CFE  
New Mexico State Auditor

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparison for the general fund, and the aggregate remaining fund information of State of New Mexico Investment Council – Investment Office (the Office), a department of the State of New Mexico, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Office’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the budgetary comparison for the general fund, and the aggregate remaining fund information of the State of New Mexico Investment Council – Investment Office as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matters***

As discussed in Note 1, the financial statements of State of New Mexico Investment Council – Investment Office present the financial position and changes in financial position of only that portion of governmental activities, each major fund, the budgetary comparison for the general fund and the aggregate remaining fund information of the State of New Mexico that are attributable to the transactions of the Office. The financial statements do not present the financial position of the State of New Mexico as of June 30, 2025, the changes in its financial position, and where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the basic financial statements, the Office adopted Governmental Accounting Standards Board Statement No. 101 *Compensated Absences* during the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Mexico Investment Council – Investment Office's basic financial statements. The combining balance sheet – governmental nonmajor funds, combining statement of revenues, expenditures, and changes in fund balances – governmental nonmajor funds, changes in land grant permanent fund held for beneficiaries, detail of interagency transfers, external investment trust funds, schedule of deposit and investment accounts, and schedule of investment management fees (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, on our consideration of State of New Mexico Investment Council – Investment Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of State of New Mexico Investment Council – Investment Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State of New Mexico Investment Council – Investment Office's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Albuquerque, New Mexico  
November 25, 2025

## **Management's Discussion and Analysis**

# State of New Mexico Investment Council – Investment Office Management’s Discussion and Analysis June 30, 2025

---

**The State of New Mexico Investment Council** – Investment Office’s (the Office) mission is to protect and grow the State’s permanent endowment funds for current and future generations through prudent, professional investment management. It currently has \$59.03 billion in investments under management, which includes investments managed on behalf of other governmental entities through joint power agreements.

The Office complies with the required financial statement presentation of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This discussion and analysis of the Office provides a summary of the financial position and results of operations as of and for the year ended June 30, 2025, with highlights and comparisons. The reader should review the actual financial statements, including the notes and supplementary information, for a more complete picture of the Office's financial activities.

The financial statements include the sections described below.

**Government-wide financial statements** – The government-wide financial statements provide readers with a broad overview of the Office's finances in a manner similar to a private-sector business. The statement of net position presents information on the Office's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the Office is improving or deteriorating. The statement of activities presents information showing how the Office's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund financial statements** – Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than fund types.

The financial statements also include notes, which explain the history and purpose of the Office, significant accounting policies, investment details, statutory disclosures, and other required information regarding the financial position of the funds.

The governmental major fund presentation is presented on a sources and uses of liquid resources basis. This is the manner the financial plan (the budget) is typically developed.

The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the financial statements allow the demonstration of sources and uses and/or budgeting compliance associated with the funds.

**State of New Mexico Investment Council – Investment Office**  
**Management’s Discussion and Analysis**  
**June 30, 2025**

---

**Condensed financial information** – The Office’s condensed statement of net position is summarized as follows as of June 30:

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,686,266,971	\$ 7,526,743,765
Other assets	4,921,677,250	2,456,781,215
Investments	59,031,990,057	49,165,509,512
Total assets	\$ 68,639,934,278	\$ 59,149,034,492
<b>LIABILITIES</b>		
Accounts payable and other liabilities	\$ 33,765,286	\$ 29,947,917
Due to brokers	1,541,425,109	1,642,741,714
Total liabilities	1,575,190,395	1,672,689,631
<b>NET POSITION</b>		
Net investment in capital assets	191,000	(3,115)
Unrestricted deficit	(914,688)	(316,470)
Restricted by enabling legislation	67,065,467,571	57,476,664,446
Total net position	67,064,743,883	57,476,344,861
Total liabilities and net position	\$ 68,639,934,278	\$ 59,149,034,492

All expenses of the General Administrative Fund are related to investment management of the permanent funds and of external, governmental clients; however, only external investment management expenses for publicly traded assets are allocated to the funds and clients based on relative market values managed.

The decrease in cash and cash equivalents is consistent with increases in investments and decreases in inflows from the Severance Tax Bonding Fund, the Early Childhood Education and Care Fund, and other general revenues. The increase in other assets is largely due to increased amounts due from other state entities at year-end. The increase in investments is due a stronger investment return environment for the fiscal year and continued strong investing activity.

The increase in accounts payable and other liabilities is largely attributed to an increase in amounts payable at year-end related to management fees.

The unrestricted net position includes the amount of accrued vacation and sick pay liability, which is not a reimbursable expense of the funds until the compensated leave time is used. The net investment in capital assets, which includes leases, and subscription-based information technology arrangements, net of related debt and lease liabilities, is \$191,000 as of June 30, 2025.

**State of New Mexico Investment Council – Investment Office**  
**Management’s Discussion and Analysis**  
**June 30, 2025**

---

Asset classes authorized under the investment policy include:

- Small, mid, and large capitalization U.S. stocks
- Non-U.S. developed markets and emerging markets stocks
- U.S. debt obligations
- Private equity limited partnerships
- Real assets, including real estate
- Absolute return funds
- Derivative instruments
- Structured credit instruments
- New Mexico direct equity investments
- Government guaranteed New Mexico home and farm loans
- Certificates of deposit in New Mexico financial institutions

**State of New Mexico Investment Council – Investment Office**  
**Management’s Discussion and Analysis**  
**June 30, 2025**

---

The Office’s condensed statement of activities is summarized as follows for the year ended June 30:

	2025	2024
<b>EXPENSES</b>		
General government	\$ 80,374,791	\$ 59,796,248
<b>REVENUES</b>		
Program revenues		
Tobacco settlement proceeds	25,564,441	27,422,657
Contributions from external investment trust funds	319,169,814	257,692,528
Federal revenues (Taylor Grazing Act)	364,436	136,839
Total program revenues	345,098,691	285,252,024
General revenues and distributions		
Investment income	6,095,232,405	4,018,816,679
Severance tax bonding fund and other general revenues	3,127,221,085	3,540,056,998
Royalties and land sales	2,428,595,845	2,350,114,112
Opioid settlement proceeds	17,252,775	100,092,073
Distributions to external investment trust funds	(168,482,005)	(76,992,236)
Distributions to beneficiaries	(2,175,774,697)	(1,809,593,666)
Total general revenues and distributions	9,324,045,408	8,122,493,960
<b>CHANGE IN NET POSITION</b>	9,588,769,308	8,347,949,736
<b>NET POSITION</b>		
Beginning of year, as originally stated	57,476,344,861	49,128,395,125
Implementation of GASB Statement No. 101	(370,286)	-
Beginning of year, as restated	57,475,974,575	49,128,395,125
End of year	\$ 67,064,743,883	\$ 57,476,344,861

The statement of activities focuses on the cost of various activities, which are funded by the Office's general and program revenues. This is intended to summarize and simplify the users' analysis of the cost of services.

*Increase in expenses* – The increase in expenses for fiscal year 2025 has been due to increases in contractual services which includes asset management fees. The increase in these fees is due largely to increased invested assets. The increase in personnel services and benefits and other expenses are due to improved staffing levels.

**State of New Mexico Investment Council – Investment Office**  
**Management’s Discussion and Analysis**  
**June 30, 2025**

---

*Increases in revenues* – Tobacco settlement proceeds have declined slightly and contributions from external investment trust funds have increased over the prior year. Royalties and land sales have increased. The increase in income from investments is impacted by improved investment performance over the prior fiscal year and due to increased investment activity. Severance Tax Bonding Fund and other revenues have decreased in the current fiscal year due to an increase in severance tax inflows from the Severance Tax Bonding Fund, whose bonding capacity is limited to the lesser of prior year or current year deposits, but the other revenue decreases more than offset that increase. Also, production volumes by oil and gas producers and prices similarly have resulted in collections of the oil and gas emergency school tax resulting in deposits to the Early Childhood and Care Fund, about \$603 million less than the prior year. There were also contributions during the year from the State General Fund to the new Workforce Development and Apprenticeship Trust Fund of \$30 million. There were also contributions to the Conservation Legacy Permanent Fund of \$300 million and to the Capital Development Reserve Fund of \$81.6 million.

**Financial highlights**

**General administrative fund** – The other financing sources and expenditures for the General Administrative Fund compared to the prior year are as follows for the year ended June 30:

	2025	2024
<b>OTHER FINANCING SOURCES</b>		
Interfund transfers	\$ 80,340,974	\$ 59,732,935
<b>EXPENDITURES</b>		
Personnel services and benefits	\$ 5,752,327	\$ 4,602,465
Contractual services and custody fees	73,517,264	54,309,853
Other - operating expenses and capital outlay	1,071,383	820,617
Total expenditures	\$ 80,340,974	\$ 59,732,935

The Office’s expenditures for fiscal year 2025 increased in total due to increased contractual services as explained above. The Office budgeted, but did not spend, approximately \$3.61 million.

**Other funds** – The primary governmental activity for the Office is the administration and management of thirteen State of New Mexico permanent funds: Land Grant Permanent Fund (LGPF), Severance Tax Permanent Fund (STPF), Tobacco Settlement Permanent Fund (TSPF), Tax Stabilization Reserve Fund (TSRF), Water Trust Fund (WTF), Early Childhood Education and Care Fund (ECE&CF) and Rural Libraries Endowment Fund (RLEF), Conservation Legacy Permanent Fund (CLPF), the Opioid Settlement Restricted Fund (OSRF), Higher Education Trust Fund (HETF), and the Capital Development and Reserve Fund (CD&RF), the Workforce Development and Apprenticeship Trust Fund (WD&ATF), and the Medicaid Trust Fund (MTF). The State Investment Office, which is responsible for carrying out the investment management policies of the State Investment Council, also provides similar services to 24 state agencies and political subdivisions of New Mexico.

# State of New Mexico Investment Council – Investment Office

## Management’s Discussion and Analysis

### June 30, 2025

---

The purpose of the permanent funds is to contribute recurring revenues for the operating budget of the State of New Mexico and the beneficiaries of the permanent funds. The Office's mission is to protect and grow the State's permanent (endowment) funds for current and future generations through prudent, professional investment management – with a vision of becoming one of the best performing, most respected sovereign wealth funds worldwide. The amount of annual distributions for the Severance Tax Permanent Fund, per statute, is 4.7% of the average calendar year-end market values of the funds for the immediately preceding five years. The LGPF, TSPF, and TSRF distribution formulas are detailed below. Administrative costs are projected and added to the distribution formula to arrive at the total spending policy.

In September 2003, New Mexico voters approved Constitutional Amendment No. 2, increasing the LGPF distribution formula to its beneficiaries, the public schools and twenty other specifically-identified state institutions. The amendment provides for suspension of distributions greater than 5.0% under certain circumstances. Distributions changed as follows:

- Beginning October 2003, distributions increased to 5.0%.
- For fiscal years 2005-2012, distributions increased to 5.8%.
- For fiscal years 2013-2016, distributions decreased to 5.5%.
- Beginning fiscal year 2017, distributions decreased to 5.0%.

The Tobacco Settlement Permanent Fund distribution was originally established at 50% of the prior year's contributions from legal settlements with certain tobacco companies. In April 2003, the New Mexico State Legislature changed the Tobacco Settlement Permanent Fund distribution. Based on this change, in fiscal years 2003 through 2006 the distribution was increased to 100% of the current year contributions, and the distribution went to the State General Fund rather than to the Tobacco Settlement Permanent Fund. Beginning in fiscal year 2007, the distribution for the Tobacco Settlement Permanent Fund returned to 50% of the prior year's contributions. In 2009, the Legislature, by passing Senate Bill 79, increased the percentage of distribution from the Tobacco Settlement Permanent Fund to the Tobacco Settlement Program Fund for fiscal years 2009 through 2011 to 100% of the prior year's contribution received. In 2011, the Legislature passed House Bill 79, which extended this period of 100% distributions of the prior year's contribution received through fiscal year 2013. For fiscal years 2014 through 2020, the distributions have varied by fiscal year compared to the contributions. In fiscal year 2025 the distribution was 4.7% of the rolling five-year calendar asset base and for 2024, 50% of the contribution were distributed.

In April 2004, GASB issued Technical Bulletin 2004-1, *Tobacco Settlement Recognition and Financial Reporting Entity Issues* (GASB TB 2004-1), which became effective for financial statements for periods ending after June 15, 2004. GASB TB 2004-1 clarifies recognition guidance for payments received under the Master Settlement Agreement (MSA) with the settling tobacco companies. Since annual tobacco settlement reimbursements are based on cigarette sales from the preceding calendar year, governments should estimate accrued tobacco settlement reimbursements that derive from tobacco sales from January 1 to their respective fiscal year-ends. Accordingly, the Tobacco Settlement Permanent Fund recognized \$12 million and \$13 million in tobacco reimbursement receivables for the years ended June 30, 2025 and 2024, respectively.

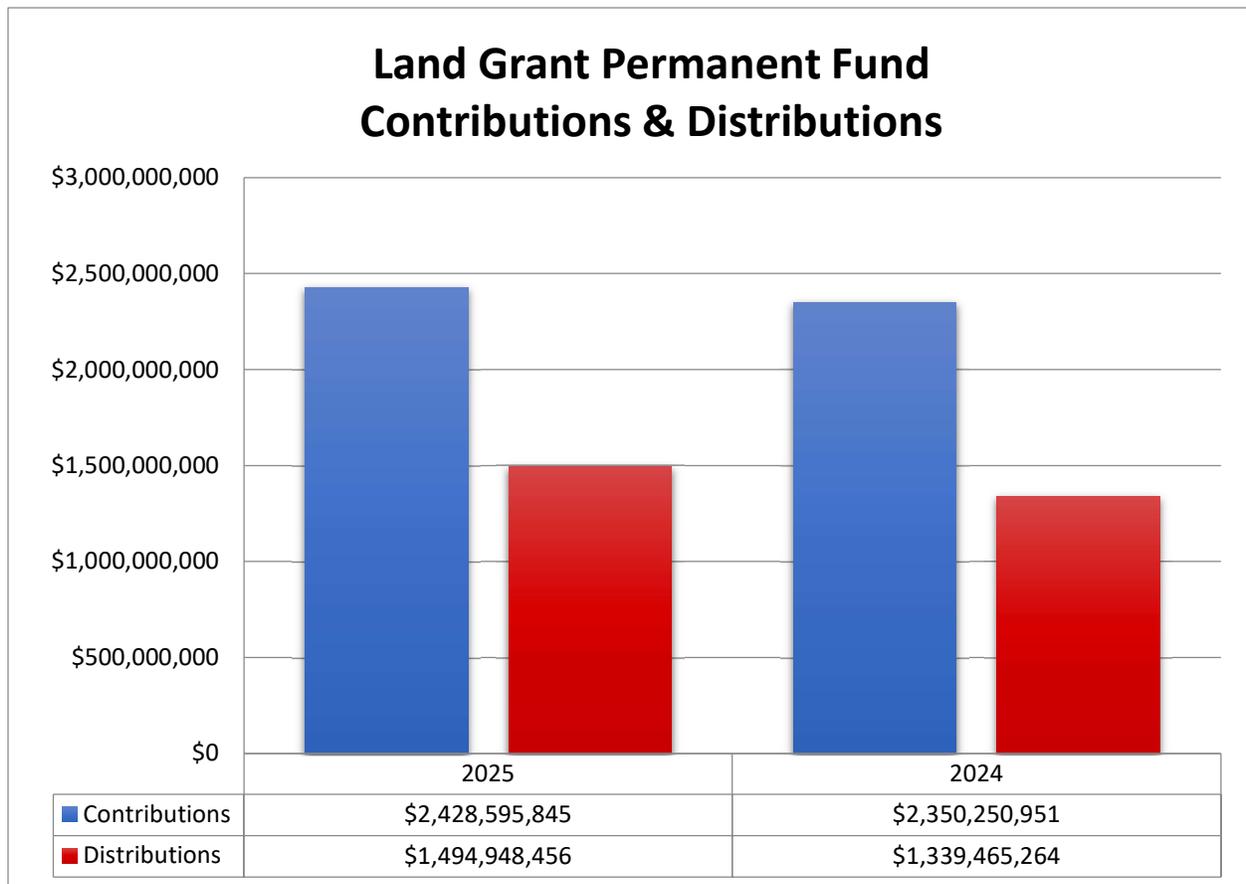
**State of New Mexico Investment Council – Investment Office  
Management’s Discussion and Analysis  
June 30, 2025**

---

The purpose of the Tax Stabilization Reserve Fund is to provide monies to cover budget shortfalls in the general fund. Accordingly, the funds may be appropriated by the legislature to meet the level of appropriations authorized by law from the general fund that are projected to be insufficient for a given year and for the following fiscal year. The appropriation must be approved by two-thirds’ majority vote of both houses following the receipt of a declaration of the governor that the appropriation is necessary for public peace, health and safety.

*Land Grant Permanent Fund* – Land Grant Permanent Fund contributions from the State Land Office for fiscal year 2025 increased 3.33% from fiscal year 2024, impacted largely by price decrease and volume increases. The change is inclusive of a Federal Taylor Grazing Act transfer of \$364,436. Distributions to the beneficiaries of the fund increased 11.61% from the prior year due primarily to an increasing rolling five calendar year average asset base. The increase is inclusive of the added 1.25% to common schools for fiscal year 2025 based upon a constitutional amendment.

The chart below details the changes in contributions and distributions from the LGPF.

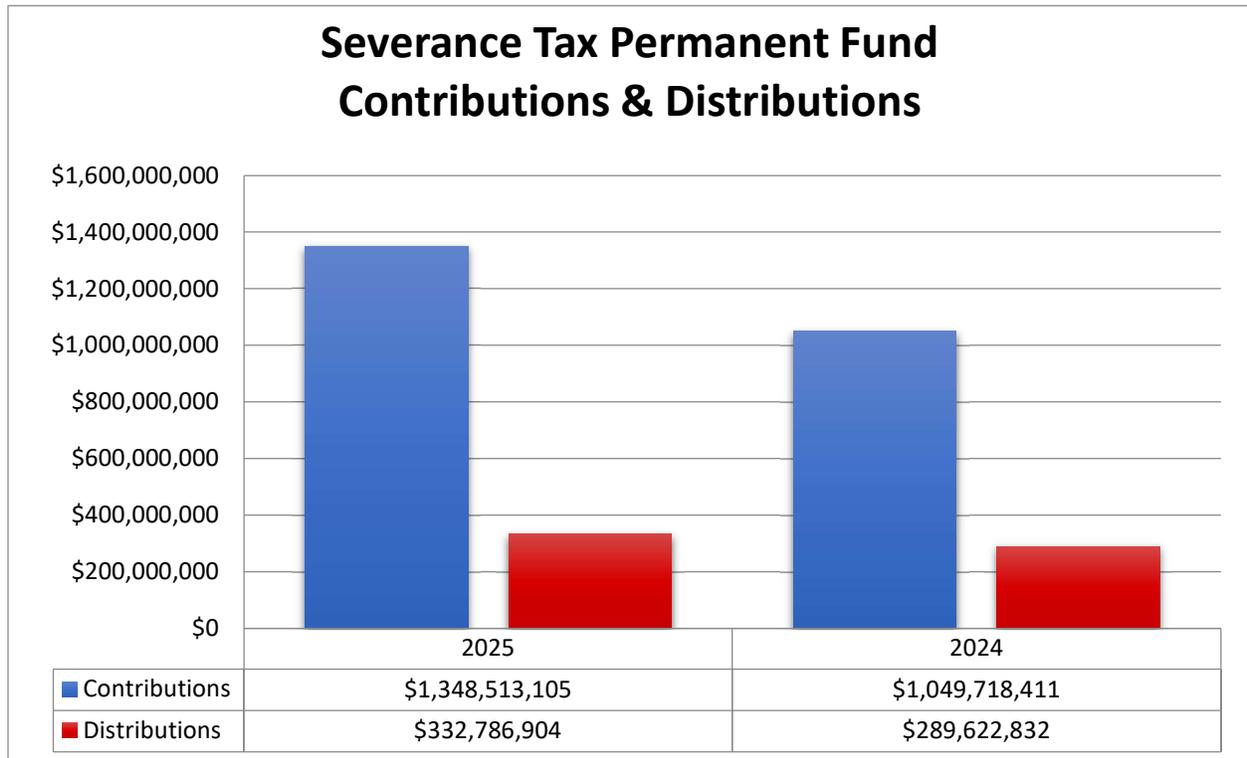


**State of New Mexico Investment Council – Investment Office  
Management’s Discussion and Analysis  
June 30, 2025**

---

*Severance Tax Permanent Fund* – Severance Tax Permanent Fund contributions are received from the Severance Tax Bonding Fund. Severance tax revenues first pay the required debt service on severance tax bonds issued by the State. Amounts transferred from the Severance Tax Bonding Fund to the Severance Tax Permanent Fund increased from \$1.049 billion, inclusive of \$475 million transfer per Law of 2023, Chapter 1210 section 4, in fiscal year 2024 to \$1.348 billion in fiscal year 2025, an increase of 28.46%. While as recently as the 1990s, the Severance Tax Permanent Fund received half of the State’s annual severance taxes (for a 50/50 split), a court ruling in 1999 and subsequent legislative actions during the past decade have resulted in changes allowing for up to 95% of severance taxes to be used for New Mexico’s school and infrastructure bonding capacity. Supplemental bonds or “sponge bonds” may also be deployed based on previous year’s revenues, allowing the remaining 5% to be used for bonding as well. In 2015, legislators passed a measure to slowly reduce the percentage of targeted severance tax bonding every year, thereby increasing inflows to the Severance Tax Permanent Fund over time. The legislation was fully implemented in fiscal year 2022, whereupon the bonding percentage target will be capped at 86.2% of the severance taxes collected for the year, down from its previous target of 95%.

Distributions to the State General Fund in fiscal year 2025 increased 14.90%. The increase is due primarily to an increasing rolling five calendar year average asset base.



*Tobacco Settlement Permanent Fund* – The Tobacco Settlement Permanent Fund distribution was \$13.57 million to the State General Fund in fiscal year 2025, which was 4.7% of the rolling five year calendar asset base.

**State of New Mexico Investment Council – Investment Office**  
**Management’s Discussion and Analysis**  
**June 30, 2025**

---

The amounts presented below are from the total contributions and distributions for fiscal year 2025 shown in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds because of the presentation requirements of GASB Technical Bulletin 2004-1 and differ from actual contributions and distributions for the year ended June 30.

	2025	2024
Contributions	\$ 25,564,441	\$ 27,422,657
Distributions	\$ 12,577,189	\$ 13,711,329

*Tax Stabilization Reserve Fund* – The Tax Stabilization Reserve Fund (TSRF) was created in July 2019. The State Treasury contributed \$1.08 billion in fiscal year 2020 to create a reserve for future budget shortfalls should they occur. There was a transfer of \$959 million to the newly created Higher Education Trust Fund for the year ended June 30, 2024. In fiscal year 2025, there were no contributions to, distributions from, or transfers from the TSRF.

