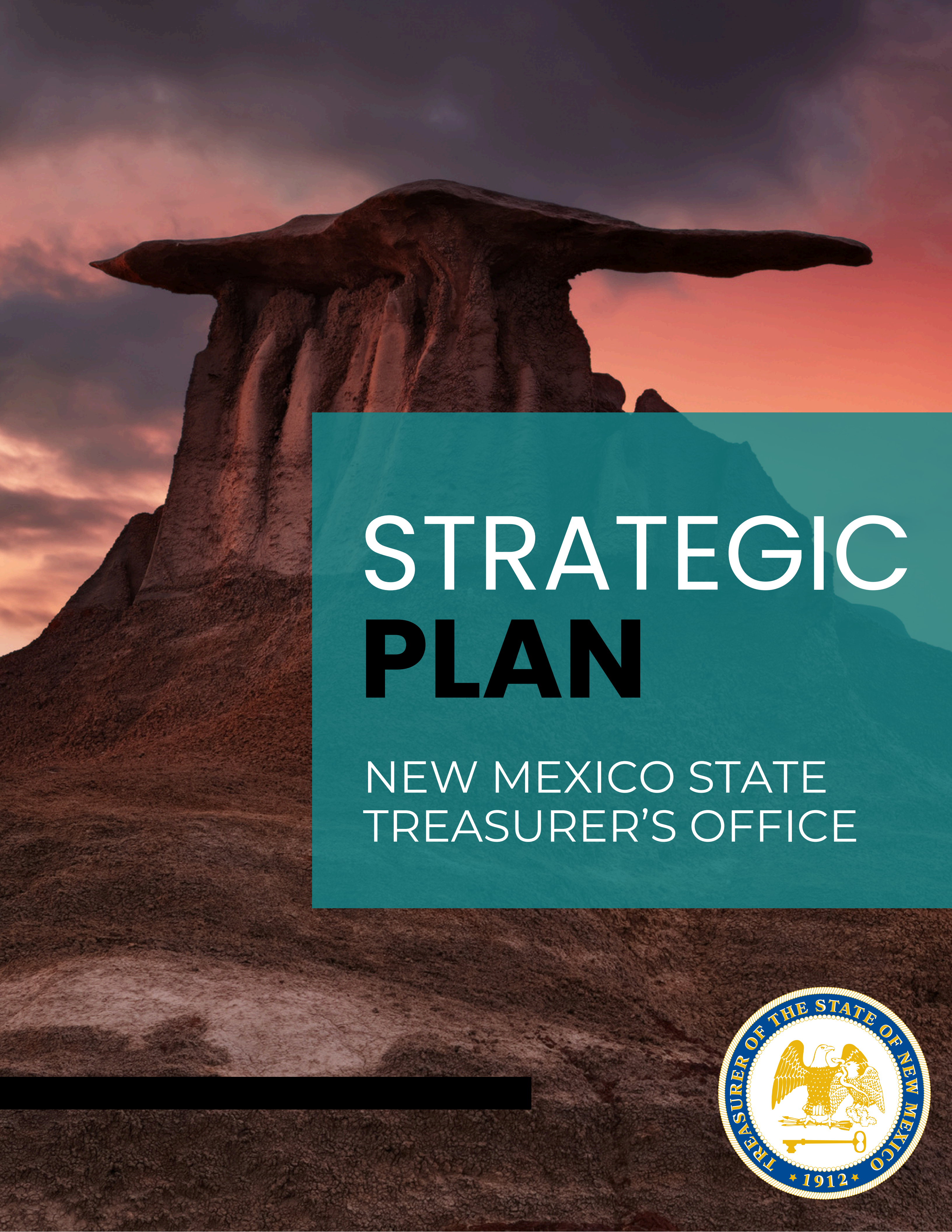

STRATEGIC PLAN

NEW MEXICO STATE TREASURER'S OFFICE

TREASURER OF THE STATE OF NEW MEXICO
1912

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WELCOME TO
STO

Welcome to the New Mexico State Treasurer's Office (STO). As we close out Fiscal Year 2026, we reflect on an incredible year of action, innovation, and putting New Mexicans first. Our mission to uplift and empower New Mexicans was fueled by the responsible stewardship of public funds and the launch of key public-facing initiatives.