*Water Trust Fund* – The Water Trust Fund (WTF) was created in 2003 but not funded by the Legislature until 2007. On July 1 of each fiscal year, the WTF distributes \$4 million to water projects. When 4.7% of the WTF is greater than \$4 million, annual distributions will be 4.7% of a five-year rolling average of the WTF. In fiscal year 2025, there was a contribution from the State General Fund to the Water Trust Fund of \$50 million.

*Rural Libraries Endowment Fund* – The Rural Libraries Endowment Fund was created in July 2019 to provide funding for the Rural Libraries Grant Program. The state librarian annually disburses the funds for the establishment of developing rural libraries in cities, towns, and villages without libraries beginning in fiscal year 2022. On July 1, 2019, \$1 million was contributed to the fund with an additional \$2 million contributed in fiscal year 2021, \$10 million in fiscal year 2022, and \$15 million in fiscal year 2024. All fund investment income yielded during the preceding calendar year net of all fund distributions will be distributed beginning in fiscal year 2022 through 2026 up to 5% of the year-end market of the fund from the preceding calendar year. Beginning in fiscal year 2028 and each subsequent fiscal year, the average fund investment income yielded in the immediately preceding five calendar years will be distributed up to 5% of the year-end market value for the preceding calendar year. The distributions will consist of 95% to the Rural Libraries Grant Program and 5% to the Cultural Affairs Department.

*External Investment Trust Funds* – Participants in the External Investment Trust Funds contributed \$319 million to the Office to increase their assets under management. This is an increase from the prior year of \$258 million. The participants also redeemed \$168 million of their investments during fiscal year 2025 compared to \$77 million in fiscal year 2024. Contributions and distribution decisions are made by the participants in accordance with the joint powers agreement set up with each participant.

**Budgetary comparisons** – As required by the Office of the State Auditor under Section 2.2.2.10 P. (2) of 2.2.2 NMAC, the Budget Comparison-Statement for the General Administrative Fund is presented as part of the basic financial statements. This information is provided at the approved budget level to demonstrate compliance with legal requirements. The budgetary comparison schedule presents both the original and the final appropriated budget for the reporting period as well as the actual inflows, outflows, and balances, stated on the government's budgetary basis.

## **State of New Mexico Investment Council – Investment Office Management’s Discussion and Analysis June 30, 2025**

---

**Economic outlook** – For the two largest permanent funds, the LGPF finished fiscal year 2025 with a net return of 10.41% and the STPF finished at 9.30%. The investment strategy of the permanent funds is one that seeks to gain from the long-term performance of the financial markets and underlying economy. The funds are presently in the process of further diversification, particularly in moving from publicly-traded assets (primarily stocks and bonds) to privately held assets (such as real estate, private equity and real assets), and from publicly-traded equity investments (the stock market) to a more diversified mix of income-producing and less volatile investments.

The oil and gas production hit an all-time high in New Mexico during 2023. The Office anticipates receiving comparable royalty sources in 2026 as the demand for New Mexico oil continues to be strong even as prices decline. Tobacco sales continue to decrease globally, and the Office expects the revenue from the tobacco settlement to likewise decrease in 2025.

Similar to fiscal year 2025, fiscal year 2026 is expected to have sufficient budget in the General Administrative Fund for the operations of the Office. The funding of the General Administrative Fund is from the LGPF and the STPF. Any unused budget is reverted back to these funds in conjunction with the completion of the external audit.

**Financial contact** – Any questions regarding the financial statements of the Office should be directed to the Chief Financial Officer, State of New Mexico Investment Council, 41 Plaza la Prensa, Santa Fe, NM 87507.

## **Financial Statements**

**State of New Mexico Investment Council – Investment Office**  
**Statement of Net Position**  
**June 30, 2025**

---

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,023,207,886
Investment in State Treasurer General Fund Investment Pool	663,059,085
Due from brokers	2,398,954,485
Due from other state entities	2,297,096,489
Accrued investment income	212,285,072
Accrued tobacco settlement income	12,000,000
Investments	59,031,990,057
Capital assets, net	1,341,204
Total assets	\$ 68,639,934,278
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 19,543,262
Accrued payroll	157,132
Due to brokers	1,541,425,109
Receipts held for the benefit of others	12,000,000
Compensated absences, due within one year	640,281
Lease liabilities, due within one year	365,837
Compensated absences, due after one year	274,407
Lease liabilities, due after one year	784,367
Total liabilities	1,575,190,395
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets, leases, and SBITAs	191,000
Unrestricted	(914,688)
Restricted by enabling legislation	67,065,467,571
Total net position	67,064,743,883
Total liabilities and net position	\$ 68,639,934,278

---

See accompanying notes.

**State of New Mexico Investment Council – Investment Office**  
**Statement of Activities**  
**Year Ended June 30, 2025**

---

	Governmental Activities
<b>EXPENSES</b>	
General government	\$ 80,374,791
<b>REVENUES</b>	
Program revenues	
Tobacco settlement proceeds	25,564,441
Contributions from external investment trust funds	319,169,814
Federal revenues (Taylor Grazing Act)	364,436
Total program revenues	345,098,691
General revenues (distributions)	
Investment earnings	
Interest and dividends	1,878,084,995
Net increase in fair value of investments	4,217,147,410
Royalties and land sales (State Land Office)	2,428,595,845
Severance-Tax Bonding Fund	1,348,513,104
Contribution from State General Fund to Early Childhood Education and Care Fund	1,242,100,163
Distributions to beneficiaries - major funds	(2,077,735,360)
Reversion to Higher Education Trust Fund	31,950,000
Contribution from State General Fund to Capital Development Reserve Fund	81,600,000
Contribution from State General Fund to Conservation Legacy Permanent Fund	300,000,000
Contribution from State General Fund to Water Trust Fund	50,000,000
Opioid settlement proceeds	17,252,775
Contribution from State General Fund to Medicaid Trust Fund	43,057,818
Contribution from State General Fund to Workforce Development and Apprentice Trust Fund	30,000,000
Distributions to external investment trust funds	(168,482,005)
Distributions to beneficiaries - other nonmajor funds	(98,039,337)
Total general revenues	9,324,045,408
<b>CHANGE IN NET POSITION</b>	<b>9,588,769,308</b>
<b>NET POSITION</b>	
Beginning of year, as originally stated	57,476,344,861
Implementation of GASB Statement No. 101	(370,286)
Beginning of year, as restated	57,475,974,575
End of year	\$ 67,064,743,883

See accompanying notes.

**State of New Mexico Investment Council – Investment Office**  
**Balance Sheet – Governmental Funds**  
**June 30, 2025**

	Major Funds					Total Governmental Funds
	Fund 17300 General Administrative Fund	Fund 60100 Land Grant Permanent Fund	Fund 60200 Severance Tax Permanent Fund	Fund 43240 Early Childhood Education and Care Fund	Nonmajor Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 2,151,736,504	\$ 744,777,081	\$ 798,779,636	\$ 327,914,665	\$ 4,023,207,886
Investment in State General Fund Investment Pool	19,700,394	410,151,250	140,544,886	-	92,662,555	663,059,085
Due from brokers	-	1,236,132,507	493,203,270	393,086,150	276,532,558	2,398,954,485
Due from other state entities	-	393,365,268	586,623,240	1,242,100,163	75,007,818	2,297,096,489
Accrued investment income	-	115,006,406	33,578,076	36,863,293	26,837,297	212,285,072
Accrued tobacco settlement income	-	-	-	-	12,000,000	12,000,000
	<u>19,700,394</u>	<u>4,306,391,935</u>	<u>1,998,726,553</u>	<u>2,470,829,242</u>	<u>810,954,893</u>	<u>9,606,603,017</u>
<b>Investments</b>						
Government-Sponsored Enterprise and Agency Issues (GSE)	-	-	275,338,689	-	-	275,338,689
Investment pools						
Core Plus Bonds	-	2,827,803,573	524,326,613	1,098,967,826	592,512,801	5,043,610,813
U.S. Large Cap Active	-	2,276,176,903	692,191,967	576,131,223	248,034,403	3,792,534,496
U.S. Large Cap Index	-	3,872,484,775	1,279,759,366	1,082,259,298	810,499,749	7,045,003,188
U.S. Small/Mid Cap Active	-	376,346,856	128,110,094	102,306,199	92,867,618	699,630,767
Non-U.S. Developed Markets Index	-	1,122,306,574	327,972,457	296,406,541	425,027,067	2,171,712,639
Non-U.S. Emerging Markets Index	-	87,222	-	-	31,121,175	31,208,397
Non-U.S. Developed Markets Active	-	3,023,514,601	1,018,947,087	868,590,121	247,364,314	5,158,416,123
Non-U.S. Emerging Markets Active	-	1,280,137,126	387,113,485	310,329,333	245,236,263	2,222,816,207
Non-U.S. Developed Alternative Weighted Index	-	1,628,914,524	537,589,375	445,626,988	118,958,814	2,731,089,701
Short-term Duration Fixed Income	-	1,468,356,188	350,839,966	645,549,953	873,304,757	3,338,050,864
Absolute Return	-	15,364,081	-	-	-	15,364,081
National Private Equity	-	3,162,488,143	428,764,095	633,414,675	527,114,349	4,751,781,262
Private Debt Market	-	2,256,325,379	611,867,314	937,632,624	1,370,544,116	5,176,369,433
Real Estate	-	2,457,721,792	789,298,031	379,036,684	670,912,689	4,296,969,196
Real Return	-	2,373,195,524	814,946,241	528,594,296	365,042,006	4,081,778,067
Beta Overlay	-	1,844,067,565	691,685,070	-	-	2,535,752,635
Core Bonds	-	1,764,135,736	401,552,953	841,261,612	728,680,112	3,735,630,413
US SMID Cap Alternative Weighted Index	-	134,146,243	42,342,364	33,870,618	51,392,928	261,752,153
Cash Pool	-	1,061,901,949	-	-	-	1,061,901,949
Common Stock - Public	-	-	188,286	-	-	188,286
Regional Private Equity	-	-	605,090,698	-	-	605,090,698
Total investments	-	<u>32,945,474,754</u>	<u>9,907,924,151</u>	<u>8,779,977,991</u>	<u>7,398,613,161</u>	<u>59,031,990,057</u>
Total assets	<u>\$ 19,700,394</u>	<u>\$ 37,251,866,689</u>	<u>\$ 11,906,650,704</u>	<u>\$ 11,250,807,233</u>	<u>\$ 8,209,568,054</u>	<u>\$ 68,638,593,074</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 19,543,262	\$ -	\$ -	\$ -	\$ -	\$ 19,543,262
Accrued payroll	157,132	-	-	-	-	157,132
Due to brokers	-	816,258,142	163,738,368	326,562,727	234,865,872	1,541,425,109
Receipts held for the benefit of others	-	-	-	-	12,000,000	12,000,000
Total liabilities	<u>19,700,394</u>	<u>816,258,142</u>	<u>163,738,368</u>	<u>326,562,727</u>	<u>246,865,872</u>	<u>1,573,125,503</u>
RESTRICTED FUND BALANCE	-	36,435,608,547	11,742,912,336	10,924,244,506	7,962,702,182	67,065,467,571
TOTAL LIABILITIES AND RESTRICTED FUND BALANCE	<u>\$ 19,700,394</u>	<u>\$ 37,251,866,689</u>	<u>\$ 11,906,650,704</u>	<u>\$ 11,250,807,233</u>	<u>\$ 8,209,568,054</u>	<u>\$ 68,638,593,074</u>

See accompanying notes.

**State of New Mexico Investment Council – Investment Office**  
**Reconciliation of Balance Sheet to**  
**Statement of Net Position – Governmental Funds**  
**June 30, 2025**

---

RESTRICTED FUND BALANCE - GOVERNMENTAL FUNDS \$ 67,065,467,571  
(Government Fund Balance Sheet)

Amounts reported for governmental activities in the statement of net position are different because of:

Capital assets and lease arrangements used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, net	1,341,204
Lease liability	(1,150,204)

Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the fund.

Accrued vacation and sick pay	<u>(914,688)</u>
-------------------------------	------------------

TOTAL NET POSITION (Statement of Net Position)	<u>\$ 67,064,743,883</u>
--	--------------------------

---

See accompanying notes.

**State of New Mexico Investment Council – Investment Office**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance – Governmental Funds**  
**Year Ended June 30, 2025**

	Major Funds					Nonmajor Funds	Total Governmental Funds
	Fund 17300	Fund 60100	Fund 60200	Fund 43240	Fund 20950 <i>Previous Major Fund</i>		
	General Administrative Fund	Land Grant Permanent Fund	Severance Tax Permanent Fund	Early Childhood Education and Care Fund	Tax Stabilization Reserve Fund		
<b>REVENUES</b>							
Tobacco settlement proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,564,441	\$ 25,564,441
Federal revenue (Taylor Grazing Act)	-	364,436	-	-	-	-	364,436
Contributions from external investment trust funds	-	-	-	-	-	319,169,814	319,169,814
Investment earnings							
Interest and dividends	-	1,037,342,454	299,918,332	301,213,883	-	239,610,326	1,878,084,995
Net change in fair value of investments	-	2,419,259,623	695,511,695	621,023,978	-	481,352,114	4,217,147,410
Total revenues	-	3,456,966,513	995,430,027	922,237,861	-	1,065,696,695	6,440,331,096
<b>EXPENDITURES</b>							
Current							
Personnel services and benefits	5,752,327	-	-	-	-	-	5,752,327
Contractual services and custody fees	73,517,264	-	-	-	-	-	73,517,264
Other - operating expenditures	1,071,383	-	-	-	-	-	1,071,383
Total expenditures	80,340,974	-	-	-	-	-	80,340,974
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(80,340,974)	3,456,966,513	995,430,027	922,237,861	-	1,065,696,695	6,359,990,122
<b>OTHER FINANCING SOURCES (USES)</b>							
Royalties and land sales (State Land Office Fund 26400)	-	2,428,595,845	-	-	-	-	2,428,595,845
Distributions to beneficiaries of the Land Grant Permanent Fund	-	(1,494,948,456)	-	-	-	-	(1,494,948,456)
Severance-Tax Bonding Fund	-	-	1,348,513,104	-	-	-	1,348,513,104
Distributions to State General Fund from Severance Tax Permanent Fund	-	-	(332,786,904)	-	-	-	(332,786,904)
Contribution from State General Fund to Early Childhood Education and Care Fund	-	-	-	1,242,100,163	-	-	1,242,100,163
Distributions to beneficiaries of the Early Childhood Education and Care Fund	-	-	-	(250,000,000)	-	-	(250,000,000)
Distributions to external investment trust funds	-	-	-	-	-	(168,482,005)	(168,482,005)
Reversion to Higher Education Trust Fund	-	-	-	-	-	31,950,000	31,950,000
Distributions to beneficiaries of Higher Education Trust Fund	-	-	-	-	-	(47,950,000)	(47,950,000)
Contribution from State General Fund to Capital Development Reserve Fund	-	-	-	-	-	81,600,000	81,600,000
Distributions to beneficiaries of Capital Development and Reserve Fund	-	-	-	-	-	(23,805,881)	(23,805,881)
Distributions to State General Fund from Tobacco Settlement Permanent Fund	-	-	-	-	-	(12,577,186)	(12,577,186)
Contribution from State General Fund to Conservation Legacy Permanent Fund	-	-	-	-	-	300,000,000	300,000,000
Contribution from State General Fund to Water Trust Fund	-	-	-	-	-	50,000,000	50,000,000
Distributions to beneficiaries of the Water Permanent Fund	-	-	-	-	-	(4,000,000)	(4,000,000)
Opioid Settlement Proceeds	-	-	-	-	-	17,252,775	17,252,775
Distribution to beneficiaries of Opioid Settlement Restricted Fund	-	-	-	-	-	(3,934,495)	(3,934,495)
Contribution from State General Fund to Medicaid Trust Fund	-	-	-	-	-	43,057,818	43,057,818
Distributions to beneficiaries of Rural Libraries Endowment Fund	-	-	-	-	-	(771,775)	(771,775)
Contribution from State General Fund to Workforce Development and Apprentice Trust Fund	-	-	-	-	-	30,000,000	30,000,000
Distributions to beneficiaries of Workforce Development and Apprentice Trust Fund	-	-	-	-	-	(5,000,000)	(5,000,000)
Interfund transfers in (out)	80,340,974	(48,105,980)	(15,188,047)	(10,573,570)	-	(6,473,377)	-
Transfer between major and nonmajor funds in (out)	-	-	-	-	(2,178,996,320)	2,178,996,320	-
Total other financing sources (uses)	80,340,974	885,541,409	1,000,538,153	981,526,593	(2,178,996,320)	2,459,862,194	3,228,813,003
<b>CHANGE IN FUND BALANCE</b>	-	4,342,507,922	1,995,968,180	1,903,764,454	(2,178,996,320)	3,525,558,889	9,588,803,125
<b>FUND BALANCE</b>							
Beginning of year	-	32,093,100,625	9,746,944,156	9,020,480,052	2,178,996,320	4,437,143,293	57,476,664,446
End of year	\$ -	\$ 36,435,608,547	\$ 11,742,912,336	\$ 10,924,244,506	\$ -	\$ 7,962,702,182	\$ 67,065,467,571

See accompanying notes.

**State of New Mexico Investment Council – Investment Office**  
**Reconciliation of Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance to Statement of Activities – Governmental Funds**  
**Year Ended June 30, 2025**

---

CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 9,588,803,125
--	------------------

Amounts reported for governmental activities in the statement of activities are different because:

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in accrued vacation and sick pay liability	(227,932)
Decrease in lease liabilities	364,217
Decrease in SBITA liabilities	65,216

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay, including right-to-use assets	233,177
Depreciation and amortization expense	(468,495)

CHANGE IN NET POSITION (Statement of Activities)	\$ 9,588,769,308
--	------------------

---

See accompanying notes.

**State of New Mexico Investment Council – Investment Office**  
**Statement of Revenues and Expenditures – General Administrative Fund –**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2025**

---

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
Personnel services and benefits	\$ 6,399,200	\$ 7,356,728	\$ 5,752,327	\$ 1,604,401
Contractual services	65,771,600	75,372,320	73,517,264	1,855,056
Other - operating expenses	886,700	1,227,700	1,071,383	156,317
Total expenditures	<u>73,057,500</u>	<u>83,956,748</u>	<u>80,340,974</u>	<u>3,615,774</u>
<b>EXPENDITURES IN EXCESS OF REVENUES</b>				
	<u>(73,057,500)</u>	<u>(83,956,748)</u>	<u>(80,340,974)</u>	<u>(3,615,774)</u>
<b>TRANSFERS</b>				
Interfund transfers in	73,057,500	83,956,748	80,340,974	3,615,774
Total transfers	<u>73,057,500</u>	<u>83,956,748</u>	<u>80,340,974</u>	<u>3,615,774</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS OVER (UNDER) EXPENDITURES</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

# State of New Mexico Investment Council – Investment Office

## Notes to Financial Statements

---

### Note 1 – Organization and Background

The State of New Mexico Investment Council (the Council) is responsible for the investment activities of certain State of New Mexico governmental funds. The Council is composed of eleven members: the Governor; the State Treasurer; the Commissioner of Public Lands; the Secretary of the Department of Finance and Administration (DFA); four public members appointed by the Legislative Council; and three public members appointed by the Governor, one of whom must be the Chief Financial Officer of a State institution of higher education. The Governor is designated as Chairman of the Council, which is required to meet ten times a year.

Within the constraints of State of New Mexico law, the Council establishes policies for the investment of the governmental funds. Policies established by the Council are carried out by personnel of the State Investment Office (the Office) under the direction of the State Investment Officer. The Office is a department of the State of New Mexico, and its financial statements are included in the financial statements of the State. The Office currently manages certain assets identified as the Land Grant Permanent Fund (LGPF), the Severance Tax Permanent Fund (STPF), the Tobacco Settlement Permanent Fund (TSPF), the Tax Stabilization Reserve Fund (TSRF), the Early Childhood Education and Care Fund (ECE&CF), the Water Trust Fund (WTF), the Rural Libraries Endowment Fund (RLEF), and External Investment Trust Funds (EITF), the Conservation Legacy Permanent Fund (CLPF), the Opioid Settlement Restricted Fund (OSRF), the Higher Education Trust Fund (HETF), and the Capital Development & Reserve Fund (CD&RF), the Workforce Development and Apprenticeship Trust Fund (WD&ATF), and the Medicaid Trust Fund (MTF). The following is a brief description of the purpose and sources of these fourteen funds:

**Land Grant Permanent Fund** – The Fergusson Act of 1898 and the Enabling Act of 1910 granted certain lands held by the federal government to the territory of New Mexico. Under the terms of these grants, it was stipulated that such lands, totaling 13.0 million acres, were to be held in trust for the benefit of the public schools and other specific public institutions. Royalties and principal from land sales are transferred by the State Land Office to the Investment Office, which adds these amounts to the LGPF. Gains and losses on investment transactions are credited or charged to the LGPF and do not directly affect distributions to the beneficiaries. As of June 30, 2025, the Office had \$393.36 million due from the State Land Office (Business Unit: 53900; Fund: 09800).

On September 23, 2003, New Mexico voters approved Constitutional Amendment No. 2 that changed the LGPF distributions. Beginning with the October 2003 distribution, the annual distributions from the LGPF are five percent (5.0%) of the average of the year-end market values of the LGPF for the immediately preceding five calendar years. In addition to the five percent (5.0%) annual distribution made, an additional annual distribution shall be made pursuant to the following schedule: in fiscal years 2005 through 2012, an amount equal to eight-tenths percent (0.8%) of the average of the year-end market values of the LGPF for the immediately preceding five calendar years; and in fiscal years 2013 through 2016, an amount equal to one-half percent (0.5%) of the average of the year-end market values of the LGPF for the immediately preceding five calendar years.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

The legislature, by a three-fifths vote of the members elected to each house, may suspend any additional distributions noted above. No additional distribution shall be made in any fiscal year if the average of the year-end market values of the LGPF for the immediately preceding five calendar years is less than \$5.8 billion. The fund is classified as a governmental fund in the Office's financial statements.

**Severance Tax Permanent Fund** – The State of New Mexico levies a severance tax on certain natural resources extracted from land within the State. Severance tax revenues are first applied to pay the required debt service on Severance Tax Bonds issued by the State. Remaining severance tax revenues are then transferred to the Investment Office, which adds these amounts to the STPF. Other state agencies are responsible for administering the severance tax and determining the amounts required to service the outstanding Severance Tax Bonds. The current annual distributions equal four and seven-tenths percent (4.7%) of the average of the year-end market values of the fund for the immediately preceding five years. The fund is classified as a governmental fund in the Office's financial statements. As of June 30, 2025, the Office had \$586.62 million due from the state general fund (Business Unit: 39400; Fund: 41000).

**Tobacco Settlement Permanent Fund** – The State of New Mexico receives funds into the TSPF pursuant to the master settlement agreement entered into between the tobacco product manufacturers and various states, including New Mexico, which was executed on November 23, 1998. Money in this fund is invested pursuant to Chapter 6, Article 8 NMSA 1978. Income from investment of the fund is credited to the fund.

In 2011, House Bill 79 amended Section 6-4-9 NMSA 1978 related to the TSPF. This legislation temporarily changes the distribution of this fund as follows: in fiscal years 2011 through 2013, a distribution shall be made from the TSPF to the general fund in an amount equal to one hundred percent (100%) of the total amount of money distributed to the TSPF in that fiscal year. In fiscal year 2014 and in each fiscal year thereafter, an annual distribution will be made from the TSPF to the Tobacco Settlement Program Fund of an amount equal to fifty percent (50%) of the total amount of money distributed to the TSPF in the immediately preceding fiscal year until that amount is less than an amount equal to four and seven-tenths percent (4.7%) of the average of the year-end market values of the TSPF for the immediately preceding five calendar years. Thereafter, the amount of the annual distribution shall be four and seven-tenths percent (4.7%) of the average of the year-end market values of the TSPF for the immediately preceding five calendar years.

**Tax Stabilization Reserve Fund** – The TSRF was created in July 2019 upon receipt of \$1.08 billion general fund appropriation pursuant to Chapter 347, Section 3, Laws of 1987. The fund was created as a reserve fund for the State. Any money appropriated to the reserve fund shall be invested pursuant to Chapter 6, Article 8 NMSA 1978. Earnings from investment of the fund shall be credited to the fund to create a reserve for future budget shortfalls should they occur. Distributions from the fund are appropriated by two-thirds' majority vote of both houses following the receipt of a declaration of the governor that the appropriation is necessary for the public peace, health, and safety. The fund is classified as a governmental fund in the Office's financial statements.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

**Early Childhood Education and Care Fund** – The ECE&CF was created in July 2020 and funded pursuant to Chapter 3, Sections 1 and 3, Laws of 2020. The fund was created with an initial contribution of \$300 million to provide annual distributions to the Early Childhood Education and Care Program Fund (ECE&CF) and as a reserve fund for the State. Pursuant to Chapter 9, Article 29A-1(D), a \$20 million distribution will be made to ECE&CF on July 1, and subsequently distributions to the ECECPF will be made annually on July 1 in an amount equal to the greater of five percent (5%) of the average of the year-end market values of the fund for the immediately preceding three calendar years or thirty million dollars (\$30,000,000). Distributions subsequently increased to \$250 million at July 1, 2024 per Section 9-29A-1 NMSA 1978 (being Laws 2020, Chapter 3, Section 1, as amended). Pursuant to Chapter 9, Article 29A-1(E), the Legislature may appropriate money from the fund to pay for appropriations that could not otherwise be paid from the general fund and after payments from appropriations authorized by the Legislature from the contingency fund, the general fund operating reserve, and the tax stabilization reserve fund that exhaust those fund balances. At June 30, 2025, the fund has a receivable of \$1.24 billion (Business Unit: 34100; Fund: 20730) from the excess extraction tax fund. The fund is classified as a governmental fund in the Office’s financial statements.

**Water Trust Fund** – The State Investment Council established the Water Trust Fund in August 2006 upon receiving a \$40,000,000 general fund appropriation per Chapter 109, Section 12, Laws of 2006. The fund consists of money appropriated, donated, or otherwise accrued to the fund. Money in the WTF is invested as in the LGPF by the state investment officer pursuant to Chapter 6, Article 8 NMSA 1978. Earnings from investment of the fund are credited to the fund. On July 1 of each fiscal year, an annual distribution is made from the WTF to the Water Project Fund in the amount of \$4.0 million until that amount is less than an amount equal to four and seven-tenths percent (4.7%) of the average of the year-end market values of the WTF for the immediately preceding five calendar years. Thereafter, the amount of the annual distribution shall be four and seven-tenths percent (4.7%) of the average of the year-end market values of the Water Trust Fund for the immediately preceding five calendar years. The fund is classified as a governmental fund in the Office’s financial statements.

**Rural Libraries Endowment Fund** – The RLEF was created in July 2019 to support the preservation, development, and establishment of rural libraries throughout the State through the Rural Libraries Grant Program. The Council received an initial \$1 million appropriation and invested the funds in accordance with Article 12, Section 7 of the constitution of New Mexico. All fund investment income yielded during the preceding calendar year net of all fund distributions will be distributed beginning in fiscal year 2022 through 2026 up to 5% of the year-end market of the fund from the preceding calendar year. Beginning in fiscal year 2028 and each subsequent fiscal year, the average fund investment income yielded in the immediately preceding five calendar years will be distributed up to five percent (5%) of the year-end market value for the preceding calendar year. The distributions will consist of ninety-five percent (95%) to the Rural Libraries Grant Program and five percent (5%) to the cultural affairs department. The fund is classified as a governmental fund in the Office’s financial statements.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

**External Investment Trust Funds** – Pursuant to New Mexico law Section 6-8-7I of NMSA 1978, as amended, the Office manages several equity, bond, and alternative asset investment pools to provide long-term investment opportunities for state agencies and designated institutions that have funds available for a long-term investment program that will extend for more than one year. The participating state agencies and designated institutions enter into a joint power agreement with the Office for managing the investments on their behalf. The EITF is classified as a government fund in the Office’s financial statements since the majority of the fund balance is owned by state agencies that are included in the State of New Mexico annual comprehensive financial report.

**Conservation Legacy Permanent Fund** – The Conservation Legacy Permanent Fund (CLPF) was created in August 2023 as a non-reverting fund in the state treasury. Money in the fund shall be invested by the state investment officer with the same risk and return profile as the Land Grant Permanent Fund are invested pursuant to Chapter 6, Article 8 NMSA 1978. Earnings from investment of the fund shall be credited to the fund. Money in the fund shall be expended pursuant to a new section of Chapter 75 NMSA 1978. On July 1, 2024 and on July 1 of each year thereafter, if the Conservation Legacy Permanent Fund exceeds \$150 million and the investment income to the funds for the previous fiscal years exceeds \$5 million, any investment income to the fund from the previous fiscal years in excess of \$5 million shall be distributed to the Land of Enchantment Legacy Fund. This fund is classified as a governmental fund in the Office’s financial statements.

**Opioid Settlement Restricted Fund** – The Opioid Settlement Restricted Fund (OSRF), pursuant to NM HB2, 2024, was created in November 2023 as a non-reverting fund in the State Treasury, separate and distinct from the general fund. The Opioid Settlement Restricted Fund consists of money, other than attorney fees and costs, paid to the State pursuant to the New Mexico opioid allocation agreement, the distributor settlement agreement and opioid settlements. The OSRF also consists of appropriations and donations. Money in the fund shall be invested by the state investment officer in accordance with law. Income from investment of the fund shall be credited to the fund. On July 1, 2024, a distribution shall be made from the OSRF to the Opioid Crisis Recovery Fund in an amount equal to five percent (5%) of the year-end market value of the OSRF for the immediately preceding fiscal year. On July 1, 2025, a distribution shall be made from the OSRF to the Opioid Crisis Recovery Fund in an amount equal to five percent (5%) of the average of the year-end market value of the OSRF for the immediately preceding two calendar years. On July 1, 2026, and on each July 1 thereafter, a distribution shall be made from the OSRF to the Opioid Crisis Recovery Fund in an amount equal to five percent (5%) of the average year-end market value of the Opioid Settlement Restricted Fund for the immediately preceding calendar years. This fund is classified as a governmental fund in the Office’s financial statements.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

**Higher Education Trust Fund** – The Higher Education Trust Fund (HETF) was created as a reverting trust fund in May 2024 pursuant to SB 159, 2024, an act. It was funded with a \$959 million transfer from the Tax Stabilization Reserve Fund. The fund's purpose is to cover the growing costs of the New Mexico Opportunity Scholarships which are administered by the Higher Education Department. Income from investment of the fund shall be credited to the fund. The state investment officer shall invest money in the fund. The state investment officer shall report quarterly to the Legislative Finance Committee (LFC) and the State Investment Council on the investments made in the HETF. Annually, a report shall be submitted no later than October 1 each year to the LFC, the Revenue Stabilization and Tax Policy Committee and any other appropriate interim committees. On July 1, 2024, a distribution shall be made from the HETF to the Higher Education Program Fund at the Higher Education Department (HED) in an amount of forty-seven million nine hundred fifty thousand dollars (\$47,950,000). On July 1, 2025, and each July 1 thereafter, a distribution shall be made from HETF to the Higher Education Program Fund in an amount equal to five percent (5%) of the average of the year-end market values of the HETF for the immediately preceding three calendar years. If, on July 1 of a year, the trust fund has been in effect for less than three calendar years, the distribution shall be in an amount equal to five percent (5%) of the average of the year-end market value of the HETF for the immediately preceding number of calendar years that the trust fund has been in effect. HED is required to revert any unused funds during the year back to the HETF. For the year ended June 30, 2025, HED reverted \$31,950,000 to the Office (Business Unit: 95000; Fund: 47890). The fund is classified as a governmental fund in the Office's financial statements.

**Capital Development and Reserve Fund** – The Capital Development and Reserve Fund (CD&RF) was created in June 2024 as a non-reverting fund and funded pursuant to New Mexico Law Section 7-27-10. 1 NMSA 1978 as amended, Section 3. The fund was created with an initial contribution of \$475.83 million from severance tax bonds from the state treasury. There was an additional contribution of \$81.6 million in fiscal year 2025. The state investment officer shall invest money in the fund and pursuant to section C shall report quarterly to the Legislative Finance Committee and the council, the CD&RF investment earnings. Earnings from investments of the fund shall be credited to the fund. On January 1 of each year, a distribution shall be made from the CD&RF to the Capital Development Program Fund in an amount equal to five percent (5%) of the average of the fiscal year-end market value of the CD&RF for immediately preceding three fiscal years. If, on January 1 of a year, the CD&RF has been in effect less than three fiscal years, the distribution shall be equal to five percent (5%) of the average of the fiscal year-end market value of the CD&RF for the immediately preceding number of fiscal years that the fund has been in effect. Money in the fund is available to the legislature for appropriation to capital projects with a total cost of less than \$5 million dollars and for planning and design of capital projects with higher total costs. Money in the fund shall not be pledged against any state debt. The fund is classified as a governmental fund in the Office's financial statements.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

**Workforce Development and Apprenticeship Trust Fund** – The Workforce Development and Apprenticeship Trust Fund (WD&ATF) was created in May 2024 and funded pursuant to New Mexico Law, HAFC/ HB 5, An Act, as amended, 2024. The fund consists of distributions, appropriations, gifts, grants and donations. Earnings from investments of the fund shall be credited to the fund. The state investment officer shall invest money in the fund and shall report quarterly earnings to the legislative finance committee and the council. An earnings report shall be submitted to the Legislative Finance Committee by November 1 each year. On July 1, 2024, and July 1, 2025: two million five hundred thousand dollars (\$2,500,000) shall be transferred to the Public Works Apprentice and Training Fund in the Department of Workforce Solutions (DWS); and two million five hundred thousand dollars (\$2,500,000) shall be appropriated to DWS for the Apprenticeship Assistance Act. On July 1 of each year thereafter: one million five hundred thousand dollars (\$1,500,000) shall be transferred to Public Works Apprentice and Training Fund; and one million five hundred thousand dollars (\$1,500,000) shall be appropriated to DWS for the Apprenticeship Assistance Act. Money in the WD&ATF may be expended if general fund balances do not meet the level of appropriations authorized by the general fund for a fiscal year. To avoid an unconstitutional deficit, the legislature may appropriate from the WD&ATF to the general fund the amount necessary to meet general fund appropriations for that fiscal year. Public Works Apprentice and Training Fund at DWS has been created to distribute the funds. Money in the fund shall not be pledged against any state debt. This fund is classified as a governmental fund.

**Medicaid Trust Fund** – The Medicaid Trust Fund was created in July 2025 as a non-reverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants, donations and income from investment of the fund. Money in the fund shall be invested by the state investment officer pursuant to Chapter 6, Article 8 NMSA 1978 and in consultation with the Health Care Authority. Income from investment of the fund shall be credited to the fund. The state investment officer shall report quarterly to the legislative finance committee and the state investment council on the investments made. An annual report must be submitted by October 1 of each year to the legislative finance committee, the revenue stabilization and tax policy committee and any other appropriate interim committees.

On July 1, 2029, and each July 1 thereafter, a distribution will be made from the trust fund to the state-supported Medicaid fund in an amount equal to five percent of the average of the year-end market values of the trust fund for the immediately preceding three calendar years. A distribution shall not be made until the balance of the trust fund at the end of the fiscal year is at least five hundred million dollars (\$500,000,000).

Money in the trust fund may be appropriated for any purpose if, in a fiscal year, federal matching funds for the state Medicaid program: decrease by at least seven and one-half percent from the previous fiscal year; or are less than a one-to-one match with money appropriated by the legislature for the program. In fiscal years 2026 through 2029, money in the trust fund may be appropriated to support the state Medicaid program if a reduction in federal Medicaid funding received by the state will cause a reduction in coverage or benefits below the levels provided as of the effective date of this 2025 act.

By October 1 of each year, the balance of reversions in excess of one hundred ten million dollars (\$110,000,000) for the previous fiscal year shall be transferred to the Medicaid trust fund until the balance of the Medicaid trust fund reaches two billion dollars (\$2,000,000,000) as of the end of a fiscal year. The fund is classified as a governmental fund in the Office's financial statements. As of June 30, 2025, the Office had \$43.06 million due from the State General Fund (Business Unit: 34101; Fund: 85300).

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

#### **Note 2 – Summary of Significant Accounting Policies**

The accounting policies of the Office conform to generally accepted accounting principles for state governmental units. The more significant of these accounting policies are summarized below:

**Financial reporting entity** – For financial reporting purposes, the financial statements include all funds controlled by the Office. Control by the Office was determined on the basis of oversight responsibility derived from the ability to significantly influence operations and accountability for fiscal matters. The Office is a department of the State of New Mexico. The Office's financial statements contain no component units.

**Government-wide financial statements** – The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide presentation is focused more on the sustainability of the Office as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The statement of activities presents a comparison between direct expenses and revenues for the governmental activities. All expenses of the Office are considered direct expenses and are clearly identifiable to the investment function of the Office. Program revenues include external fees, royalties and land sales, and tobacco settlement proceeds and other revenues include investment earnings.

**Governmental fund financial statements** – The fund financial statements are similar to the government-wide financial statements. Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund-based financial statements into the government-wide presentation.

**Basis of accounting** – The government-wide financial statements are reported using the economic financial resources measurement focus. The government-wide financial statements are presented on the accrual basis of accounting. The governmental funds are reported under the modified accrual basis of accounting, using the current financial resources measurement focus. Under this method, revenues are recognized when measurable and available. The Office considers all revenues reported in both the government-wide and governmental funds to be measurable and available since they are collected from the permanent funds and investment pools under the management of the Office.

The Office considers revenues to be available if they are collected within 60 days of the current fiscal year end. Revenues are recognized as soon as they are both measurable and available. On the government-wide financial statements, expenditures are recorded when the related fund liability is incurred, except for accrued vacation and sick pay, which are recognized as an expenditure to the extent they have been earned. General capital asset acquisitions are reported as expenditures in governmental funds and are capitalized and depreciated over the estimated useful life in the government-wide financial statements.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

**Governmental funds** – Governmental funds consist of the General Administrative Fund and the state permanent funds as follows:

*General Administrative Fund (Fund 17300)* – The General Administrative Fund accounts for all the administrative activities of the Office. The financing sources for the General Administrative Fund are transfers of revenue from the LGPF, STPF, TSPF, TSRF, ECE&CF, WTF, RLEF, EITF, CLPF, OSRF, HETF, CD&RF, WD&ATF, MTF and other sources as authorized by the Budget Division of Department of Finance and Administration (DFA).

*Land Grant Permanent Fund (Fund 60100), Severance Tax Permanent Fund (Fund 60200), Tax Stabilization Reserve Fund (Fund 20950), Tobacco Settlement Permanent Fund (Fund 95200), Early Childhood Education and Care Fund (Fund 43240), Water Trust Fund (Fund 10120), Rural Libraries Endowment Fund (Fund 20940), External Investment Trust Funds (40240), Conservation Legacy Permanent Fund (Fund 33920), Opioid Settlement Restricted Fund (Fund 33910), Higher Education Trust Fund (Fund 33720), Capital Development and Reserve Fund (Fund 33730), Workforce Development and Apprenticeship Trust Fund (33740), and the Medicaid Trust Fund (01220)* – These funds are accounted for under the modified accrual basis of accounting and use a current measurement focus. The funds are restricted and operate under legal constraints that specify distributions to ensure that an income stream will be available in future years to designated beneficiaries.

**Budgetary accounting** – The State Legislature annually approves transfers from the state permanent funds to the Office's General Administrative Fund. These transfers are made to fund the operating costs of the Office. These transfers are reflected as interfund transfers in these financial statements. Any transfers made in excess of the actual accrued costs of the Office are reverted back to the state permanent funds.

**Budgetary matters** – The Office is required to submit an appropriation request for the general fund to DFA and the Legislative Finance Committee by September 1 of each year for the upcoming fiscal year. Consistent with the General Appropriations Act of 2004, the Office prepares the request using the modified accrual budgetary basis of accounting. The expenditures reported in the budget report agree to the amounts reported in the accompanying general administrative fund statement of revenues, expenditures, and changes in net position.

The DFA makes recommendations and adjustments to the appropriation request which becomes the Governor's proposal to the Legislature. The Legislative Finance Committee holds hearings on the appropriation request, also submitting recommendations and adjustments before presentation to the State Legislature.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

Both the DFA and the Legislative Finance Committee's recommended appropriation proposals are presented to the State Legislature for approval of the final appropriation. All subsequent transfers and increases must be authorized by the Director of the State Budget Division. Legal budget control for expenditures and encumbrances is by appropriation unit. In applying the *susceptible to accrual* concept to intergovernmental revenues pursuant to GASB No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

**Budgetary data** – The State Legislature makes annual appropriations to the Office. Legal compliance is monitored through the establishment of an annual budget. Annual budgets are adopted each fiscal year for the General Administrative Fund.

Expenditures may not legally exceed appropriations at the object expenditure classification level. Budget amendments require approval by the State's Budget Division of the DFA. Unexpended and unencumbered amounts in the general fund lapse at year-end.

The Office is required to submit a budget for the General Administrative Fund to the DFA and the Legislative Finance Committee by May 1 of each year for the upcoming fiscal year. The budget corresponds to the final approved appropriation. The report submitted by the Office also details revenues and expenditures or expenses for the preceding year. The budget for the General Administrative Fund is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) that must be paid out of the next year's budget. A reconciliation of budgetary basis to GAAP basis will be necessary if any accounts payable at the end of the fiscal year are not paid by the statutory deadline. The Office has not included such reconciliation for fiscal year 2025 as all payables were paid by the statutory deadline.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents** – Interest in the pooled investments on deposit with the State Treasurer's Office and the J.P. Morgan Short-Term Investment Fund are considered cash and cash equivalents.

#### **Investments**

*Basis of accounting* – Investments are stated at fair value in accordance with GASB No. 72, *Fair Value Measurement and Application* (GASB No. 72), with increases or decreases in fair value recognized in the statement of activities and statement of revenue, expenses, and changes in fund balance at the end of each month. Investment transactions are recorded on the trade date. Dividends are recognized as income when declared. Current fair value of investments may fluctuate markedly from what is recorded at June 30 of each year.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

*Investment pools* – The Office's investments are reported in the governmental funds.

The governmental funds are invested in the following pools: U.S. Large Cap Active Pool, U.S. Large Cap Index Pool, U.S. Small/Mid Cap Active Pool, U.S. SMID Cap Alternative Weighted Index Pool, Short-Term Duration Fixed Income Pool, Core Bonds Pool, Private Debt Market Pool, Credit Plus Pool, Non-U.S. Developed Markets Index Pool, Non-U.S. Emerging Markets Index Pool, Non-U.S. Developed Markets Active Pool, Non-U.S. Emerging Markets Active Pool, Non-U.S. Developed Alternative Weighted Index Pool, Absolute Return Pool, Cash Pool, National Private Equity Pool, Real Estate Pool, and Real Return Pool.

External trust funds are invested in the following pools: Core Bonds Pool, Credit Plus Pool, U.S. Large Cap Active Pool, U.S. Large Cap Index Pool, U.S. Small/Mid Cap Active Pool, Non-U.S. Developed Markets Index Pool, Non-U.S. Developed Markets Active Pool, Non-U.S. Emerging Markets Index Pool, Non-U.S. Emerging Markets Active Pool, U.S. SMID Cap Alternative Weighted Index Pool, and alternative asset pools provided minimum size requirements are met.

The pools are detailed as follows:

#### *Domestic Equity Pools*

- *U.S. Large Cap Active Pool* – Two portfolios. One actively managed growth portfolio which uses fundamental, bottom-up analysis. One passively managed fundamental portfolio.
- *U.S. Large Cap Index Pool* – One passively managed market-cap weighted portfolio.
- *U.S. Small/Mid Cap Active Pool* – One actively managed small-cap core portfolio which uses quantitative analysis.
- *U.S. SMID Cap Alternative Weighted Index Pool* – One passively managed fundamental portfolio.

#### *Fixed Income Pools*

- *Credit Plus Pool* – Managed externally by four managers and is exposed to various classes of liquid debt investments oriented toward credit. The role of this pool is to provide growth of capital and income generation. The primary objective of the Credit Plus Pool is to achieve the rate of return of the Barclay's Capital Universal Bond Index, plus a premium from active management.
- *Core Bonds Pool* – Comprised of a U.S. Treasury strategy passively managed to the Bloomberg U.S. Aggregate Treasury Index and an actively managed investment grade strategy benchmarked against the Bloomberg U.S. Universal Index. The primary role of this pool is to hedge downside price risk from equity market volatility while providing a small premium from active management.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

- *Short-Term Duration Fixed Income Pool* – Managed externally by two managers and invests in all major segments of the public investment-grade and high yield debt markets with a mandate to keep the overall duration of the portfolio less than five years. The role of this pool is to provide near-terms liquidity and hedge rate risk while also minimizing asset value volatility and generating high interest income.
- *Beta Overlay* – provides a mechanism and capacity for the rebalancing function and taking on shorter-term and longer-term exposure in highly liquid publicly-traded assets.

#### *International Equity Pools*

- *Non-U.S. Developed Markets Index Pool* – Two passively managed portfolios. One strategy is benchmarked against the MSCI World ex-US IM Index, and one strategy is benchmarked against the MSCI ACWI ex-US Small-cap Index (both indices are market-cap weighted).
- *Non-U.S. Emerging Markets Index Pool* – One passively managed portfolio benchmarked against the MSCI Emerging Markets Index.
- *Non-U.S. Developed Markets Active Pool* – Four actively managed portfolios (1 all-cap core, 1 large-cap value, 1 large-cap core, and 1 large-cap growth). Three strategies use fundamental, bottom-up analysis, and one strategy uses quantitative analysis.
- *Non-U.S. Emerging Markets Active Pool* – Two actively managed portfolios. One strategy uses quantitative analysis, and one strategy uses fundamental bottom-up analysis.
- *Non-U.S. Developed Alternative-Weighted Index Pool* – Two passively managed portfolios (multi-factor and minimum variance).