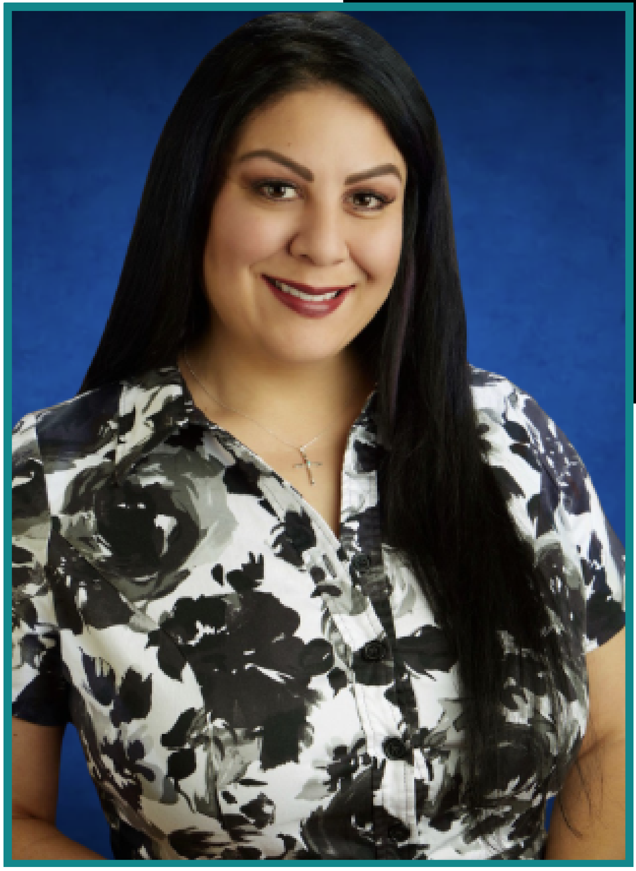
Despite operating with a dedicated team of only 28 full-time employees and limited resources, we are immensely proud to have managed and grown the largest sum of assets under management in STO's history across seven portfolios totaling $21.2 billion—generating a record-breaking $745 million in earnings (over ~$2 million per day). Safety, liquidity, and yield remain the bedrock of our financial strategy.

Our success is driven by STO's five divisions—Budget & Finance, Cash Management, Investments, Operations, and Programs & Outreach—supported by active representation on 13 boards, councils, and commissions, and strengthened by collaboration with state agencies and local partners.

Over the past year, we have expanded our reach across New Mexico:

- Financial Fitness & Education: Worked with school district leaders to increase the number of high schools requiring financial fitness as a high school graduation requirement from 50% to 66%.

- Expanded Opportunities: Championed Baby Bonds and positioned New Mexico as a top-ranking state for NM STABLE account enrollment per-capita, supporting individuals with disabilities.



- Local Growth: Local government outreach aimed a participation growth in the Local Government Investment Pool (LGIP), yielding strong investment returns that support community development.

I am deeply grateful to the extraordinary team at the State Treasurer's Office, whose hard work, expertise, and commitment make our achievements possible. It is an immense honor to serve the residents of our great state. Together, we will continue striving for strong returns for New Mexico families while safeguarding our public funds.

Respectfully,

Laura M. Montoya

THE HONORABLE LAURA M. MONTOYA
New Mexico State Treasurer

OUR MISSION, VISION &

VALUES

MISSION

As the state banker, we provide excellence in banking, investing, and public service with full transparency and integrity. Our work uplifts and empowers New Mexicans through programs that strengthen our families, economy, and state.

VISION

Securing Today, Building Tomorrow. STO will continue delivering exceptional cash management and investment services by balancing safety, liquidity, and yield in a dynamic and secure environment while embodying transparency and innovation.

VALUES

- Collaboration
- Efficient Operations
- Fiduciary Responsibility
- Financial Stewardship
- Integrity
- Service Excellence
- Transparency & Trust

BOARDS, COUNCILS &
COMMISSIONS

Treasurer Montoya serves as a member of 13 State financial and investment boards, councils, and commissions. Fiduciary responsibilities include **$19.5 Billion (ERB), $2.7 Billion (MFA), $20.6 Billion (PERA), $2.18 Million (RETA), $2.2 Billion (RHCA), $75.85 Billion (SIC), and $21.2 Billion (STO)**. Below is a list of those boards, councils, and commissions.