#### *Alternative Asset Pools*

- *Absolute Return Pool* – Contains direct investments of hedge fund managers. This pool is in being wound down with minimum balances remaining.
- *Private Debt Market Pool* – Contains direct investments in nonpublic credit-oriented investments. The role of the pool in the asset mixes of the Council's portfolios is to provide long-term risk adjusted returns while reducing the beta profile of the public equity markets.
- *Real Estate Pool* – Contains primarily open and closed-end comingled real estate funds, dominated by stable, core real estate properties but with increasing emphasis on higher returning noncore strategies. The objective of the pool is to match the rate of return on the NCREIF-ODCE index, plus a 75-basis point premium to reflect the increasing weight of the noncore strategies. The role of the pool in the asset mixes of the Council portfolios is to provide modest growth of capital, to diversify the investment risk of the equity pools, and to provide income generation.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

- *Real Return Pool* – Primarily composed of open and closed-end commingled funds, the pool focuses on investments in infrastructure and natural resources. Its objective is to achieve returns that meet or surpass the Consumer Price Index for All Urban Consumers (CPI-U) plus 400 basis points, alongside a custom reference benchmark index. Within the Council portfolios, the pool serves as a source of diversified investment returns beyond traditional equities and fixed income, while also offering a hedge against inflation.
- *National Private Equity Pool* – Contains more than 152 private equity funds diversified across the sectors of private equity – buyout, growth, special situations and venture capital strategies. The role of the pool is to provide growth of capital and the objective of the pool is to provide a higher rate of return than the Cambridge U.S. Private Equity Index.

Investments in the Alternative Asset Pools are recorded at estimated fair value as reported by the general partner fund managers. Income is recognized when the investees report distributions received in excess of the capital invested.

**Portfolio restrictions** – The Constitution or the laws of the State of New Mexico require a prudent investor standard for all investments of the LGPF, STPF, TSPF, TSRF, ECE&CF, WTF, RLEF, CLPF, OSRF, HETF, CD&RF, WD&ATF, MTF, and EITF.

**Capital assets** – Capital assets are recorded at historical cost and depreciated over their estimated useful lives with no salvage value. Additions, improvements and other capital outlays greater than \$5,000 that significantly extend the useful life of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the estimated useful lives of 3 to 7 years for furniture and equipment.

**Leases** – The Office recognizes leases that have a term exceeding one year that meet the definition of anything other than a short-term lease as a right-to-use lease asset and corresponding liability for the present value of future lease payments. The Office uses a discount rate that is explicitly stated or implicit in the contract, when available. When a readily determinable discount rate is not available, the discount rate is determined using incremental borrowing rate at start of the contract for a similar asset type and term length to the contract. The Office expenses lease payments for leases that are determined to be short-term leases when incurred.

**Vacation and sick pay** – Certain amounts of vacation and sick pay earned and not taken are obligations of the Office and recorded as payables. Sick leave accumulated in excess of 600 hours, not to exceed 120 hours, is payable semiannually at a rate equal to 50% of the employee's hourly wage. Upon termination, vacation pay up to 240 hours becomes immediately payable. Vacation in excess of 240 hours and the first 600 hours of sick leave are forfeited upon termination. Upon retirement, sick leave is limited to 400 hours accumulated in excess of 600 hours at the 50% hourly rate. Accrued vacation and sick pay is expected to be paid by the General Administrative Fund.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

**Net position** – The government-wide statements utilize a net position presentation categorized as follows:

- *Net investment in capital assets* – This category reflects the portion of net position that is associated with capital assets less outstanding capital asset related debt.
- *Restricted net position* – For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position used are imposed by law through constitutional provisions or enabling legislation. All amounts are restricted by enabling legislation.
- *Unrestricted net position* – This category reflects net position of the Office not restricted for any project or other purpose.

**Reservations and designations** – In the governmental fund financial statements, fund balances are classified as non-spendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action or legislation of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the State Investment Council intent to be used for specific purposes.

The Office's fund balances represent: 1) Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors or laws or regulations of other governments; 2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; 3) Assigned Purposes, which includes balances that are constrained by the government's intent to be used for specific purposes but are neither restricted or committed; and 4) Unassigned, which includes all other spendable amounts. As of June 30, 2025, the Office's fund balance was all restricted.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, any restricted fund balance must be spent first. When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

*Deferred outflows/inflows of resources* – In addition to assets, the statement of net position may report separate sections for deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will be recognized as an outflow of resources and expense then. Deferred inflows of resources represent future inflows of resources and revenues that will be recognized in future periods. The Office did not have any items that qualified for reporting in these categories as of June 30, 2025.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Office did not have any items that were required to be reported in this category as of June 30, 2025.

#### **External trust fund accounting policies**

*Units of participation* – Each pool is composed of units of participation of unlimited quantity. Each unit of participation represents an equal beneficial interest in the respective pool and no unit has priority or preference over any other. Each purchase or sale of units requires written authorization as defined in the joint powers agreements executed between the Office and each participant. All units are purchased by cash payment. Each unit participation is recorded in book entry form by the Office and consists of an account for each participant that maintains the following information:

- Name of participant;
- Date of all unit purchases and sales;
- Cost of each unit;
- Number of units purchased or sold;
- Valuation of each unit owned; and
- Total valuation of all units owned.

*Initial valuation* – At the inception of each pool, all initial purchases were made by the participants for a valuation price of \$1,000 per unit. Purchases of units after inception are valued at the previous month's net asset value for the pool.

*Method of valuation* – The Office uses the following method of determining the value of each investment held in the pools:

- For purposes of this procedure, the recorded closing price for each investment is provided by a recognized pricing service and/or the custodian.
- In the case of a stock where a dividend has been declared and not yet paid, then the amount of such dividend accrual is included in the per unit value.
- An investment purchased and awaiting payment against delivery is included for valuation purposes as a security held, and the cost thereof, recorded as an account payable.

## **State of New Mexico Investment Council – Investment Office**

### **Notes to Financial Statements**

---

- For the purposes of valuation of an investment, with the exception of investments sold but not delivered, ascertained brokers' commissions or other expenses which would be incurred on a sale are not deducted.

*Valuation of units* – With respect to the valuation of investments determined as provided above, there is added the following:

- All uninvested cash;
- The value of any rights or stock dividends which may have been declared but not received as of the valuation date; and
- All cash dividends and interest that are determined to be earned but not received.

All expenses, including management fees, chargeable to the respective pool as due or accrued are deducted from the valuation as determined above. The net per unit value is then determined by dividing the number of existing units into the total valuation calculated above.

*Purchases and sales* – A written notice of intent to purchase or sell units must be received by the Office on or before the fifth business day preceding the valuation date. All notices must be signed by an authorized representative as specified in the applicable joint power agreements. The Office reserves the right to limit a participant's sale to the participant's proportional interest in the current net cash position of the respective pooled investment fund, unless the Office receives a written notice of intent thirty (30) days prior to the effective date of the sale. All purchases or sales of units are effective as of the first day following the valuation date.

Cash payment for all additions must be received by the Office in the form of a wire transfer or by interagency cash transfer through the DFA, on or before the third business day following the valuation date. The Office reserves the right to return funds received after this date and cancel that participant's Notice of Intent to purchase units.

*Expenses and management fee* – The Office assesses each pool a management fee that will at least cover the costs of the management services provided and the costs related to maintaining each pool and the individual participant's related account. The amount of the management fee is based on each participant's proportionate ownership of the net assets managed by the Office.

*Reporting* – The Office provides each participant with a monthly statement that contains net asset value, units owned and change in net asset value from the previous month's transactions. The Office provides each participant with a statement that details the respective participant's total investment.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

**Pensions** – The Office, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Overall, the total pension liability exceeds plan net position resulting in a net pension liability. The State has determined the State's share of the net pension liability to be a liability of the State as a whole, rather than any agency or department of the State and will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the annual comprehensive financial report of the State of New Mexico. Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the general fund and the annual comprehensive financial report and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, NM 87501.

**Implementation of new accounting standards** – The Office adopted Government Accounting Standards Board Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. GASB No. 101 requires that liabilities be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences should be considered. The Office restated the beginning net position by \$370,286 for certain compensated absences not recorded in previous years but that met the definition of compensated absences according to GASB No. 101.

GASB Statement No. 102, *Certain Risk Disclosures*. This statement provides users of the financial statement with information about risks related to vulnerabilities due to certain concentrations or constraints that is essential to the analyses for making decisions or assessing accountability. Concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. The definition for constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The Office adopted GASB Statement No. 102 during the year ended June 30, 2025. Management assessed the potential impact to risk disclosures within the financial statements and determined that no additional disclosure was considered necessary.

### **Note 3 – Cash and Cash Equivalents**

**State General Fund Investment Pool** – Compliant with statute 6-10-3 (NMSA 1978), and to optimize state cash management and investment practices, funds of various state agencies are deposited in the State General Fund Investment Pool (SGFIP). This pool is managed by the New Mexico State Treasurer's Office. Claims on the SGFIP are reported as financial assets by the various agencies investing in the SGFIP. The comprehensive cash reconciliation model compares aggregated agency claims on the SGFIP to the associated resources held by the State Treasurer's Office. As of June 30, 2025, the DFA provides the following assertions:

1. Resources held in the pool were equivalent to the corresponding business unit claims on those resources.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

2. All claims as recorded in SHARE shall be honored at face value.

The Office has established daily and monthly procedures that mitigate the risk of misstatement of the Office's balances within the pool. In addition, as required by Section 6- 5-2.1 (J) NMSA 1978, DFA is to complete, on a monthly basis, reconciliation with the balances and accounts kept by the State Treasurer's Office and adopt and promulgate rules regarding reconciliation for state agencies.

**Investment in the State General Fund Investment Pool** – State law (Section 8-6-3 NMSA 1978) requires the agency's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the agency consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer's Office. At June 30, 2025, the Office had the following invested in the General Fund Investment Pool:

General Fund Investment Pool	
General Administrative Fund	\$ 19,700,394
Land Grant Permanent Fund	410,151,250
Severance Tax Permanent Fund	140,544,886
Opioid Settlement Reserve Fund	11,062,555
Capital Development and Reserve Fund	81,600,000
	\$ 663,059,085

*Interest rate risk* – The New Mexico State Treasurer's Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is a means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

*Credit risk* – The New Mexico State Treasurer pools are not rated.

For additional GASB No. 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the year ended June 30, 2025.

**Deposits** – Cash and cash equivalents totaling \$4.259 billion are held by the custodian, J.P. Morgan. The Office's cash held by J.P. Morgan is invested in a short-term investment fund. This J.P. Morgan U.S. Government Money Market Fund consists primarily of short-term securities issued or guaranteed by the U.S. government or by U.S. government agencies or instrumentalities and repurchase agreements collateralized by such obligations. The security ratings are primarily AAA and AA with an average maturity of less than 30 days.

**Custodial credit risk** – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Investments are held in the name of the Council, and the Council does not have a policy to address custodial credit risk.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

Investments in the State Treasurer Investment Pool (STIP) and cash and cash equivalents balances are as follows:

	SHARE Fund	State Treasurer's Office Funds	J.P. Morgan	Total June 30, 2025
General Administrative Fund	17300	\$ 19,700,394	\$ -	\$ 19,700,394
Land Grant Permanent Fund	60100	410,151,250	1,039,528,406	1,449,679,656
Severance Tax Permanent Fund	60200	140,544,886	462,847,358	603,392,244
Tobacco Settlement Permanent Fund	95200	-	63,581	63,581
Water Trust Fund	10120	-	50,884	50,884
Tax Stabilization Reserve Fund	20950	-	54,483	54,483
Rural Libraries Endowment Fund	20940	-	51,531	51,531
Early Childhood Education and Care Fund	43240	-	456,049,350	456,049,350
Opioid Settlement Restricted Fund	33910	11,062,555	51,941	11,114,496
Conservation Legacy Permanent Fund	33920	-	50,160	50,160
Higher Education Trust Fund	33720	-	59,305	59,305
Capital Development & Reserve Fund	33730	81,600,000	134,210	81,734,210
Workforce Development & Apprent Trust	33740	-	5,293,916	5,293,916
Large Cap Active Pool	09400	-	26,181,054	26,181,054
Large Cap Index Pool	62800	-	46,030,391	46,030,391
Core Bonds Pool	30870	-	47,590,526	47,590,526
Core Plus Pool	35150	-	502,375,630	502,375,630
Short Term Duration Fixed Income Pool	50360	-	103,920,354	103,920,354
Small/Mid Cap Active Pool	22000	-	2,285,874	2,285,874
Non-U.S. Developed Markets Index Pool	21800	-	8,813,119	8,813,119
Non-U.S. Developed Markets Active Pool	11950	-	94,718,012	94,718,012
Non-U.S. Emerging Markets Index Pool	61100	-	2,064,435	2,064,435
Non-U.S. Emerging Markets Active Pool	11930	-	45,507,206	45,507,206
Non-U.S. Developed Weighted Index Pool	50320	-	6,799,997	6,799,997
Private Equity Pool	11380	-	197,730,644	197,730,644
Real Estate Pool	11390	-	232,225,091	232,225,091
Real Asset Pool	11540	-	274,068,185	274,068,185
Unconstrained Pool	11940	-	13	13
Absolute Return Pool	72100	-	27,505	27,505
Private Debt Market Pool	20140	-	464,396,560	464,396,560
LGPF Beta Overlay Pool	39110	-	3,544,341	3,544,341
STPF Beta Overlay Pool	39120	-	690,888	690,888
SMID Cap Alternative Weighted Index Pool	20590	-	2,936	2,936
		<u>\$ 663,059,085</u>	<u>\$ 4,023,207,886</u>	<u>\$ 4,686,266,971</u>

In addition, the Office's Cash Pool consists of \$1,061,901,949 invested in the New Mexico State Treasurer's Office Medium Term LGIP Fund (SHARE Fund 33710).

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

#### **Note 4 – Investments**

In accordance with NMSA 6-8, the Council is authorized to invest in domestic and international stocks; debt obligations of the U.S. government, its agencies or instrumentalities; debt obligations of any U.S. or foreign corporation, partnerships or trusts with an investment-grade rating from a national rating service; real estate investments; real return; national private equity investments; repurchase agreements secured by U.S. obligations or other securities backed by the U.S. and absolute return funds. In addition, the Council is authorized to invest in other investments as specified in statute, including New Mexico private equity, SBAs, certificates of deposit, film projects, and various other loan guarantees.

Numerous restrictions, either statutorily or policy in origin, define various elements of the investments. Examples include investment size, limitation of percentage ownership of a particular fund or investment, the percentage the investment type comprises the entire fund, and requiring guarantees or other forms of assurance of repayment. The investment policy has been structured in accordance with the Uniform Prudent Investor Act, NMSA 45-7 (600-612).

#### **Credit risk**

*Debt investments* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In order to assess credit risk, the Office is required to disclose credit ratings of its debt investments. U.S. government obligations and obligations guaranteed by the U.S. government are not considered to have credit risk and, accordingly, do not require disclosure. Currently, the Council does not have a policy that restricts purchases of securities to those above a certain rating as rated by one or more national rating agencies.

**State of New Mexico Investment Council – Investment Office**  
**Notes to Financial Statements**

---

The Office’s investments and their exposure to credit risk are as follows:

Investments Subject to Credit Risk - S&P Ratings	Rating	Fair Value June 30, 2025
Asset Backed	AAA	\$ 87,273,461
CDO/Collateralized Debt Obligation	AAA	146,000,879
CMO/REMIC	AAA	15,943,168
Commercial Mortgage Backed Securities	AAA	70,021,457
Corporate Bonds	AAA	274,272
Government Bonds	AAA	68,134,948
Municipal Bonds	AAA	2,364,222
Asset Backed	AA+	4,903,180
Government Bonds	AA+	1,771,517
Asset Backed	AA	60,708,177
CDO/Collateralized Debt Obligation	AA	20,596,610
CMO/REMIC	AA	595,883
Commercial Mortgage Backed Securities	AA	157,954
Corporate Bonds	AA	3,383,065
Government Bonds	AA	138,140
Municipal Bonds	AA	5,515,451
Asset Backed	AA-	8,818,651
Commercial Mortgage Backed Securities	AA-	1,784,754
Corporate Bonds	AA-	14,119,176
Municipal Bonds	AA-	3,164,950
Asset Backed	A+	48,382,834
CMO/REMIC	A+	2,647,003
Commercial Mortgage Backed Securities	A+	1,732,772
Corporate Bonds	A+	92,397,800
Government Bonds	A+	359,357
Asset Backed	A	33,050,361
CDO/Collateralized Debt Obligation	A	7,444,578
CMO/REMIC	A	1,827,144
Corporate Bonds	A	138,354,314
Government Bonds	A	9,431,417

**State of New Mexico Investment Council – Investment Office**  
**Notes to Financial Statements**

---

Investments Subject to Credit Risk - S&P Ratings	Rating	Fair Value June 30, 2025
Asset Backed	A-	1,800,989
CMO/REMIC	A-	3,884,702
Commercial Mortgage Backed Securities	A-	2,015,428
Corporate Bonds	A-	356,601,198
Asset Backed	BBB+	6,011,760
CMO/REMIC	BBB+	1,629,008
Corporate Bonds	BBB+	469,085,556
Government Bonds	BBB+	5,110,403
Asset Backed	BBB	15,579,851
CDO/Collateralized Debt Obligation	BBB	12,310,976
CMO/REMIC	BBB	757,087
Corporate Bonds	BBB	435,055,584
Government Bonds	BBB	39,280,799
Asset Backed	BBB-	5,508,894
CDO/Collateralized Debt Obligation	BBB-	50,432,583
CMO/REMIC	BBB-	733,869
Commercial Mortgage Backed Securities	BBB-	2,727,249
Corporate Bonds	BBB-	553,682,831
Government Bonds	BBB-	18,143,984
Asset Backed	BB+	432,627
Corporate Bonds	BB+	485,186,144
Government Bonds	BB+	8,796,450
Asset Backed	BB	321,492
CMO/REMIC	BB	1,006,297
Corporate Bonds	BB	487,786,758
Government Bonds	BB	58,888,195
Corporate Bonds	BB-	515,671,227
Government Bonds	BB-	10,120,153
Asset Backed	B+	37,508
Commercial Mortgage Backed Securities	B+	650,525
Corporate Bonds	B+	320,905,543
Government Bonds	B+	507,566
Asset Backed	B	2,315,960
CMO/REMIC	B	227,380
Corporate Bonds	B	373,599,882
Government Bonds	B	1,082,430
Corporate Bonds	B-	255,110,411
Government Bonds	B-	6,082,677
Corporate Bonds	CCC+	92,737,953
Asset Backed	CCC	1,447,551
CMO/REMIC	CCC	177,857
Corporate Bonds	CCC	28,330,869
Government Bonds	CCC	6,877,890
Asset Backed	CC	465,348
Corporate Bonds	CCC-	5,810,068

**State of New Mexico Investment Council – Investment Office**  
**Notes to Financial Statements**

---

Investments Subject to Credit Risk - S&P Ratings	Rating	Fair Value June 30, 2025
Asset Backed	D	1,517,267
CMO/REMIC	D	31,878
Corporate Bonds	D	9,160,200
Total investments subject to Credit Risk - S&P Ratings		5,506,936,352
<u>Investments Subject to Credit Risk - Not Rated</u>		
Asset Backed		317,840,736
Cash Collateral		489,989
CDO/Collateralized Debt Obligation		351,366,094
CMO/REMIC		312,834,628
Commercial Mortgage Backed Securities		220,628,275
Corporate Bonds		991,474,899
Discounted Notes		21,760,888
Government Bonds		5,372,272,131
Money Markets		316,994
Mortgage Backed Securities		688,133,972
Municipal Bonds		1,249,729
Mutual Funds		45,339,625
Preferred Stock		138,911,364
Total investments subject to credit risk - not rated		8,462,619,324
<u>Investments Not Subject to Ratings</u>		
Absolute Return Pool		15,364,081
Private Debt Market		5,176,369,433
Real Estate Pool		4,296,969,196
Real Return Pool		3,550,862,303
National Private Equity		4,751,781,262
Equity Securities, MLPs, Bank Loans, other excluded investments		26,390,658,719
Regional Private Equity		605,090,698
Government-Sponsored Enterprise & Agency Issues (GSEs)		275,338,689
Total investments not subject to ratings		45,062,434,381
Total investments		\$ 59,031,990,057

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

#### Interest rate risk

*Debt investments* – Interest rate risk is the risk that changes in interest rates could adversely affect the fair value of an investment. The Office does not have a policy for interest rate risk management, but its practice is to address interest rate risk through the management of debt investment duration.

A summary of the investments and their exposure to interest rate risk are as follows:

Investment	Fair Value June 30, 2025	Life Not Available	Less than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
Asset Backed	\$ 592,875,146	\$ -	\$ 61,814,170	\$ 276,765,870	\$ 124,230,393	\$ 130,064,713
Cash Collateral	489,989	489,989	-	-	-	-
CDO/Collateralized Debt Obligation	588,151,721	-	585,036,721	-	-	3,115,000
CMO/REMIC	338,837,403	-	179,179,745	12,550,318	22,186,887	124,920,453
Commercial Mortgage Backed Securities	299,718,414	-	165,373,404	-	1,076,058	133,268,952
Corporate Bonds	5,628,727,752	-	599,733,616	3,417,834,115	1,049,676,534	561,483,487
Discounted Notes	21,760,888	-	21,760,888	-	-	-
Futures	19,307,202	-	14,224,710	5,082,492	-	-
Government Bonds	5,606,998,057	-	121,794,648	3,059,438,994	1,224,536,419	1,201,227,996
Mortgage Backed Securities	688,133,972	-	8,088,392	54,515,722	100,873,336	524,656,522
Money Markets	316,994	316,994	-	-	-	-
Municipal Bonds	12,294,353	-	1,800,000	3,273,996	-	7,220,357
Mutual Funds	45,339,625	45,339,625	-	-	-	-
Preferred Stock	(147,450)	-	(147,450)	-	-	-
Swaps	1,944,482	-	(2,442,622)	2,812,172	(1,776,063)	3,350,995
Swaptions	(194,668)	-	(194,668)	-	-	-
Treasury Bills	138,911,364	-	138,911,364	-	-	-
	<u>13,983,465,244</u>	<u>\$ 46,146,608</u>	<u>\$ 1,894,932,918</u>	<u>\$ 6,832,273,679</u>	<u>\$ 2,520,803,564</u>	<u>\$ 2,689,308,475</u>
Investments not subject to interest rate risk						
Securities, Equity and Real Estate Investments	<u>45,048,524,813</u>					
Total investments	<u>\$ 59,031,990,057</u>					

#### Concentration of credit risk

*Investments* – Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments in any one issuer that represent 5% or more of total investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. As of June 30, 2025, the Council was not exposed to concentration of credit risk as no single issuer represented 5% of total investments.

#### Foreign currency risk

*Investments* – Foreign currency risk is the risk that changes in exchange rates could adversely affect an investment's or deposit's fair value. This risk is eliminated by adhering to the Council's policy that all securities be denominated in U.S. dollars and is managed in the equity funds by limiting the size of the internationally invested funds.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

A summary of the investments and cash and cash equivalents and their exposure to foreign currency risk are as follows:

Currency	Cash	Derivatives	Equity	Fixed Income	Limited Partnership	Total Foreign Currency Risk
Argentine Peso	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ 11
Australian Dollar	709,173	641,007	368,599,377	3,223,372	-	373,172,929
Brazilian Real	1,524,840	(249,362)	110,735,789	-	-	112,011,267
Canadian Dollar	1,280,315	(54,936)	684,417,559	7,907,054	-	693,549,992
Chilean Peso	20,685	-	6,165,959	-	-	6,186,644
Czech Koruna	1,068	-	107,509	-	-	108,577
Danish Krone	212,148	(8,443)	140,797,706	274,272	-	141,275,683
Euro	28,243,881	538,704	3,771,617,038	26,681,516	870,606,506	4,697,687,645
Hong Kong Dollar	1,733,238	-	909,026,167	-	-	910,759,405
Hungarian Forint	11,308	-	29,264,465	-	-	29,275,773
Indian Rupee	-	(23,025)	-	-	-	(23,025)
Indonesian Rupiah	(1,878)	-	49,666,471	-	-	49,664,593
Israel Shekel	287,947	-	108,908,727	-	-	109,196,674
Japanese Yen	10,415,872	(15,172)	1,855,232,555	85,321	-	1,865,718,576
Malaysian Ringgit	146,839	-	33,611,899	-	-	33,758,738
Mexican Peso	619,168	(161,043)	81,532,379	5,845,950	-	87,836,454
New Taiwan Dollar	417,522	-	596,687,732	-	-	597,105,254
New Turkish Lira	68,157	2,024	14,285,894	-	-	14,356,075
New Zealand Dollar	12,957	-	21,080,073	-	-	21,093,030
Norwegian Krone	220,525	-	103,479,231	-	-	103,699,756
Peruvian Nuevo Sol	270,083	(466,259)	-	14,891,063	-	14,694,887
Philippine Peso	60,727	-	11,262,808	-	-	11,323,535
Polish Zloty	104,906	-	54,672,149	-	-	54,777,055
Pound Sterling	2,788,861	(359,320)	1,355,094,034	17,852,905	51,235,640	1,426,612,120
Qatari Rial	-	-	10,098,751	-	-	10,098,751
Saudi Riyal	(921)	-	58,080,475	-	-	58,079,554
Singapore Dollar	279,955	-	154,289,108	-	-	154,569,063
South African Rand	101,086	(169,495)	113,523,282	13,523,285	-	126,978,158
South Korean Won	1,659,207	-	409,033,179	-	-	410,692,386
Swedish Krona	340,332	18,091	233,126,791	-	-	233,485,214
Swiss Franc	315,803	41,782	683,533,676	-	-	683,891,261
Thai Baht	-	-	50,514,153	-	-	50,514,153
UAE Dirham	-	-	36,366,262	-	-	36,366,262
Yuan Renminbi	280,378	(28,017)	114,377,433	-	-	114,629,794
	<u>\$ 52,124,193</u>	<u>\$ (293,464)</u>	<u>\$ 12,169,188,631</u>	<u>\$ 90,284,738</u>	<u>\$ 921,842,146</u>	<u>13,233,146,244</u>
Non-foreign currency investments and cash and cash equivalents						<u>49,822,051,699</u>
Total investments and cash and cash equivalents						<u>\$ 63,055,197,943</u>

#### Note 5 – Fair Value Measurements

Investments are recorded at fair value in accordance with GASB No. 72. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Office categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments measured at the net asset value (NAV) are those whose underlying positions are not evident and thus the market value of the investment is priced at a price per share in a fund or by another pricing methodology.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

The Council utilizes its custody bank, JP Morgan, to assist with classification of its investments per the fair value hierarchy.

The Office has the following recurring fair value measurements:

Investments by Fair Value Level	Fair Value Measurements			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Fair Value June 30, 2025
<b>Debt and equity securities</b>				
Agency bonds	\$ -	\$ 1,771,517	\$ -	\$ 1,771,517
Corporate bonds	-	5,123,777,528	-	5,123,777,528
Government bonds	-	235,916,328	-	235,916,328
Municipal bonds	-	12,294,353	-	12,294,353
CDO/CLO	-	588,151,721	-	588,151,721
Treasuries	-	5,362,108,181	-	5,362,108,181
Asset backed securities	-	599,875,145	-	599,875,145
Mortgage backed securities	-	1,326,689,789	-	1,326,689,789
Pooled funds - mutual funds	-	2,465,615,548	-	2,465,615,548
Equities	23,568,734,141	662,934	1,091,411	23,570,488,486
Bank loans	-	504,950,224	-	504,950,224
Sovereign debt	-	7,202,032	-	7,202,032
Government-sponsored enterprise and agency issues	-	-	275,338,689	275,338,689
<b>Total debt and equity securities</b>	<b>23,568,734,141</b>	<b>16,229,015,300</b>	<b>276,430,100</b>	<b>40,074,179,541</b>
<b>Alternative investments</b>				
Master limited partnerships	530,915,764	-	-	530,915,764
<b>Investment in derivative instruments</b>				
Derivatives - credit	-	7,734,631	-	7,734,631
Derivatives - equity	1,695,909	-	-	1,695,909
Derivatives - interest rate	19,159,752	1,749,815	-	20,909,567
Derivatives - other	-	125,321	-	125,321
<b>Total derivative instruments</b>	<b>20,855,661</b>	<b>9,609,767</b>	<b>-</b>	<b>30,465,428</b>
<b>Total investments, fair value levels</b>	<b>\$ 24,120,505,566</b>	<b>\$ 16,238,625,067</b>	<b>\$ 276,430,100</b>	<b>\$ 40,635,560,733</b>
				Fair Value
<b>Investments Measured at NAV Practical Expedient</b>				<b>June 30, 2025</b>
Private equity partnerships				\$ 4,751,773,613
Regional private equity partnerships				605,090,698
Real estate partnerships				2,125,397,390
Open-ended real estate partnerships				2,171,571,806
Real return funds				2,580,917,112
Open ended real return partnerships				969,945,191
Absolute return funds				15,364,081
Private debt partnerships				5,176,369,433
<b>Total investments, NAV practical expedient</b>				<b>18,396,429,324</b>
<b>Total investments, fair value levels</b>				<b>40,635,560,733</b>
<b>Total investments</b>				<b>\$ 59,031,990,057</b>

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

Valuation and liquidity information for investments measured at the net asset value (NAV) per share, or equivalent, is presented below:

Investment Type	Fair Value June 30, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity partnerships	\$ 4,751,773,613	\$ 3,726,836,690	Not redeemable	Not redeemable
Regional private equity partnerships	605,090,698	459,176,928	Not redeemable	Not redeemable
Real estate partnerships	2,125,397,390	3,210,503,535	Not redeemable	Not redeemable
Open-ended real estate partnerships	2,171,571,806	-	Quarterly	45-90 days
Real asset funds	2,580,917,112	2,439,208,280	Not redeemable	Not redeemable
Open-ended real asset partnerships	969,945,191	-	Quarterly-Biannual	90-180 days
Absolute return (hedge) funds	15,364,081	-	Quarterly	30-65 days
Private debt partnerships	5,176,369,433	4,092,921,339	Quarterly	90-180 days
Total investments measured at NAV	<u>\$ 18,396,429,324</u>	<u>\$ 13,928,646,772</u>		

#### Note 6 – Pension Plan – New Mexico Public Employees Retirement Association

**Plan description** – Substantially all of the Office's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The New Mexico Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

**Funding policy** – Plan members are required to contribute 10.42% of their gross salary. The Office is required to contribute 18.74% of the gross covered salary. The contribution requirements of plan members and the Office are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Office's contributions to PERA for the years ended June 30, 2025, 2024, and 2023, were \$816,114, \$649,453, and \$586,896, respectively, equal to the amount of the required contributions for each fiscal year.

There are employees who are making contributions to a deferred compensation plan funded through salary reductions in accordance with the provisions of Section 457 of the Internal Revenue Code. Neither the Office nor the State of New Mexico makes any contributions to this plan. All contributions withheld from the participants by the Office have been remitted to PERA, which administers the plan.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

#### **Note 7 – Postemployment Benefits – State Retiree Health Care Plan**

**Plan description** – The Office, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico (RHCA). Overall, total OPEB liability exceeds OPEB plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the annual comprehensive financial report of the State of New Mexico for the year ended June 30, 2025. This report will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, NM 87501.

**Funding policy** – The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical plus basic life plan, plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee, and retiree contributions are required to be remitted to RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the RHCA Board.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2023, the statute required each participating employer to contribute 2.5% of each participating employee’s annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2023, the statute required each participating employer to contribute 2.0% of each participating employee’s annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2018, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Office’s contributions to RHCA for the years ended June 30, 2025, 2024, and 2023, were \$84,836, \$67,543, and \$62,671, respectively, which equal the required contributions for each year.

#### Note 8 –Capital Assets, Net

A summary of changes in capital assets is as follows:

Capital Assets, Net	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Furniture and equipment	\$ 115,590	\$ -	\$ -	\$ 115,590
Right-to-use lease assets	2,458,125	233,177	-	2,691,302
Right-to-use subscription assets	264,771	-	-	264,771
Accumulated depreciation and amortization	<u>(1,261,964)</u>	<u>(468,495)</u>	<u>-</u>	<u>(1,730,459)</u>
Capital assets, net	<u>\$ 1,576,522</u>	<u>\$ (235,318)</u>	<u>\$ -</u>	<u>\$ 1,341,204</u>

Depreciation expense for the year ended June 30, 2025 totaled \$14,257. Amortization expenses for leases and for SBITA for the year ended June 30, 2025 totaled \$364,022 and \$90,216, respectively.

**Leases** – The Office leases a building through July 2028 with monthly payments averaging \$26,154. The lease liability was measured at the applicable Incremental Borrowing Rate (IBR) of .75%. The Office also leases equipment requiring monthly payments averaging \$1,149 through December 2025. The lease liability was measured at the applicable IBR of 0.5%. The IBR used in these two leases were an estimation made by the State of New Mexico based on current borrowing rates at the time of the implementation of GASB Statement No. 87.

**State of New Mexico Investment Council – Investment Office**  
**Notes to Financial Statements**

---

The lease activity during the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Portion Due Within One Year
Lease liabilities	\$ 1,514,421	\$ -	\$ (364,217)	\$ 1,150,204	\$ 365,837

The future minimum payments on those leases by principal and interest, were as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2026	\$ 365,837	\$ 9,195	\$ 375,032
2027	367,585	5,822	373,407
2028	376,916	2,371	379,287
2029	39,866	61	39,927
	<u>\$ 1,150,204</u>	<u>\$ 17,449</u>	<u>\$ 1,167,653</u>

**Subscription-Based Information Technology Arrangement (SBITA)** – The Office’s contract became effective on July 1, 2022 to use software through June 30, 2025 requiring monthly payments of \$5,500 except for the June 2023 payment, which was \$80,500. The SBITA liability was measured at the applicable Incremental Borrowing Rate (IBR) of 2.21% at the beginning of the SBITA term. The IBR is an estimation made by the State of New Mexico based on current borrowing rates.

SBITA activity for the Office for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
SBITA liability	\$ 65,216	\$ -	\$ (65,216)	\$ -

**Note 9 – Compensated Absences**

A summary of changes in compensated absences is as follows:

	Restated Beginning Balance	Net Increases	Ending Balance	Portion Due Within One Year
Compensated absences, net	\$ 686,756	\$ 227,932	\$ 914,688	\$ 640,281

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

#### Note 10 – Commitments

The Office has commitments for capital contributions to various private equity and private debt partnerships, real assets and real estate investments. As of June 30, 2025, the Office was an investor in approximately 356 private equity limited partnerships and various real estate or real asset investments. When making an investment in a limited partnership, the Office commits to a capital commitment that will be drawn down by the limited partnership over the life of the partnership, typically 12 to 15 years. As of June 30, 2025, unfunded commitments to private equity partnerships were approximately \$4.19 billion, unfunded commitments to real estate and real asset investments were approximately \$5.65 billion, and unfunded commitment to the Private Debt Pool was \$4.09 billion. Due to the nature of these investments, the Office cannot predict when these capital contributions will be called. Subsequent to June 30, 2025, the Office approved an additional \$4.62 billion of commitments to private equity, real estate, and real asset partnerships.

#### Note 11 – Joint Powers Agreements

The Office manages investments for several governmental entities under joint powers agreements that may be terminated by either party upon thirty days' notice to the other party. The revenues and expenditures of the investment pools are recorded in the accompanying financial statements. In addition, each participant reports their net position in their individual financial statements. At June 30, 2025, the Office had joint powers agreements with the following entities:

- a. *New Mexico Retiree Healthcare Authority (NMRHCA)* dated June 25, 1992, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMRHCA in accordance with guidelines established in NMRHCA's investment policy. At June 30, 2025, the NMRHCA had total net assets held in trust of \$1,820,870,218.
- b. *New Mexico Institute of Mining & Technology (NMIMT)* dated November 24, 1992, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMIMT in accordance with guidelines established in NMIMT's investment policy. At June 30, 2025, the NMIMT had total net assets held in trust of \$180,525,092.
- c. *New Mexico School for the Blind and Visually Impaired (NMSBVI)* dated March 25, 1993, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMSBVI in accordance with guidelines established in NMSBVI's investment policy. At June 30, 2025, the NMSBVI had total net assets held in trust of \$17,943,618.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

- d. *Commissioner of Public Lands* (the Commissioner) dated March 11, 1994, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the Commissioner in accordance with guidelines established in the Commissioner's investment policy. At June 30, 2025, the Commissioner had total net assets held in trust of \$32,572,507.
- e. *New Mexico Interstate Stream Commission* (Commission) dated March 11, 1994, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the Commission in accordance with guidelines established in the Commission's investment policy. At June 30, 2025, the Commission had total net assets held in trust of \$114,475,144.
- f. *New Mexico Military Institute* (NMMI) dated July 1, 1997, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMMI in accordance with guidelines established in NMMI's investment policy. At June 30, 2025, the NMMI had total net assets held in trust of \$66,646,539.
- g. *Eastern New Mexico University* (ENMU) dated December 4, 1998, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to ENMU in accordance with guidelines established in ENMU's investment policy. At June 30, 2025, the ENMU had total net assets held in trust of \$44,498,157.
- h. *Springer Municipal School District* (SMSD) dated February 5, 1999, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to SMSD in accordance with guidelines established in SMSD's investment policy. At June 30, 2025, the SMSD had total net assets held in trust of \$349,670.
- i. *New Mexico Public Regulation Commission, Superintendent of Insurance* (the Agency) dated September 18, 2000, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the Agency in accordance with guidelines established in the Agency's investment policy. At June 30, 2025, the Agency had total net assets held in trust of \$91,977,191.
- j. *County of Los Alamos* (County) dated October 4, 2000, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the County in accordance with guidelines established in the County's investment policy. At June 30, 2025, the County had total net assets held in trust of \$70,804,008.
- k. *New Mexico Public School Insurance Authority* (NMPSIA) dated April 30, 2004, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMPSIA in accordance with guidelines established in NMPSIA's investment policy. At June 30, 2025, the NMPSIA had total net assets held in trust of \$29,862,638.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

- l. *New Mexico Highlands University* (NMHU) dated December 10, 2004, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMHU in accordance with guidelines established in NMHU's investment policy. At June 30, 2025, the NMHU had total net assets held in trust of \$31,327,961.
- m. *Children, Youth, and Family Department* (CYFD) dated January 1, 2006, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to CYFD in accordance with guidelines established in CYFD's investment policy. At June 30, 2025, the CYFD had total net assets held in trust of \$14,024,834.
- n. *New Mexico Mortgage Finance Authority* (NMMFA) dated November 16, 2005, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMMFA in accordance with guidelines established in NMMFA's investment policy. At June 30, 2025, the NMMFA had total net assets held in trust of \$30,698,755
- o. *New Mexico Highlands University Foundation* (NMHUF) dated June 1, 2020, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to NMHUF in accordance with guidelines established in NMHU's investment policy. At June 30, 2025, the NMHUF had total net assets held in trust of \$22,764,625.
- p. *City of Las Cruces* (City) dated September 28, 2007, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the City in accordance with guidelines established in the Client's investment policy. At June 30, 2025, the City had total net assets held in trust of \$44,252,918.
- q. *San Juan College* (College) dated October 1, 2014, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain investment policy. At June 30, 2025, the College had total net assets held in trust of \$16,135,720.
- r. *John R. Carver Testamentary Trust* (Trust) dated November 5, 2015, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the Trust in accordance with guidelines established in the Client's investment policy. At June 30, 2025, the Trust had total net assets held in trust of \$1,014,191.
- s. *Clovis Community College* (CCC) dated September 28, 2015, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the CCC in accordance with guidelines established in the Client's investment policy. At June 30, 2025, the CCC had total net assets held in trust of \$5,256,753.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

- t. *City of Rio Rancho* (Rio Rancho) dated November 21, 2022, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to Rio Rancho in accordance with guidelines established in Rio Rancho's investment policy. At June 30, 2025, Rio Rancho had total net assets held in trust of \$14,776,967.
  
- u. *Middle Rio Grande Conservancy District* (MRGCD) dated August 16, 2022, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the MRGCD in accordance with guidelines established in the Client's investment policy. At June 30, 2025, the MRGCD had total net assets held in trust of \$5,903,363.
  
- v. *Western New Mexico University* (WNMU) dated April 26, 2022, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the WNMU in accordance with guidelines established in the WNUM's investment policy. At June 30, 2025, the WNMU had total net assets held in trust of \$8,209,896.
  
- w. *New Mexico Small Business Investment Corporation* (SBIC) dated May 6, 2016, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the SBIC in accordance with guidelines established in the SBIC's investment policy. At June 30, 2025, SBIC had total net assets held in trust of \$10,891,819.
  
- x. *Central New Mexico Community College* (CNMCC) dated March 30, 2018, pursuant to the Joint Powers Agreement Act, Sections 11-1-1 through 11-1-7, NMSA 1978. Under this agreement, the Office invests certain monies belonging to the CNMCC in accordance with guidelines established in the CNMCC's investment policy. At June 30, 2025, the CNMCC had total net assets held in trust of \$27,599,581.

**State of New Mexico Investment Council – Investment Office**  
**Notes to Financial Statements**

---

**Note 12 – Risk Management**

The Office, as a state agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the State of New Mexico. The Office pays annual premiums to the Risk Management Division for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico and the members of the Council;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for State of New Mexico employees.

As of June 30, 2025, the Office had no claims that the Risk Management Division had determined not to cover. Denial of coverage by the Risk Management Division would result in the responsibility for coverage reverting to the Office. There were no significant reductions in insurance coverage from prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

**Note 13 – Non-Reverting Fund**

Section 6-8-5(B), NMSA 1978, authorizes the Office to prepare an operating budget as follows: "The state investment officer shall annually prepare a budget for administering and investing all funds managed by the investment office, which shall be reviewed by the council. Any funds provided for the operating budget of the investment office shall be appropriated from the assets of the Permanent Fund, the Severance Tax Permanent Fund, funds available for investment pursuant to Subsection G of Section 6-8-7 NMSA 1978 or any other funds managed by the investment office, as authorized by law." The state constitution has vested sole authority for appropriation to the state legislature; therefore, the legislature annually appropriates funds for the SIC operating budget from the sources specified in this statute.

Unexpended/unencumbered funds at fiscal year-end subsequently revert back to their original funding source. The following represents the interfund transfers that occurred during the year:

	General Administrative Fund From (To)	Land Grant Permanent Fund From (To)	Severance tax Permanent Fund From (To)	Early Childhood Education and Care Fund From (To)	Nonmajor Funds From (To)
Administration appropriation	<u>\$ 80,340,974</u>	<u>\$ (48,105,980)</u>	<u>\$ (15,188,047)</u>	<u>\$ (10,573,570)</u>	<u>\$ (6,473,377)</u>

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

#### Note 14 – Distributions to Higher Education Institutions

The Office distributed \$1,494,948,456 to beneficiaries of the Land Grant Permanent Fund for the year ended June 30, 2025. The total includes the following distributions to higher education beneficiaries for the year ended June 30, 2025:

	<u>Distributions</u>
New Mexico Military Institute	\$ 28,628,188
New Mexico School for the Deaf	16,390,201
New Mexico School for the Blind and Visually Impaired	16,363,565
The University of New Mexico	12,621,730
New Mexico State University	4,028,190
New Mexico Institute of Mining and Technology	1,526,822
Eastern New Mexico University	604,499
Western New Mexico University	197,164
New Mexico Highlands University	196,199
Northern New Mexico College	<u>160,998</u>
	<u>\$ 80,717,556</u>

#### Note 15 – Upcoming Accounting Pronouncement

GASB Statement No. 103, *Financial Reporting Model Improvements*. The purpose of this statement is to improve key components of the financial reporting model by providing information that is essential for decision making and assessing a government's accountability. The statement requires information in the MD&A be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analysis, (4) Significant Capital Assets and Long-term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. In addition, statement addresses unusual and infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; major component unit information; and budgetary comparison information. The Office expects the MD&A to change to comply with this standard in fiscal year 2026 with no changes to the remaining financial statements.

## State of New Mexico Investment Council – Investment Office

### Notes to Financial Statements

---

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. Certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34 under statement No. 104. Lease assets recognized in accordance with GASB Statement No. 87, *Leases*, intangible right to use assets recognized in accordance with GASB Statement No. 94, *Public-Private Public-Public Partnerships and Availability Payment Arrangements*, and subscription assets in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are to be disclosed separately by major class of the underlying asset in the capital assets note. This statement is effective for the year ending June 30, 2026 and will have minimal impact on the Office's presentation of capital assets.