Capitol Buildings Planning Commission (CBPC) is responsible for long-range planning and review of State properties and the development of an overall master plan.

Educational Assistance Foundation (EAF) is a non profit corporation, created pursuant to the State Educational Assistance Act, that provides financial assistance to qualified post-secondary students. The purpose of the Foundation is to improve the educational opportunities of residents of New Mexico through educational assistance programs.

Educational Retirement Board (ERB) provides retirement benefits for teachers and other school employees from public school districts, institutions of higher education, and educational agencies. The Board is the trustee of the Educational Retirement Fund.

Martin Luther King, Jr. Commission (MLK) promotes cultural awareness and human rights to all people of New Mexico through Dr. King's life philosophy and six principles of nonviolent social action.

Mortgage Finance Authority (MFA) is a quasi-public entity, financing housing and related services for low- to moderate-income and underserved families. The Mortgage Finance Authority provides affordable housing finance programs, including assistance for the homeless, apartment development, and home ownership.

Opportunity Enterprise Review Board (OERB) oversees the Opportunity Enterprise Revolving Fund, which was created by the New Mexico Legislature in 2022 to increase economic activity in the state. The fund provides financing for new or existing commercial facilities to attract businesses to New Mexico communities and allow existing businesses to expand their operations. Economic goals are determined by the Board in collaboration with the Economic Development Department and may include job creation and provision of needed services and goods to diverse communities across the state.

Public Employees Retirement Association (PERA) oversees the principal retirement and disability benefits programs of State, county, and municipal employees, including municipal police and firefighters. The Board serves as trustee for the association. Its mission is to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to association members.

Renewable Energy Transmission Authority (RETA) has the authority to issue and sell revenue bonds and use the proceeds to finance eligible energy transmission and storage facilities, and to acquire and operate facilities through leases.

Retiree Health Care Authority (RHCA) was created in 1990 to provide comprehensive and affordable group health insurance to eligible retirees of certain public service employers in New Mexico, to their spouses and dependents, and to surviving spouses and dependents.

Small Business Investment Corporation (SBIC) is charged with creating new job opportunities and supporting new or expanding businesses in the State. The SBIC makes more capital available to small businesses through investing in alternative and micro lenders as well as venture capital funds.

State Board of Finance (SBOF) has general supervision of the fiscal affairs of the State. It is charged with the safe keeping of all money and securities belonging to or in the custody of the State and has the authority to issue general obligation bonds and severance tax revenue bonds.

State Investment Council (SIC) administers and manages New Mexico's 12 funds, including four permanent trust funds. Additionally, the State Investment Council manages long-term investment funds for multiple state and local government entities.

State Treasurer's Investment Council (STIC) is a five- member advisory council consisting of the Treasurer, the State Cash Manager, the State Board of Finance Director, one member appointed by the Treasurer, and one member appointed by the SBOF.

OUR ORGANIZATION

STATE TREASURER

DEPUTY STATE TREASURER

BUDGET & FINANCE

Accounts Payable
Accounts Receivable
Audit
Budget
Contract Management
Gaming Revenues

RESPONSIBILITIES

Manages STO's operating budget, accounting, procurement, fixed assets, and financial reporting, while also coordinating state debt service and bond financing, and reconciling and disbursing tribal casino gaming revenues.

CASH MANAGEMENT

Banking Resources
Collateral & Risk Compliance
Investment Transactions

RESPONSIBILITIES

Provides state treasury banking, liquidity management, cash forecasting, and fiscal agent oversight while its specialized teams monitor agency bank accounts, enforce public deposit collateralization and risk compliance, and record, settle, and audit all state investment trade activity.

INVESTMENTS

Bond Proceeds (Taxable and Tax-Exempt)
General Fund (Core and Liquidity)
Local Government Investment Pools (Short and Medium-term)
Severance Tax Bonds

RESPONSIBILITIES

Maximizes the return on temporary state cash balances through high-quality, short-term securities adhering to statutory guidelines and prioritized by safety, liquidity, and yield, with oversight from an internal team, an independent advisor, and regular reporting to the State Treasurer's Investment Council (STIC) and the State Board of Finance (SBOF).