## **Supplementary Information**

---

# State of New Mexico Investment Council – Investment Office

## Combining Balance Sheet – Governmental Nonmajor Funds

### June 30, 2025

	Nonmajor Funds											Total Nonmajor Funds
	Fund 40240	Fund 20950	Fund 33720	Fund 33730	Fund 95200	Fund 33920	Fund 10120	Fund 33910	Fund 01220	Fund 20940	Fund 33740	
	External Investment Trust Funds	Tax Stabilization Reserve Fund	Higher Education Trust Fund	Capital Development and Reserve Fund	Tobacco Settlement Permanent Fund	Conservation Legacy Permanent Fund	Water Trust Fund	Opioid Settlement Reserve Fund	Medicaid Trust Fund	Rural Libraries Endowment Fund	Workforce Development and Apprentice Trust Fund	
<b>ASSETS</b>												
Cash and cash equivalents	\$ 87,534,426	\$ 123,660,673	\$ 41,260,219	\$ 21,337,612	\$ 17,067,243	\$ 15,450,985	\$ 8,666,901	\$ 4,487,745	\$ -	\$ 1,489,611	\$ 6,959,250	\$ 327,914,665
Investment in State General Fund Investment Pool	-	-	-	81,600,000	-	-	-	11,062,555	-	-	-	92,662,555
Due from brokers	76,024,888	144,342,128	19,155,263	18,793,041	7,809,150	3,407,081	2,106,747	2,010,539	-	392,023	2,491,698	276,532,558
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from other state entities	-	-	31,950,000	-	-	-	-	-	43,057,818	-	-	75,007,818
Accrued investment income	8,197,553	12,163,146	2,330,210	1,833,180	939,372	619,951	312,295	241,664	-	51,165	148,761	28,837,297
Accrued tobacco settlement income	-	-	-	-	12,000,000	-	-	-	-	-	-	12,000,000
	<u>171,756,867</u>	<u>280,165,947</u>	<u>94,695,692</u>	<u>123,563,833</u>	<u>37,815,765</u>	<u>19,478,017</u>	<u>11,085,943</u>	<u>17,802,503</u>	<u>43,057,818</u>	<u>1,932,799</u>	<u>9,599,709</u>	<u>810,954,893</u>
<b>Investments</b>												
Investment pools												
Core Plus Bonds	236,900,453	201,759,277	55,277,748	44,488,560	22,869,392	9,896,053	6,125,460	5,896,279	-	1,322,584	7,976,995	592,512,801
U.S. Large Cap Active	73,157,642	-	71,204,587	26,995,184	29,966,894	26,844,306	10,726,041	7,314,317	-	1,825,432	-	248,034,403
U.S. Small/Mid Cap Active	496,719,273	-	127,666,631	48,613,034	53,208,812	48,797,610	19,260,169	13,021,209	-	3,213,011	-	810,499,749
Non-U.S. Developed Markets Index	63,658,087	-	12,171,580	4,270,068	5,334,398	4,400,894	1,869,157	818,741	-	324,693	-	92,867,618
Non-U.S. Emerging Markets Index	343,543,982	-	33,267,716	12,289,485	15,147,933	11,889,070	4,891,395	3,265,241	-	732,245	-	425,027,067
Non-U.S. Developed Markets Active	31,121,175	-	-	-	-	-	-	-	-	-	-	31,121,175
Non-U.S. Emerging Markets Active	13,288,744	-	95,326,806	37,628,351	37,668,416	36,165,694	15,229,080	9,705,870	-	2,351,353	-	247,364,314
Non-U.S. Developed Alternative Weighted Index	152,788,006	-	40,304,559	14,775,548	15,527,771	10,976,903	5,780,545	4,136,107	-	946,824	-	245,236,263
Short-term Duration Fixed Income	-	775,612,492	26,253,320	48,750,688	10,097,413	4,205,689	2,688,713	2,614,122	-	1,192,431	3,082,320	118,958,814
National Private Equity	245,777,311	-	94,772,970	20,454,108	39,005,977	56,890,068	51,452,870	10,289,429	-	8,471,616	-	527,114,349
Private Debt Market	261,236,109	656,240,969	184,639,700	90,071,848	75,890,418	55,102,712	16,022,935	20,084,859	-	2,618,138	8,636,428	1,370,544,116
Real Estate	151,300,396	326,391,225	62,352,699	19,649,148	26,181,585	43,675,995	29,562,546	6,900,952	-	4,898,183	-	670,912,689
Real Return	95,390,834	-	93,748,614	45,070,249	39,909,533	45,091,938	30,546,168	10,232,713	-	5,051,957	-	365,042,006
Core Bonds	385,262,124	223,659,727	39,774,799	49,160,050	15,214,224	6,664,218	4,085,919	3,928,566	-	930,485	-	728,680,112
Beta Overlay	-	-	-	-	-	-	-	-	-	-	-	-
US SMID Cap Alternative Weighted Index	41,045,233	-	4,098,749	1,271,509	1,706,030	1,787,083	627,387	856,937	-	-	-	51,392,928
Total investments	<u>2,591,189,329</u>	<u>2,183,663,690</u>	<u>989,770,339</u>	<u>482,282,030</u>	<u>407,124,158</u>	<u>380,371,911</u>	<u>206,522,825</u>	<u>104,114,184</u>	<u>43,057,818</u>	<u>33,878,952</u>	<u>19,695,743</u>	<u>7,398,613,161</u>
Total assets	<u>\$ 2,762,946,196</u>	<u>\$ 2,463,829,637</u>	<u>\$ 1,084,466,031</u>	<u>\$ 605,845,863</u>	<u>\$ 444,939,923</u>	<u>\$ 399,849,928</u>	<u>\$ 217,608,768</u>	<u>\$ 121,916,687</u>	<u>\$ 43,057,818</u>	<u>\$ 35,811,751</u>	<u>\$ 29,295,452</u>	<u>\$ 8,209,568,054</u>
<b>LIABILITIES</b>												
Due to brokers	\$ 59,564,033	\$ 128,567,688	\$ 15,847,920	\$ 15,783,808	\$ 6,462,769	\$ 2,814,809	\$ 1,739,725	\$ 1,664,936	\$ -	\$ 314,500	\$ 2,105,684	\$ 234,865,872
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Due to other state entities	-	-	-	-	-	-	-	-	-	-	-	-
Receipts held for the benefit of others	-	-	-	-	12,000,000	-	-	-	-	-	-	12,000,000
Total liabilities	<u>59,564,033</u>	<u>128,567,688</u>	<u>15,847,920</u>	<u>15,783,808</u>	<u>18,462,769</u>	<u>2,814,809</u>	<u>1,739,725</u>	<u>1,664,936</u>	<u>-</u>	<u>314,500</u>	<u>2,105,684</u>	<u>246,865,872</u>
RESTRICTED FUND BALANCE	<u>2,703,382,163</u>	<u>2,335,261,949</u>	<u>1,068,618,111</u>	<u>590,062,055</u>	<u>426,477,154</u>	<u>397,035,119</u>	<u>215,869,043</u>	<u>120,251,751</u>	<u>43,057,818</u>	<u>35,497,251</u>	<u>27,189,768</u>	<u>7,962,702,182</u>
Total liabilities and restricted fund balance	<u>\$ 2,762,946,196</u>	<u>\$ 2,463,829,637</u>	<u>\$ 1,084,466,031</u>	<u>\$ 605,845,863</u>	<u>\$ 444,939,923</u>	<u>\$ 399,849,928</u>	<u>\$ 217,608,768</u>	<u>\$ 121,916,687</u>	<u>\$ 43,057,818</u>	<u>\$ 35,811,751</u>	<u>\$ 29,295,452</u>	<u>\$ 8,209,568,054</u>

**State of New Mexico Investment Council – Investment Office**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**– Governmental Nonmajor Funds**  
**Year Ended June 30, 2025**

	Nonmajor Funds											Total Nonmajor Funds
	Fund 40240	Fund 20950 <i>Previous Major Fund</i>	Fund 33720	Fund 33730	Fund 95200	Fund 33920	Fund 10120	Fund 33910	Fund 01220	Fund 20940	Fund 33740 Workforce Development and Apprenticeship Trust Fund	
	External Investment Trust Funds	Tax Stabilization Reserve Fund	Higher Education Trust Fund	Capital Development and Reserve Fund	Tobacco Settlement Permanent Fund	Conservation Legacy Permanent Fund	Water Trust Fund	Opioid Settlement Restricted Fund	Medicaid Trust Fund	Rural Libraries Endowment Fund		
<b>REVENUES</b>												
Tobacco settlement proceeds	\$ -	\$ -	\$ -	\$ -	\$ 25,564,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,564,441
Contributions from external investment trust funds	319,169,814	-	-	-	-	-	-	-	-	-	-	319,169,814
Investment earnings												
Interest and dividends	69,267,031	91,939,794	29,128,297	17,680,325	11,221,065	10,185,969	5,261,842	2,857,871	-	870,619	1,197,513	239,610,326
Net change in fair value of investments	196,011,913	65,884,022	86,985,158	39,008,600	33,526,890	32,546,907	15,526,586	8,332,844	-	2,514,855	1,014,339	481,352,114
Total revenues	<u>584,448,758</u>	<u>157,823,816</u>	<u>116,113,455</u>	<u>56,688,925</u>	<u>70,312,396</u>	<u>42,732,876</u>	<u>20,788,428</u>	<u>11,190,715</u>	<u>-</u>	<u>3,385,474</u>	<u>2,211,852</u>	<u>1,065,696,695</u>
<b>EXCESS OF REVENUES</b>												
UNDER EXPENDITURES	584,448,758	157,823,816	116,113,455	56,688,925	70,312,396	42,732,876	20,788,428	11,190,715	-	3,385,474	2,211,852	1,065,696,695
<b>OTHER FINANCING SOURCES (USES)</b>												
Distributions to external investment trust funds	(168,482,005)	-	-	-	-	-	-	-	-	-	-	(168,482,005)
Reversion to Higher Education Trust Fund	-	-	31,950,000	-	-	-	-	-	-	-	-	31,950,000
Distributions to beneficiaries of Higher Education Trust Fund	-	-	(47,950,000)	-	-	-	-	-	-	-	-	(47,950,000)
Contribution from State General Fund to Capital Development Reserve Fund	-	-	-	81,600,000	-	-	-	-	-	-	-	81,600,000
Distributions to beneficiaries of Capital Development and Reserve Fund	-	-	-	(23,805,881)	-	-	-	-	-	-	-	(23,805,881)
Distributions to State General Fund from Tobacco Settlement Permanent Fund	-	-	-	-	(12,577,186)	-	-	-	-	-	-	(12,577,186)
Contribution from State General Fund to Conservation Legacy Permanent Fund	-	-	-	-	-	300,000,000	-	-	-	-	-	300,000,000
Contribution from State General Fund to Water Trust Fund	-	-	-	-	-	-	50,000,000	-	-	-	-	50,000,000
Distributions to beneficiaries of the Water Permanent Fund	-	-	-	-	-	-	(4,000,000)	-	-	-	-	(4,000,000)
Opioid Settlement Proceeds	-	-	-	-	-	-	-	17,252,776	-	-	-	17,252,776
Distribution to beneficiaries of Opioid Settlement Restricted Fund	-	-	-	-	-	-	-	(3,934,495)	-	-	-	(3,934,495)
Contribution from State General Fund to Medicaid Trust Fund	-	-	-	-	-	-	-	-	43,057,818	-	-	43,057,818
Distributions to beneficiaries of Rural Library Endowment Fund	-	-	-	-	-	-	-	-	-	(771,775)	-	(771,775)
Contribution from State General Fund to Workforce Development and Apprenticeship Trust Fund	-	-	-	-	-	-	-	-	-	-	30,000,000	30,000,000
Distributions to beneficiaries of Workforce Development and Apprenticeship Trust Fund	-	-	-	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Interfund transfers out	(2,329,296)	(1,558,187)	(1,029,286)	(538,616)	(395,063)	(319,786)	(155,032)	(100,106)	-	(25,921)	(22,084)	(6,473,377)
Transfer between major and nonmajor funds in (out)	-	2,178,996,320	-	-	-	-	-	-	-	-	-	2,178,996,320
Net other financing sources (uses)	<u>(170,811,301)</u>	<u>2,177,438,133</u>	<u>(17,029,286)</u>	<u>57,255,503</u>	<u>(12,972,249)</u>	<u>299,680,214</u>	<u>45,844,968</u>	<u>13,218,174</u>	<u>43,057,818</u>	<u>(797,696)</u>	<u>24,977,916</u>	<u>2,459,862,194</u>
<b>CHANGE IN FUND BALANCE</b>	413,637,457	2,335,261,949	99,084,169	113,944,428	57,340,147	342,413,090	66,633,396	24,408,889	43,057,818	2,587,778	27,189,768	3,525,558,889
<b>FUND BALANCE</b>												
Beginning of year	2,289,744,706	-	969,533,942	476,117,627	369,137,007	54,622,029	149,235,647	95,842,862	-	32,909,473	-	4,437,143,293
End of year	<u>\$ 2,703,382,163</u>	<u>\$ 2,335,261,949</u>	<u>\$ 1,068,618,111</u>	<u>\$ 590,062,055</u>	<u>\$ 426,477,154</u>	<u>\$ 397,035,119</u>	<u>\$ 215,869,043</u>	<u>\$ 120,251,751</u>	<u>\$ 43,057,818</u>	<u>\$ 35,497,251</u>	<u>\$ 27,189,768</u>	<u>\$ 7,962,702,182</u>

**State of New Mexico Investment Council – Investment Office**  
**Changes in Land Grant Permanent Fund Held for Beneficiaries – Exhibit 1**  
**Year Ended June 30, 2025**

Beneficiary	Balance June 30, 2024	State Land Office Transfers	Distributions to Beneficiaries	Other Increases In Capital Accounts, Net	Balance June 30, 2025	Participation Percentage June 30, 2025
Carrie Tingley Hospital	\$ 279,335	\$ -	\$ (10,480)	\$ 28,995	\$ 297,850	0.00082%
Charitable, Penal and Reform	166,415,126	1,195,882	(6,262,219)	17,334,885	178,683,674	0.49041%
Public Schools	28,280,433,164	2,238,849,171	(1,349,820,346)	3,005,538,488	32,175,000,477	88.30647%
Eastern New Mexico University	16,080,387	29,363	(604,499)	1,672,776	17,178,027	0.04715%
Improvements to the Rio Grande	45,838,040	95,853	(1,722,454)	4,766,574	48,978,013	0.13442%
Miners' Colfax Medical Center	187,206,338	1,706,465	(7,051,830)	19,526,936	201,387,909	0.55272%
New Mexico Boys School	1,099,420	-	(41,246)	114,112	1,172,286	0.00322%
New Mexico Highlands University	5,214,130	25,663	(196,199)	543,029	5,586,623	0.01533%
New Mexico Institute of Mining and Technology	40,479,332	564,774	(1,526,822)	4,232,488	43,749,772	0.12007%
New Mexico Military Institute	757,246,685	19,466,396	(28,628,188)	79,362,101	827,446,994	2.27098%
New Mexico School for the Deaf	434,084,467	7,438,518	(16,390,201)	45,407,579	470,540,363	1.29143%
New Mexico School for the Blind and Visually Impaired	433,362,284	7,459,548	(16,363,565)	45,333,933	469,792,200	1.28938%
New Mexico State Hospital	93,992,269	9,498,960	(3,621,916)	10,111,825	109,981,138	0.30185%
New Mexico State University	105,006,230	9,018,853	(4,028,190)	11,217,708	121,214,601	0.33268%
Northern New Mexico Community College	4,275,790	25,727	(160,998)	445,641	4,586,160	0.01259%
Penitentiary of New Mexico	487,856,865	43,928,202	(18,727,416)	52,238,818	565,296,469	1.55149%
Public Buildings-Capitol	491,032,332	70,769,190	(19,201,981)	53,800,461	596,400,002	1.63686%
The University of New Mexico	320,442,633	17,246,120	(12,210,955)	33,992,107	359,469,905	0.98659%
The University of New Mexico Saline Lands	10,497,053	495,823	(400,294)	1,111,202	11,703,784	0.03212%
Water Reservoirs	207,018,899	755,672	(7,781,493)	21,535,177	221,528,255	0.60800%
Western New Mexico University	5,239,846	25,665	(197,164)	545,698	5,614,045	0.01541%
<b>Total Beneficiaries</b>	<b>\$ 32,093,100,625</b>	<b>\$ 2,428,595,845</b>	<b>\$ (1,494,948,456)</b>	<b>\$ 3,408,860,533</b>	<b>\$ 36,435,608,547</b>	<b>100.00000%</b>

**State of New Mexico Investment Council – Investment Office**  
**Detail of Interagency Transfers – Exhibit 2 (1 of 2)**  
**Year Ended June 30, 2025**

Agency Initiating Transfer/Fund	Transferring Business Unit/Fund	Agency Receiving Transfer/Fund	Receiving Business Unit/Fund
State Land Office	53900/09800	State Investment Office/ Land Grant Permanent Fund	33700/60100
A total of \$2,428,595,845 was received from the State Land Office in fiscal year 2025. Funds transferred are from royalties and principal from land sales generated by the State Land Office (see Note 1).			
State Treasurer's Office/ Severance Tax Bonding Fund	39400/41000	State Investment Council Severance Tax Permanent Fund	33700/60200
A total of \$1,348,513,104 was transferred from the Severance Tax Bonding Fund in 2025. Funds transferred are remaining severance tax revenues after paying Severance Tax Bonding debt service (see Note 1).			
State Investment Office/ Land Grant Permanent Fund	33700/60100	Land Grant Permanent Fund LGPF Beneficiaries	Various
A total of \$1,494,948,456 was distributed in fiscal year 2025 to the beneficiaries of the Land Grant Permanent Fund (see Note 1).			
State Investment Office Severance Tax Permanent Fund	33700/60200	Department of Finance and Administration/ State General Fund	34101/85300
A total of \$332,786,904 was distributed in fiscal year 2025 to the beneficiaries of the Severance Tax Permanent Fund (see Note 1).			
New Mexico Attorney General Tobacco Settlement Proceeds	Wire Received	State Investment Office/ Tobacco Settlement Permanent Fund	33700/95200
A total of \$26,564,441 was received in fiscal year 2025 for the Tobacco Settlement Permanent Fund's portion of the Tobacco Settlement proceeds (see Note 1).			
State Investment Office/ Tobacco Settlement Permanent Fund	33700/95200	Department of Finance and Administration Tobacco Settlement Program Fund	34100/69700
A total of \$12,577,186 was distributed in fiscal year 2025 to the Tobacco Settlement Program Fund (see Note 1).			
Department of Finance and Administration/ Federal Taylor Grazing	34100/73800	State Investment Office/ Land Grant Permanent Fund	33700/60100
A total of \$364,436 was posted as a receivable from the Department of Finance and Administration for fiscal year 2025. Funds are a distribution per the Federal Taylor Grazing Act.			
State Investment Office/ Early Childhood Education and Care Fund	33700/43240	Early Childhood Education and Care Dept Early Childhood Education and Care Fund	61100/20790
A transfer of \$250,000,000 from the Early Childhood Education and Care Fund to the Early Childhood Education and Care Department per HB83.			
State General Fund/ Federal Mineral Leasing Fund	34101/85100	State Investment Office/ Early Childhood Education and Care Fund	33700/43240
A total of \$805,926,016 was accrued from the State General Fund per 6-4-27 NMSA 1978 which requires DFA to transfer Federal Mineral Leasing receipts that exceed the 5-year average.			
State General Fund/ Excess Extraction Tax Suspense Fund	34101/20730	State Investment Office/ Early Childhood Education and Care Fund	33700/43240
A total of \$436,174,148 was accrued from the State General Fund per 6-4-27 NMSA 1978 which requires excess emergency oil & gas revenues to be transferred to the Early childhood education and care fund when state reserves exceed 25%.			
State Investment Office/ Water Trust Fund	Via wire transfer	New Mexico Finance Authority Water Projects Fund	Via wire transfer
A total of \$4,000,000 was distributed in fiscal year 2025 to New Mexico Finance Authority's Water Projects Fund.			
State Investment Office/ Rural Library Endowment Fund	33700/20940	Department of Cultural Affairs	50500/59100
A total of \$771,775 was distributed in fiscal year 2025 to Department of Cultural Affairs per SB 264.			

**State of New Mexico Investment Council – Investment Office**  
**Detail of Interagency Transfers – Exhibit 2 (2 of 2)**  
**Year Ended June 30, 2025**

---

Agency Initiating Transfer/Fund	Transferring Business Unit/Fund	Agency Receiving Transfer/Fund	Receiving Business Unit/Fund
State Investment Office/ Opioid Settlement Restricted Fund A total of \$3,934,495 was distributed in FY25 to the Opioid Crisis Recovery Fund from the Opioid Settlement Restricted Fund per HB2.	33700/33910	Department of Finance and Administration Opioid Crisis Recovery Fund	34100/34110
State General Fund/ Appropriation Account Fund A total of \$300,000,000 was transferred from the State General Fund to the Conservation Legacy Permanent Fund per HB2.	34101/85300	State Investment Office/ Conservation Legacy Permanent Fund	33700/33920
State Treasurer's Office/ Severance Tax Bonding Fund A total of \$81,600,000 was transferred from the State Treasurer's Office to the Capital Development & Reserve Fund per HB253.	39400/41000	State Investment Office/ Capital Development & Reserve Fund	33700/33730
State Treasurer's Office/ Severance Tax Bonding Fund A total of \$23,805,881 was distributed in FY25 to Capital Development Program Fund per HB253.	39400/41000	State Investment Office/ Capital Development & Reserve Fund	33700/33730

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (1 of 14)**  
**Year Ended June 30, 2025**

Participants - Credit Plus Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 465,885	\$ -	\$ 50,000	\$ 39,116	\$ 555,001
City of Rio Rancho Permanent Fund	4,757,220	(153,664)	650,000	397,502	5,651,058
Clovis Community College Foundation Fund	375,916	-	-	29,745	405,661
CNM ECECD Higher Education Endowment	638,191	-	-	50,497	688,688
CNM Endowed Faculty in Nursing	1,675,302	-	-	132,559	1,807,861
CNM Endowment Funds	1,258,083	(29,423)	-	98,562	1,327,222
CNM General Funds	7,315,038	-	-	578,806	7,893,844
CNM Teacher Education Faculty Fellowship Endowment	1,118,079	-	-	88,469	1,206,548
CYFD - Next Generation Fund	1,014,938	-	-	80,307	1,095,245
CYFD - Trust Fund Non-Expendable	3,307,321	-	-	261,693	3,569,014
Eastern New Mexico University	9,816,100	-	750,000	804,708	11,370,808
Interstate Stream Commission - Improvement to the Rio Grande	1,000,627	-	-	79,175	1,079,802
Interstate Stream Commission - Irrigation Works Construction	7,077,822	-	-	560,036	7,637,858
Interstate Stream Commission-NM Unit Fund	26,842,874	-	-	2,123,954	28,966,828
John R. Carver Testamentary Trust	292,192	-	-	23,120	315,312
Los Alamos County - Cemetery	343,242	-	44,040	28,185	415,467
Los Alamos County - General Fund	7,029,505	-	978,298	578,993	8,586,796
Los Alamos County - Permanent	9,515,591	-	1,220,906	781,355	11,517,852
MRGCD Endowment Fund Investments	3,338,727	-	-	264,178	3,602,905
New Mexico Commissioner of Public Lands-O&G	4,413,731	-	11,311,611	835,714	16,561,056
New Mexico Highlands University - Endowment Fund	1,258,845	(666,102)	305,306	60,292	958,341
New Mexico Highlands University Foundation	1,452,242	-	1,442,863	145,524	3,040,629
New Mexico Military Institute - Capital Operations	954,672	(22,091)	37,752	76,446	1,046,779
New Mexico Military Institute - Capital Outlay	1,198,607	(27,736)	47,399	95,979	1,314,249
New Mexico Military Institute - Legislative Scholarship	8,185,856	(776,125)	334,036	646,390	8,390,157
New Mexico Military Institute - LFC/VC	3,818,594	(142,353)	152,060	304,943	4,133,244
New Mexico Military Institute - Patterson Account	3,334,650	(507,814)	131,868	256,969	3,215,673
New Mexico Military Institute - Trust Scholarship	4,214,770	(97,531)	166,672	337,501	4,621,412
New Mexico School for the Blind and Visually Impaired	4,407,353	(258,914)	-	344,566	4,493,005
New Mexico Small Business Investment Corporation	10,093,191	-	-	798,628	10,891,819
New Mexico Tech - Employee Benefits Account	-	-	1,116,758	44,288	1,161,046
New Mexico Tech - Endowment Fund	-	(100,247)	18,331,562	798,674	19,029,989
New Mexico Tech - Foundation Enhanced	70,387	(6,452)	9,500	5,580	79,015
New Mexico Tech - Foundation Fund	3,479,411	(515,111)	1,561,269	320,587	4,846,156
New Mexico Tech - Foundation Restricted	3,326,975	(32,039)	1,567,151	327,024	5,189,111
New Mexico Tech - Plant/Debt/Allocated Fund	-	-	10,725,810	465,099	11,190,909
New Mexico Tech - Proceeds from ABQ Building Sale	-	(217,643)	212,520	5,123	-
NMHU SWEN Endowment	4,310,016	(55,297)	-	338,607	4,593,326
NMMFA - IFT Housing	5,845,609	(834,057)	1,237,208	507,095	6,755,855
NMMFA General Fund	13,584,263	-	-	1,074,861	14,659,124
NMPSIA - Benefits	10,154,325	(8,000,000)	-	494,900	2,649,225
NMPSIA - Risk	10,689,542	-	425,000	860,994	11,975,536
Office of the Superintendent of Insurance	29,022,633	-	-	2,296,428	31,319,061
San Juan College Foundation	2,190,510	(43,896)	-	172,303	2,318,917
Springer Municipal School District	33,177	-	-	2,628	35,805
Western New Mexico University	2,134,390	-	-	168,885	2,303,275
<b>Total Participants - Core Plus Bonds Pool</b>	<b>\$ 215,356,402</b>	<b>\$ (12,486,495)</b>	<b>\$ 52,809,589</b>	<b>\$ 18,786,988</b>	<b>\$ 274,466,484</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (2 of 14)**  
**Year Ended June 30, 2025**

---

Participants - U.S. Large Cap. Active Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 454,812	\$ (50,000)	\$ -	\$ 60,828	\$ 465,640
City of Las Cruces	14,619,247	-	-	2,103,291	16,722,538
Clovis Community College Foundation Fund	443,438	(150,000)	-	49,978	343,416
CYFD - Next Generation Fund	1,031,645	-	-	148,424	1,180,069
CYFD - Trust Fund Non-Expendable	4,047,672	-	-	582,344	4,630,016
Interstate Stream Commission - Improvement to the Rio Grande	2,910,324	-	-	418,712	3,329,036
Interstate Stream Commission - Improvement Works Construction	15,131,558	-	-	2,176,998	17,308,556
Los Alamos County - Cemetery	324,693	(30,592)	-	43,481	337,582
Los Alamos County - General Fund	4,274,104	(483,051)	-	563,875	4,354,928
Los Alamos County - Permanent	9,001,377	(848,094)	-	1,205,419	9,358,702
New Mexico Commissioner of Public Lands-O&G	12,572,298	(6,045,266)	-	1,429,514	7,956,546
New Mexico Tech - Foundation Fund	-	-	-	-	-
New Mexico Tech - Foundation Restricted	-	-	-	-	-
Office of the Superintendent of Insurance	1,809,884	-	-	260,391	2,070,275
San Juan College Foundation	5,033,239	(107,431)	-	712,786	5,638,594
	<u>\$ 71,654,291</u>	<u>\$ (7,714,434)</u>	<u>\$ -</u>	<u>\$ 9,756,041</u>	<u>\$ 73,695,898</u>
Total Participants - U.S. Large Cap. Active Pool	<u>\$ 71,654,291</u>	<u>\$ (7,714,434)</u>	<u>\$ -</u>	<u>\$ 9,756,041</u>	<u>\$ 73,695,898</u>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (3 of 14)**  
**Year Ended June 30, 2025**

Participants - U.S. Large Cap. Index Fund	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 465,299	\$ (75,000)	\$ -	\$ 65,424	\$ 455,723
City of Las Cruces	10,143,159	-	-	1,586,120	11,729,279
City of Rio Rancho Permanent Fund	3,719,083	(250,000)	1,128,782	652,360	5,250,225
Clovis Community College Foundation Fund	353,796	(150,000)	-	40,651	244,447
CNM ECECD Higher Education Endowment	310,182	-	-	48,504	358,686
CNM Endowed Faculty in Nursing	814,877	-	-	127,425	942,302
CNM Endowment Funds	611,995	(14,516)	-	95,243	692,722
CNM General Funds	3,558,410	-	-	556,441	4,114,851
CNM Teacher Education Faculty Fellowship Endowment	543,831	-	-	85,041	628,872
Eastern New Mexico University	19,926,898	-	1,250,000	3,231,800	24,408,698
Interstate Stream Commission-NM Unit Fund	26,441,827	-	-	4,134,798	30,576,625
John R. Carver Testamentary Trust	659,425	(60,000)	-	99,453	698,878
Los Alamos County - Cemetery	397,825	(32,085)	-	58,649	424,389
Los Alamos County - General Fund	3,270,773	(455,868)	-	460,879	3,275,784
Los Alamos County - Permanent	11,028,800	(889,487)	-	1,625,914	11,765,227
MRGCD Endowment Fund Investments	1,551,098	-	-	242,550	1,793,648
New Mexico Commissioner of Public Lands-O&G	11,797,959	(5,266,346)	-	1,523,292	8,054,905
New Mexico Highlands University - Endowment Fund	5,259,701	(2,627,325)	1,348,920	564,622	4,545,918
New Mexico Highlands University Foundation	5,566,301	(1,051,625)	1,319,021	901,864	6,735,561
New Mexico Military Institute - Capital Operations	1,073,280	(50,101)	17,573	167,144	1,207,896
New Mexico Military Institute - Capital Outlay	1,347,520	(62,903)	22,064	209,853	1,516,534
New Mexico Military Institute - Legislative Scholarship	9,221,964	(1,058,210)	150,564	1,404,539	9,718,857
New Mexico Military Institute - LFC/VC	4,294,982	(258,359)	70,279	665,955	4,772,857
New Mexico Military Institute - Patterson Account	3,748,945	(638,563)	53,455	563,612	3,727,449
New Mexico Military Institute - Trust Scholarship	4,738,409	(221,190)	77,584	737,924	5,332,727
New Mexico Retiree Health Care Authority	278,988,770	(60,000,000)	15,400,000	38,509,043	272,897,813
New Mexico School for the Blind and Visually Impaired	2,680,856	(154,210)	-	411,413	2,938,059
New Mexico Tech - Employee Benefit Trust	767,385	(311,853)	319,432	94,684	869,648
New Mexico Tech - Endowment Fund	20,397,098	(8,295,923)	156,230	2,260,717	14,518,122
New Mexico Tech - Foundation Fund	4,879,749	(1,696,435)	-	576,351	3,759,665
New Mexico Tech - Foundation Restricted	4,860,214	(1,710,401)	218,765	581,514	3,950,092
New Mexico Tech - NMTURPC- Operating Growth Investment	414,041	(34,667)	-	61,354	440,728
New Mexico Tech - Plant/Debt/Allocated Fund	5,749,279	(2,336,412)	4,074,737	1,085,194	8,572,798
New Mexico Tech - Proceeds from ABQ Building Sale	244,368	(263,669)	-	19,301	-
NMHU SWEN Endowment	5,050,157	(64,461)	-	782,399	5,768,095
NMMFA General Fund	5,654,602	(620,000)	-	811,324	5,845,926
NMPSIA - Benefits	5,518,512	(4,475,000)	-	551,889	1,595,401
NMPSIA - Risk	5,309,841	(250,000)	1,300,000	932,225	7,292,066
Office of the Superintendent of Insurance	21,868,674	-	-	3,419,679	25,288,353
Springer Municipal School District	83,012	-	-	12,981	95,993
Western New Mexico University	2,959,033	-	-	462,714	3,421,747
<b>Total Participants - U.S. Large Cap. Index Fund</b>	<b>\$ 496,271,930</b>	<b>\$ (93,374,609)</b>	<b>\$ 26,907,406</b>	<b>\$ 70,422,839</b>	<b>\$ 500,227,566</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (4 of 14)**  
**Year Ended June 30, 2025**

Participants - U.S. Small/Mid Cap. Active Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 131,991	\$ -	\$ -	\$ 10,459	\$ 142,450
City of Las Cruces	9,845,209	-	-	780,160	10,625,369
City of Rio Rancho Permanent Fund	-	-	209,086	9,823	218,909
Clovis Community College Foundation Fund	129,814	-	-	10,287	140,101
CYFD - Next Generation Fund	52,597	-	-	4,168	56,765
CYFD - Trust Fund Non-Expendable	175,324	-	-	13,893	189,217
Eastern New Mexico University	3,720,125	-	250,000	292,729	4,262,854
Interstate Stream Commission-NM Unit Fund	6,208,418	-	-	491,971	6,700,389
Los Alamos County - Cemetery	226,699	-	1,900	18,118	246,717
Los Alamos County - General Fund	2,163,380	(209,607)	-	154,429	2,108,202
Los Alamos County - Permanent	6,284,728	-	52,676	502,291	6,839,695
New Mexico Highlands University - Endowment Fund	840,701	(442,240)	221,934	29,824	650,219
New Mexico Highlands University Foundation	1,729,627	(405,323)	1,319,021	228,100	2,871,425
New Mexico Military Institute - Capital Operations	294,396	(2,838)	26,582	24,833	342,973
New Mexico Military Institute - Capital Outlay	369,621	(3,563)	33,374	31,178	430,610
New Mexico Military Institute - Legislative Scholarship	2,528,981	(205,480)	228,097	205,049	2,756,647
New Mexico Military Institute - LFC/VC	1,178,030	(28,032)	106,342	98,608	1,354,948
New Mexico Military Institute - Patterson Account	1,028,322	(144,101)	85,312	87,610	1,057,143
New Mexico Military Institute - Trust Scholarship	1,299,729	(12,528)	117,355	109,634	1,514,190
New Mexico School for the Blind and Visually Impaired	1,133,090	(61,824)	-	86,884	1,158,150
New Mexico Tech - Employee Benefit Trust	163,807	(15,919)	112,741	2,970	263,599
New Mexico Tech - Endowment Fund	4,310,693	(411,992)	55,140	331,969	4,285,810
New Mexico Tech - Foundation Fund	-	(128,778)	1,277,381	(10,947)	1,137,656
New Mexico Tech - Foundation Restricted	-	(33,727)	1,239,989	(12,959)	1,193,303
New Mexico Tech - NMTURPC- Operating Growth Investment	88,382	(7,636)	-	6,952	87,698
New Mexico Tech - Plant/Debt/Allocated Fund	1,227,252	(119,265)	1,430,960	87,749	2,626,696
New Mexico Tech - Proceeds from ABQ Building Sale	51,931	(55,641)	-	3,710	-
NMHU SWEN Endowment	1,836,139	(25,475)	-	145,701	1,956,365
NMMFA General Fund	606,359	-	-	48,049	654,408
Office of the Superintendent of Insurance	5,082,397	-	-	402,742	5,485,139
San Juan College Foundation	2,347,714	(51,362)	-	181,872	2,478,224
Springer Municipal School District	74,954	-	-	5,940	80,894
<b>Total Participants - U.S. Small/Mid Cap. Active Pool</b>	<b>\$ 55,130,410</b>	<b>\$ (2,365,331)</b>	<b>\$ 6,767,890</b>	<b>\$ 4,383,796</b>	<b>\$ 63,916,765</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (5 of 14)**  
**Year Ended June 30, 2025**

Participants - Non-U.S. Developed Markets Index Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 244,065	\$ -	\$ -	\$ 47,384	\$ 291,449
City of Las Cruces	4,334,252	-	-	841,480	5,175,732
Clovis Community College Foundation Fund	240,832	-	-	46,757	287,589
CYFD - Next Generation Fund	428,630	-	-	83,217	511,847
CYFD - Trust Fund Non-Expendable	1,536,064	-	-	298,222	1,834,286
Eastern New Mexico University	3,154,465	-	225,000	643,343	4,022,808
Interstate Stream Commission-NM Unit Fund	12,770,755	-	-	2,479,399	15,250,154
Los Alamos County - Cemetery	174,444	-	12,791	35,681	222,916
Los Alamos County - General Fund	1,938,120	-	74,439	386,832	2,399,391
Los Alamos County - Permanent	4,836,089	-	354,609	989,179	6,179,877
New Mexico Highlands University - Endowment Fund	340,672	(180,377)	83,845	41,383	285,523
New Mexico Highlands University Foundation	956,798	-	1,852,227	352,034	3,161,059
New Mexico Military Institute - Capital Operations	317,891	(22,470)	14,781	63,361	373,563
New Mexico Military Institute - Capital Outlay	399,117	(28,211)	18,558	79,551	469,015
New Mexico Military Institute - Legislative Scholarship	2,729,114	(388,425)	126,749	537,309	3,004,747
New Mexico Military Institute - LFC/VC	1,271,865	(107,893)	59,136	252,895	1,476,003
New Mexico Military Institute - Patterson Account	1,110,389	(218,738)	51,631	208,836	1,152,118
New Mexico Military Institute - Trust Scholarship	1,403,456	(99,202)	65,258	279,733	1,649,245
New Mexico Retiree Health Care Authority	199,772,116	-	15,400,000	40,047,828	255,219,944
New Mexico School for the Blind and Visually Impaired	2,241,936	(136,575)	-	430,635	2,535,996
New Mexico Tech - Employee Benefit Trust	543,900	(151,468)	281,851	132,923	807,206
New Mexico Tech - Endowment Fund	14,561,973	(4,878,040)	137,850	2,226,868	12,048,651
New Mexico Tech - Foundation Fund	3,804,779	(1,068,762)	-	594,805	3,330,822
New Mexico Tech - Foundation Restricted	3,699,690	(1,154,174)	193,028	595,342	3,333,886
New Mexico Tech - NMTURPC- Operating Growth Investment	293,462	(25,091)	-	52,885	321,256
New Mexico Tech - Plant/Debt/Allocated Fund	4,074,924	(1,134,806)	3,584,275	1,093,253	7,617,646
New Mexico Tech - Proceeds from ABQ Building Sale	172,398	(181,347)	-	8,949	-
NMHU SWEN Endowment	2,924,432	(38,103)	-	563,105	3,449,434
NMMFA General Fund	737,967	-	1,745,507	299,968	2,783,442
Office of the Superintendent of Insurance	2,612,050	-	-	507,120	3,119,170
San Juan College Foundation	3,220,156	(64,174)	-	616,085	3,772,067
Springer Municipal School District	64,454	-	-	12,513	76,967
<b>Total Participants - Non-U.S. Developed Markets Index Pool</b>	<b>\$ 276,911,255</b>	<b>\$ (9,877,856)</b>	<b>\$ 24,281,535</b>	<b>\$ 54,848,875</b>	<b>\$ 346,163,809</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (6 of 14)**  
**Year Ended June 30, 2025**

Participants - Non-U.S. Emerging Markets Index Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
City of Rio Rancho Permanent Fund	\$ 626,266	\$ (85,772)	\$ 58,800	\$ 95,563	\$ 694,857
CNM ECECD Higher Education Endowment	67,470	-	-	10,492	77,962
CNM Endowed Faculty in Nursing	177,078	-	-	27,537	204,615
CNM Endowment Funds	133,007	(3,196)	-	20,252	150,063
CNM General Funds	773,400	-	-	120,269	893,669
CNM Teacher Education Faculty Fellowship Endowment	118,186	-	-	18,379	136,565
CYFD - Next Generation Fund	196,419	-	-	30,544	226,963
CYFD - Trust Fund Non-Expendable	632,978	-	-	98,433	731,411
Eastern New Mexico University	350,374	-	25,000	57,614	432,988
Los Alamos County - Cemetery	43,897	-	3,946	7,292	55,135
Los Alamos County - General Fund	934,452	-	95,790	156,610	1,186,852
Los Alamos County - Permanent	1,216,962	-	109,388	202,146	1,528,496
New Mexico Highlands University - Endowment Fund	162,537	(83,956)	39,995	17,649	136,225
New Mexico Highlands University Foundation	1,200,441	(524,955)	1,319,021	277,042	2,271,549
New Mexico Military Institute - Capital Operations	81,538	-	811	12,762	95,111
New Mexico Military Institute - Capital Outlay	102,373	-	1,019	16,022	119,414
New Mexico Military Institute - Legislative Scholarship	699,270	(48,900)	7,693	106,261	764,324
New Mexico Military Institute - LFC/VC	326,156	(4,500)	3,320	50,755	375,731
New Mexico Military Institute - Patterson Account	284,810	(36,597)	3,648	41,157	293,018
New Mexico Military Institute - Trust Scholarship	359,981	-	3,581	56,341	419,903
New Mexico Tech - Employee Benefits Account	-	-	376,460	50,986	427,446
New Mexico Tech - Endowment Fund	-	(461,135)	6,223,693	788,372	6,550,930
New Mexico Tech - Foundation Fund	1,460,406	(171,704)	214,272	237,330	1,740,304
New Mexico Tech - Foundation Restricted	1,600,919	(289,220)	203,413	235,995	1,751,107
New Mexico Tech - Plant/Debt/Allocated Fund	-	-	3,606,868	489,129	4,095,997
New Mexico Tech - Proceeds from ABQ Building Sale	-	(72,624)	72,164	460	-
NMHU SWEN Endowment	2,056,874	(26,077)	-	316,319	2,347,116
NMMFA General Fund	1,084,884	(1,125,508)	-	40,624	-
NMPSIA - Benefits	1,102,414	(925,000)	-	62,751	240,165
NMPSIA - Risk	1,190,697	(150,000)	-	173,878	1,214,575
Office of the Superintendent of Insurance	1,762,556	-	-	274,090	2,036,646
San Juan College Foundation	1,700,518	(33,138)	-	260,535	1,927,915
Springer Municipal School District	51,935	-	-	8,076	60,011
<b>Total Participants - Non-U.S. Emerging Markets Index Pool</b>	<b>\$ 20,498,798</b>	<b>\$ (4,042,282)</b>	<b>\$ 12,368,882</b>	<b>\$ 4,361,665</b>	<b>\$ 33,187,063</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (7 of 14)**  
**Year Ended June 30, 2025**

---

Participant - Private Debt Market Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
New Mexico Retiree Health Care Authority	\$ 226,309,891	\$ -	\$ 16,500,000	\$ 21,158,235	\$ 263,968,126
New Mexico School for the Blind and Visually Impaired	2,048,280	(119,269)	-	179,547	2,108,558
New Mexico Tech - Employee Benefit Trust	135,635	-	330,255	46,656	512,546
New Mexico Tech - Endowment Fund	4,064,141	-	3,601,256	781,176	8,446,573
New Mexico Tech - Foundation Fund	1,486,360	-	680,470	213,031	2,379,861
New Mexico Tech - Foundation Restricted	1,114,321	-	980,711	208,928	2,303,960
New Mexico Tech - NMTURPC- Operating Growth Investment	73,181	-	-	6,581	79,762
New Mexico Tech - Plant/Debt/Allocated Fund	1,016,180	-	3,458,832	489,701	4,964,713
New Mexico Tech - Proceeds from ABQ Building Sale	44,879	(92,310)	43,908	3,523	-
<b>Total Participant - Private Debt Market Pool</b>	<b>\$ 236,292,868</b>	<b>\$ (211,579)</b>	<b>\$ 25,595,432</b>	<b>\$ 23,087,378</b>	<b>\$ 284,764,099</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (8 of 14)**  
**Year Ended June 30, 2025**

---

Participant - Real Return Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
City of Rio Rancho Permanent Fund	\$ -	\$ -	\$ 414,161	\$ 23,967	\$ 438,128
NM Retiree Health Care Authority	76,741,753	-	5,500,000	9,747,681	91,989,434
New Mexico Tech - Employee Benefits Account	-	-	231,217	26,804	258,021
New Mexico Tech - Endowment Fund	-	-	3,780,938	499,568	4,280,506
New Mexico Tech - Foundation Fund	-	-	1,064,484	141,268	1,205,752
New Mexico Tech - Foundation Restricted	-	-	1,033,324	134,286	1,167,610
New Mexico Tech - Plant/Debt/Allocated Fund	-	-	2,224,991	292,154	2,517,145
New Mexico Tech - Proceeds from ABQ Building Sale	-	(46,582)	43,822	2,760	-
<b>Total Participant - Real Return Pool</b>	<b>\$ 76,741,753</b>	<b>\$ (46,582)</b>	<b>\$ 14,292,937</b>	<b>\$ 10,868,488</b>	<b>\$ 101,856,596</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (9 of 14)**  
**Year Ended June 30, 2025**

---

Participant - National Private Equity Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
New Mexico Retiree Health Care Authority	\$ 210,576,349	\$ -	\$ 11,000,000	\$ 16,210,767	\$ 237,787,116
New Mexico Tech - Employee Benefit Trust	251,023	-	214,253	35,179	500,455
New Mexico Tech - Endowment Fund	7,549,518	-	97,822	569,283	8,216,623
New Mexico Tech - Foundation Fund	3,337,576	(1,170,823)	-	148,303	2,315,056
New Mexico Tech - Foundation Restricted	2,370,725	(405,925)	128,685	149,602	2,243,087
New Mexico Tech - NMTURPC- Operating Growth Investment	135,441	-	-	10,109	145,550
New Mexico Tech - Plant/Debt/Allocated Fund	1,880,681	-	2,587,981	360,176	4,828,838
New Mexico Tech - Proceeds from ABQ Building Sale	83,059	(90,553)	5,525	1,969	-
 Total Participant - National Private Equity Pool	 <u>\$ 226,184,372</u>	 <u>\$ (1,667,301)</u>	 <u>\$ 14,034,266</u>	 <u>\$ 17,485,388</u>	 <u>\$ 256,036,725</u>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (10 of 14)**  
**Year Ended June 30, 2025**