OPERATIONS

Human Resources
Information Technology

RESPONSIBILITIES

Supports internal office operations including personnel management and engagement, facilities, security, vehicle maintenance, mail processing, and inter-agency deliveries while providing comprehensive information technology assistance to internal staff and external stakeholders.

PROGRAMS & OUTREACH

Baby Bonds
Cultivating the Next Wave Pipeline
DEI In Fund Management
Financial Fitness
NM STABLE
Women Empowerment

RESPONSIBILITIES

Oversees STO initiatives designed to empower New Mexicans to achieve financial independence and bridge the wealth divide.

OUR

FUTURE

Strategic Goal #1: Fiduciary Risk Mitigation

Objective 1.1: The Investment Division expands from three professionals to a robust, specialized team led by a Chief Investment Officer (CIO), reducing individual manager oversight ratios to safe, institutional standards ($4B per manager).

Action 1.1: Present a legislative budget request to fund a Chief Investment Officer (CIO), additional portfolio managers, and establishing dual-authorization protocols across all asset classes. Streamline procurement practices consistent with other investment agencies.

Strategic Goal #2: Fortify Virtual Infrastructure

Objective 2.1: Fortify financial infrastructure security by establishing a dedicated Chief Operation Officer (COO) position responsible for real-time daily monitoring of sensitive wire portals, clearinghouse connections, and general ledger networks.

Action 2.1: Present a legislative budget request to fund IT Chief Operations Officer (COO) and timely IT hardware renewal and replacement. Establish a formal Cyber Incident Response Plan.

Strategic Goal #3: Operational Excellence

Objective 3.1: Eliminate operational key-person dependencies by instituting a mandatory cross-training roation amongst staff and ensure that standard operating procedures (SOPs) are developed.

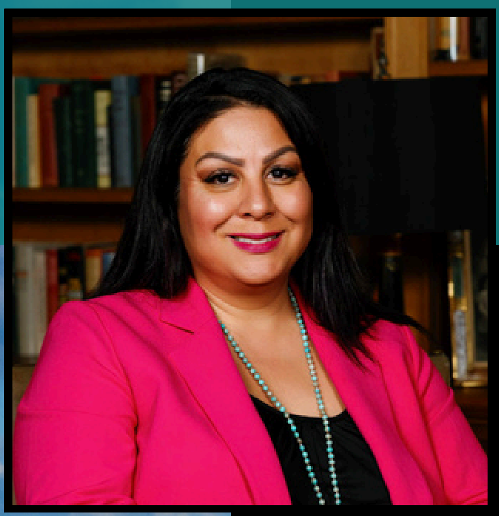
Action 3.1: Develop SOPs and pertinent policies for all core Cash Management, Investment, and Budgeting tasks to ensure seamless cross-training.

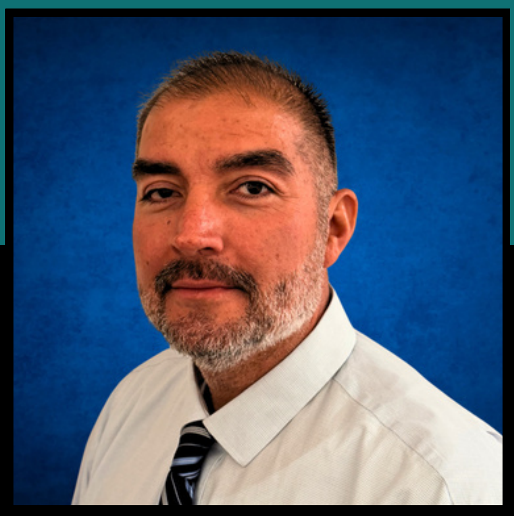
Strategic Goal #4: Statewide Financial Empowerment

Objective 4.1: Expand public education and financial empowerment resources across New Mexico by actively promoting key programs—including the Local Government Investment Pool (LGIP), NM STABLE, Baby Bonds, financial fitness, and the "Cultivating the Next Wave of Financial Leaders" pipeline.

Action 4.1: Introduce statutory changes to require financial literacy coursework as a graduation requirement. Develop state government credential in budget, finance and investing. Monitor outcomes for all programs.

THANK **YOU**





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