---

Participant - Real Estate Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Loss	Balance June 30, 2025
City of Rio Rancho Permanent Fund	\$ -	\$ -	\$ 414,162	\$ 4,927	\$ 419,089
New Mexico Retiree Health Care Authority	134,577,705	-	11,000,000	3,467,431	149,045,136
New Mexico School for the Blind and Visually Impaired	1,550,421	(87,260)	-	36,856	1,500,017
New Mexico Tech - Employee Benefit Trust	110,931	-	119,574	5,422	235,927
New Mexico Tech - Endowment Fund	3,308,383	-	451,265	88,287	3,847,935
New Mexico Tech - Foundation Fund	1,416,343	(360,973)	-	28,695	1,084,065
New Mexico Tech - Foundation Restricted	999,339	(36,789)	64,343	25,119	1,052,012
New Mexico Tech - NMTURPC- Operating Growth Investment	59,851	-	-	1,462	61,313
New Mexico Tech - Plant/Debt/Allocated Fund	831,089	-	1,385,576	43,154	2,259,819
New Mexico Tech - Proceeds from ABQ Building Sale	36,705	(43,605)	6,881	19	-
	<u>\$ 142,890,767</u>	<u>\$ (528,627)</u>	<u>\$ 13,441,801</u>	<u>\$ 3,701,372</u>	<u>\$ 159,505,313</u>
Total Participant - Real Estate Pool	<u>\$ 142,890,767</u>	<u>\$ (528,627)</u>	<u>\$ 13,441,801</u>	<u>\$ 3,701,372</u>	<u>\$ 159,505,313</u>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (11 of 14)**  
**Year Ended June 30, 2025**

---

Participant - Core Bonds Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Loss	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 338,381	\$ -	\$ 75,000	\$ 25,395	\$ 438,776
City of Albuquerque	599,550	(622,295)	-	22,745	-
Clovis Community College Foundation Fund	333,018	-	-	22,127	355,145
MRGCD Endowment Fund Investments	-	-	500,000	6,808	506,808
New Mexico Highlands University Foundation	1,888,813	-	2,643,876	151,714	4,684,403
New Mexico Retiree Health Care Authority	234,425,220	-	112,000,000	19,405,138	365,830,358
New Mexico School for the Blind and Visually Impaired	2,127,326	(124,885)	-	139,275	2,141,716
New Mexico Tech - Employee Benefit Trust	476,320	(494,404)	-	18,084	-
New Mexico Tech - Endowment Fund	12,611,234	(13,090,030)	-	478,796	-
New Mexico Tech - NMTURPC- Operating Growth Investment	256,997	(21,333)	-	16,248	251,912
New Mexico Tech - Plant/Debt/Allocated Fund	3,568,608	(3,704,093)	-	135,485	-
New Mexico Tech - Proceeds from ABQ Building Sale	149,832	(155,521)	-	5,689	-
NMHU SWEN Endowment	6,302,037	(81,145)	-	416,507	6,637,399
Office of the Superintendent of Insurance	16,628,877	-	-	1,104,890	17,733,767
<b>Total Participant - Core Bonds Pools</b>	<b>\$ 279,706,213</b>	<b>\$ (18,293,706)</b>	<b>\$ 115,218,876</b>	<b>\$ 21,948,901</b>	<b>\$ 398,580,284</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (12 of 14)**  
**Year Ended June 30, 2025**

---

Participant - Non-U.S. Emerging Active Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 124,363	\$ -	\$ -	\$ 17,349	\$ 141,712
Clovis Community College Foundation Fund	122,427	-	-	17,079	139,506
NM Interstate Stream Comm. - NM Unit Fund	3,181,999	-	-	443,897	3,625,896
New Mexico Retiree Health Care Authority	120,677,931	-	11,000,000	17,662,142	149,340,073
New Mexico School for the Blind and Visually Impaired	989,733	(57,062)	-	135,446	1,068,117
New Mexico Tech - Employee Benefit Trust	245,783	(249,887)	-	4,104	-
New Mexico Tech - Endowment Fund	6,574,550	(6,684,327)	-	109,777	-
New Mexico Tech - NMTURPC- Operating Growth Investment	132,612	(11,273)	-	17,422	138,761
New Mexico Tech - Plant/Debt/Allocated Fund	1,841,420	(1,872,167)	-	30,747	-
New Mexico Tech - Proceeds from ABQ Building Sale	77,323	(78,614)	-	1,291	-
Office of the Superintendent of Insurance	1,641,368	-	-	228,975	1,870,343
Total Participant - Non-U.S. Emerging Active Pool	<u>\$ 135,609,509</u>	<u>\$ (8,953,330)</u>	<u>\$ 11,000,000</u>	<u>\$ 18,668,229</u>	<u>\$ 156,324,408</u>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (13 of 14)**  
**Year Ended June 30, 2025**

---

Participant - Non-U.S. Developed Active Pool	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 246,744	\$ -	\$ -	\$ 51,590	\$ 298,334
City of Rio Rancho Permanent Fund	1,937,858	(385,078)	151,200	400,721	2,104,701
Clovis Community College Foundation Fund	243,178	-	-	50,844	294,022
CNM ECECD Higher Education Endowment	166,487	-	-	34,809	201,296
CNM Endowed Faculty in Nursing	437,090	-	-	91,388	528,478
CNM Endowment Funds	328,223	(7,983)	-	67,231	387,471
CNM General Funds	1,908,427	-	-	399,018	2,307,445
CNM Teacher Education Faculty Fellowship Endowment	291,706	-	-	60,991	352,697
NMPSIA - Benefits	2,810,219	(2,325,000)	-	227,056	712,275
NMPSIA - Risk	2,724,679	(50,000)	100,000	583,693	3,358,372
Office of the Superintendent of Insurance	2,526,244	-	-	528,193	3,054,437
<b>Total Participant - Non-U.S. Developed Active Pool</b>	<b>\$ 13,620,855</b>	<b>\$ (2,768,061)</b>	<b>\$ 251,200</b>	<b>\$ 2,495,534</b>	<b>\$ 13,599,528</b>

**State of New Mexico Investment Council – Investment Office**  
**External Investment Trust Funds – Exhibit 3 (14 of 14)**  
**Year Ended June 30, 2025**

---

Participant - U.S. SMID Cap Alt Weighted Index	Balance June 30, 2024	Withdrawals	Contributions	Net Investment Income	Balance June 30, 2025
CCC Foundation Bonner Title V Fund	\$ 124,049	\$ -	\$ -	\$ 5,692	\$ 129,741
City of Rio Rancho Permanent Fund	1,194,517	(1,151,677)	-	(42,840)	-
Clovis Community College Foundation Fund	122,426	-	-	5,618	128,044
CNM ECECD Higher Education Endowment	137,569	-	-	6,312	143,881
CNM Endowed Faculty in Nursing	360,505	-	-	16,542	377,047
CNM Endowment Funds	270,940	(6,672)	-	13,237	277,505
CNM General Funds	1,575,356	-	-	72,287	1,647,643
CNM Teacher Education Faculty Fellowship Endowment	240,608	-	-	11,041	251,649
New Mexico Retiree Health Care Authority	31,130,896	-	2,200,000	1,461,323	34,792,219
New Mexico Tech - Foundation Fund	1,087,602	(1,187,698)	-	100,096	-
New Mexico Tech - Foundation Restricted	1,058,360	(1,155,765)	-	97,405	-
NMPSIA - Benefits	1,314,152	(1,275,000)	-	122,895	162,047
NMPSIA - Risk	1,882,448	(1,375,000)	-	155,527	662,975
Western New Mexico University	2,375,855	-	-	109,019	2,484,874
<b>Total Participant - U.S. SMID Cap Alt Weighted Index</b>	<b>\$ 42,875,283</b>	<b>\$ (6,151,812)</b>	<b>\$ 2,200,000</b>	<b>\$ 2,134,154</b>	<b>\$ 41,057,625</b>

**State of New Mexico Investment Council – Investment Office**  
**Schedule of Deposit and Investment Accounts – Exhibit 4 (1 of 3)**  
**June 30, 2025**

Depository Institution	Account Name	Deposit Type	Balance per Books	Balance per Statement
Interest in State General Fund	Investment Pool			
NM State Treasurer's Office	Fund 17300-General Administrative Fund	Interest in SGFIP	\$ 19,700,394	\$ 19,700,394
NM State Treasurer's Office	Fund 60100-Land Grant Permanent Fund	Interest in SGFIP	410,151,250	410,151,250
NM State Treasurer's Office	Fund 60200-Severance Tax Permanent Fund	Interest in SGFIP	140,544,886	140,544,886
NM State Treasurer's Office	Fund 33910 - Opioid Settlement Restricted Fund	Interest in SGFIP	11,062,555	11,062,555
NM State Treasurer's Office	Fund 33730 - Capital Development & Reserve Fund	Interest in SGFIP	81,600,000	81,600,000
Total Interest in State General Fund Investment Pool			663,059,085	663,059,085
Cash and Cash Equivalents				
JP Morgan	Land Grant Permanent Fund	Money Market	1,039,528,406	1,039,528,406
JP Morgan	Severance Tax Permanent Fund	Money Market	462,847,358	462,847,358
JP Morgan	Tobacco Settlement Permanent Fund	Money Market	63,581	63,581
JP Morgan	Water Trust Fund	Money Market	50,884	50,884
JP Morgan	Tax Stabilization Reserve Fund	Money Market	54,483	54,483
JP Morgan	Rural Libraries Endowment Fund	Money Market	51,531	51,531
JP Morgan	Early Childhood Education and Care Fund	Money Market	456,049,350	456,049,350
JP Morgan	Opioid Settlement Restricted Fund	Money Market	51,941	51,941
JP Morgan	Conservation Legacy Permanent Fund	Money Market	50,160	50,160
JP Morgan	Higher Education Trust Fund	Money Market	59,305	59,305
JP Morgan	Capital Development Trust Fund	Money Market	134,210	134,210
JP Morgan	Workforce Development Trust Fund	Money Market	5,293,916	5,293,916
JP Morgan	Alliance Bernstein (Developed)	Money Market	5,817,126	5,817,126
JP Morgan	Alliance Bernstein (Emerging)	Money Market	14,179	14,179
JP Morgan	Alliance Bernstein MSCI Ex Us	Money Market	2,349,950	2,349,950
JP Morgan	Alliance Bernstein Low Vol Short Duration	Money Market	32,824,015	32,824,015
JP Morgan	Beta Overlay - LGPF	Money Market	3,544,341	3,544,341
JP Morgan	Beta Overlay - STPF	Money Market	690,888	690,888
JP Morgan	Blackrock (Core Bonds Pool)	Money Market	14,278,358	14,278,358
JP Morgan	Blackrock EMG MKT OPP FD	Money Market	25,743,625	25,743,625
JP Morgan	BLK FTSE Developed Ex-U.S. Min Variance	Money Market	3,850,224	3,850,224
JP Morgan	BLK MSCI WORLD EX-USA IMI CUSTOM FACTOR INDEX	Money Market	2,949,772	2,949,772
JP Morgan	Blackrock (Small Mid Cap)	Money Market	2,179,381	2,179,381
JP Morgan	Cash - Absolute Return	Money Market	27,505	27,505
JP Morgan	Cash - Core Bonds Pool	Money Market	311,300	311,300
JP Morgan	Cash - Short Term Duration	Money Market	177,667	177,667
JP Morgan	Cash - Non-U.S. Developed Active	Money Market	426,819	426,819
JP Morgan	Cash - Non-U.S. Developed Index	Money Market	4,885	4,885
JP Morgan	Cash - Non-U.S. Emg Active	Money Market	84,467	84,467
JP Morgan	Cash - Non-U.S. Emg Index	Money Market	2,069,293	2,069,293
JP Morgan	Cash- Large Cap Active	Money Market	1,259,410	1,259,410
JP Morgan	Cash - US Small Mid Cap	Money Market	106,493	106,493
JP Morgan	Cash - Large Cap Index	Money Market	144,030	144,030
JP Morgan	Cash - Transition Accounts	Money Market	586,523	586,523
JP Morgan	Cash - Private Debt Cash	Money Market	464,396,560	464,396,560
JP Morgan	Fixed Income - US Core Plus Bonds	Money Market	878,891	878,891
JP Morgan	JP Morgan Asset Management	Money Market	70,918,672	70,918,672
JP Morgan	Harvest MLP	Money Market	4,411,232	4,411,232
JP Morgan	Loomis (Unconstrained)	Money Market	8	8
JP Morgan	Loomis Sayles (Core Plus Bonds)	Money Market	17,002,909	17,002,909
JP Morgan	LSV Intl Large Cap Value Equity	Money Market	23,915,420	23,915,420
JP Morgan	MFS Intl Growth Equity	Money Market	26,854,120	26,854,120
JP Morgan	Neuberger Berman	Money Market	6,620,182	6,620,182
JP Morgan	Northern Trust 1000	Money Market	45,884,447	45,884,447
JP Morgan	NT Russell Fundamental LC	Money Market	11,627,654	11,627,654
JP Morgan	NT 600	Money Market	8	8
JP Morgan	Pimco (Core Bonds)	Money Market	33,000,867	33,000,867
JP Morgan	Prudential	Money Market	96,601,617	96,601,617
JP Morgan	Private Equity Cash	Money Market	197,730,644	197,730,644

**State of New Mexico Investment Council – Investment Office**  
**Schedule of Deposit and Investment Accounts – Exhibit 4 (2 of 3)**  
**June 30, 2025**

Depository Institution	Account Name	Deposit Type	Balance per Books	Balance per Statement
Cash and Cash Equivalents (continued)				
JP Morgan	Real Return Cash	Money Market	\$ 269,656,954	\$ 269,656,954
JP Morgan	Real Estate Cash	Money Market	232,225,091	232,225,091
JP Morgan	Shenkman	Money Market	387,873,181	387,873,181
JP Morgan	SIC Tax Reclaims	Money Market	93,759	93,759
JP Morgan	T. Rowe Price (Lage Cap Active)	Money Market	13,293,991	13,293,991
JP Morgan	T. Rowe Price Associate Inc. (Non-U.S. Dev Active)	Money Market	36,867,189	36,867,189
JP Morgan	William Blair	Money Market	19,679,114	19,679,114
Total Cash and Cash Equivalents			<u>4,023,207,886</u>	<u>4,023,207,886</u>
Investment on Deposits				
JP Morgan	Alliance Bernstein (Developed)	Equity	1,451,266,069	1,451,266,069
JP Morgan	Alliance Bernstein (Emerging)	Equity	31,208,396	31,208,396
JP Morgan	Alliance Bernstein MSCI Ex US	Equity	720,446,384	720,446,384
JP Morgan	Alliance Bernstein Low Vol Short Duration	Core Bonds	1,336,909,392	1,336,909,392
JP Morgan	Blackrock (Small Mid Cap)	Equity	699,630,768	699,630,768
JP Morgan	Blackrock (Core Bonds Pool)	Core Bonds	1,962,188,181	1,962,188,181
JP Morgan	Blackrock EMG MKT OPP FD	Equity	1,119,587,438	1,119,587,438
JP Morgan	BLK FTSE Developed Ex-US Min Variance	Equity	997,263,155	997,263,155
JP Morgan	BLK MSCI WORLD EX-USA IMI CUSTOM INDEX	Equity	1,733,326,236	1,733,326,236
JP Morgan	Harvest MLP	MLP	530,915,764	530,915,764
JP Morgan	JPMorgan Asset Management	Short Term	2,001,141,471	2,001,141,471
JP Morgan	LGPF Beta Overlay	Beta Overlay	1,844,067,565	1,844,067,565
JP Morgan	Loomis	Core Plus Bonds	695,368,579	695,368,579
JP Morgan	LSV Intl Large Cap Value Equity	Equity	1,534,212,584	1,534,212,584
JP Morgan	MFS Intl Growth Equity	Equity	1,457,807,464	1,457,807,464
JP Morgan	Neuberger Berman	Equity	657,566,995	657,566,995
JP Morgan	Northern Trust S&P 1000	Equity	7,045,003,189	7,045,003,189
JP Morgan	NT Russell Fundamental LC	Equity	1,881,079,190	1,881,079,190
JP Morgan	NT S&P 600	Equity	261,740,090	261,740,090
JP Morgan	Pimco (Core Bonds)	Core Bonds	1,773,442,233	1,773,442,233
JP Morgan	Prudential	Core Plus Bonds	2,383,255,165	2,383,255,165
JP Morgan	STO Medium Term LGIP	LGIP	1,061,901,949	1,061,901,949
JP Morgan	STPF Beta Overlay	Beta Overlay	691,685,070	691,685,070
JP Morgan	Shenkman	Equity	1,965,412,064	1,965,412,064
JP Morgan	Tax Reclaims	Equity	186	186
JP Morgan	T. Rowe Price (Large Cap Active)	Equity	1,911,455,305	1,911,455,305
JP Morgan	T. Rowe Price Associate Inc. (Developed Active)	Equity	1,508,829,081	1,508,829,081
JP Morgan	Transition	Equity	87,377	87,377
JP Morgan	William Blair	Equity	1,103,228,769	1,103,228,769
Total Investments on Deposit			<u>\$ 40,360,026,109</u>	<u>\$ 40,360,026,109</u>

**State of New Mexico Investment Council – Investment Office**  
**Schedule of Deposit and Investment Accounts – Exhibit 4 (3 of 3)**  
**June 30, 2025**

Depository Institution	Account Name	Deposit Type	Balance per Books	Balance per Statement
Other Investments				
JP Morgan	Private Equity Pool	Private Equity	\$ 4,751,773,613	\$ 4,751,773,613
JP Morgan	Regional Private Equity	Private Equity	605,090,698	605,090,698
JP Morgan	Real Return Pool	Real Return Investments	3,550,862,303	3,550,862,303
JP Morgan	Real Estate Pool	Real Estate Investments	4,296,969,196	4,296,969,196
JP Morgan	Economically Targeted Investments	Gov't Sponsored Entities	275,338,689	275,338,689
JP Morgan	Private Equity Stock Distribution-Regional	Direct Equity & Bond Inv	188,286	188,286
JP Morgan	Private Equity - Stock Distribution - National	Direct Equity & Bond Inv	7,649	7,649
JP Morgan	Private Debt Market Pool	Structured Credit	5,176,369,433	5,176,369,433
JP Morgan	Absolute Return Fund	Hedge Investments	15,364,081	15,364,081
Total Other Investments			<u>18,671,963,948</u>	<u>18,671,963,948</u>
Total Investments			<u>59,031,990,057</u>	<u>59,031,990,057</u>
Total Cash, Cash Equivalents, and Investments			<u>\$ 63,718,257,028</u>	<u>\$ 63,718,257,028</u>
Reconciliation to Statement of Net Position				
Governmental Activities				
	Investment in State General Fund Investment Pool			\$ 663,059,085
	Cash and Cash Equivalents			4,023,207,886
	Investments			<u>59,031,990,057</u>
Total Governmental Activities Cash, Cash Equivalents, and Investments				<u>\$ 63,718,257,028</u>

**State of New Mexico Investment Council – Investment Office**  
**Schedule of Investment Management Fees – Exhibit 5**  
**Year Ended June 30, 2025**

---

2.2.2.12(G)(1)

For all asset classes except private asset classes and alternative investment classes:

Consultant	Location	Description of Investments Subject to the Agreement	Fees
RVK	Portland, OR	General Consultant	\$ 621,787

Third-party marketers	Location	Description of Investments Subject to the Agreement	Fees, Commissions or Retainers
N/A			

Name of Investment	Asset Class	Value of the Investment at June 30, 2025	Management Fees	Performance Fees
U.S. Active and Index Pools	Domestic Equity	\$ 11,799,108,890	\$ 9,932,726	\$ -
Non-U.S. Active and Index Pools	Global & International Equity	12,315,243,067	29,998,146	-
Credit Plus, Core, & Short Duration Pools	Fixed Income	12,117,292,090	19,761,105	-

2.2.2.12(G) (2)

For private asset classes and alternative investment classes:

Consultant	Location	Description of Investments Subject to the Agreement by Asset Class	Fees
Meketa	Portland, OR	Absolute, Private Debt	\$ 555,833
Mercer	Norwood, MA	Private Equity	1,250,053
AON	Cleveland, OH	Real Estate, Real Assets	396,550
Colmore	Dallas, TX	Fee Compliance	303,813

Third-party marketers	Location	Description of Investments Subject to the Agreement	Fees, Commissions or Retainers
N/A			

Asset Class	Brief Description of Investments	Management Fees	Carried Interest
Illiquid Credit & Structured	Private Debt Market	\$ 27,059,305	\$ 32,078,094
Private Equity	Private Equity	83,865,715	21,524,001
Real Return & Real Assets	Real Return & Real Assets	58,899,042	60,804,183
Real Estate	Real Estate	50,703,668	(158,599)
Beta Overlay	Derivatives	892,019	-

# **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Michelle Lujan Grisham, Chair  
State of New Mexico Investment Council – Investment Office

Mr. Joseph M. Maestas, PE, CFE  
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, the budgetary comparison for the general fund, and the aggregate remaining fund information of State of New Mexico Investment Council – Investment Office (the Office), a department of the State of New Mexico, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise State of New Mexico Investment Council – Investment Office's basic financial statements, and have issued our report thereon dated November 25, 2025.

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of New Mexico Investment Council – Investment Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State of New Mexico Investment Council – Investment Office’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly US, LLP*

Albuquerque, New Mexico  
November 25, 2025

**State of New Mexico Investment Council – Investment Office**  
**Summary of Audit Results (As Required by 2.2.2.10 NMAC (L)(1)(f))**  
**June 30, 2025**

---

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Compliance and other matters noted?  Yes  No

**State of New Mexico Investment Council – Investment Office**  
**Schedule of Findings and Responses**  
**June 30, 2025**

---

**Section II – Financial Statements Findings**

No matters reported for the year ended June 30, 2025.

**State of New Mexico Investment Council – Investment Office**  
**Summary Schedule of Prior Year Findings**  
**June 30, 2025**

---

No prior year findings reported.

**State of New Mexico Investment Council – Investment Office**  
**Exit Conference**  
**June 30, 2025**

---

An exit conference was held remotely with the Office on November 24, 2025. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

**New Mexico State Investment Council – Investment Office**

Nick Telles, Audit Committee Member  
Mike Everett, Audit Committee Member  
Wayne Propst, Audit Committee Member  
Jon Clark, State Investment Officer  
Brent H. Shipp, Chief Financial Officer  
Thu Riggs, Investment Accounting Manager  
Steve Bennyhoff, Investment Accounting Analyst  
Amy Chavez-Romero, Deputy General Counsel and Chief Compliance Officer  
Dawn Iglesias, Chief Investment Operations Officer  
Charles Wollmann, Director, Communications, Legislature and Client Relations

**Baker Tilly US, LLP**

Kory Hoggan, Principal  
Aaron Hamilton, Assurance Senior Manager

**Preparation of financial statements** – The financial statements presented in this report have been prepared by the accounting staff with editing input from Baker Tilly US, LLP. The management of the Office is responsible for the financial statements.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.