

Verdancia Strategy Brief

1. Strategic Context: Taiwan's Central Role in the AI Era

The rise of AI has triggered a global race to expand compute capacity, memory bandwidth, advanced packaging, and precision manufacturing. Taiwan sits at the center of this transformation. Its ecosystem — built over decades — controls critical choke points in semiconductors, specialty memory, substrates, optics, and high-precision components.

From the document:

"Taiwan controls a set of critical 'choke points' in global high-tech manufacturing... built over decades, this ecosystem is unique and difficult to replicate."

As AI adoption accelerates, demand for Taiwan's capabilities is driven by **structural necessity**, not cyclical enthusiasm. This creates a durable investment environment for companies positioned within or emerging into the supply chain.

2. Why Now: Structural Scarcity and Industrial Expansion

The balance between innovation and physical manufacturing capacity has broken down. AI, geopolitical realignment, and global re-industrialization have created a supply-demand imbalance that will persist for years.

From the document:

"Demand now far exceeds the industry's ability to supply the capabilities the world requires."

This scarcity is driving rapid expansion across:

- advanced nodes
- specialty memory
- substrates and materials
- optical modules
- high-precision components
- compute infrastructure

Verdancia's strategy is built around identifying the companies best positioned to benefit from this expansion.

3. Investment Thesis: Deep Tech + Institutional Discipline

Verdancia's thesis arises from the integration of:

- **technology understanding**
- **precision-manufacturing insight**
- **investment banking experience**
- **long-standing founder relationships**

From the document:

"It is the combination of technical insight, business judgment, and trusted founder relationships that enables Verdancia to identify compelling opportunities."

This combination allows Verdancia to:

- evaluate complex technologies
- secure founder alignment
- structure institutional-grade transactions
- elevate opportunities to global standards

4. Strategy: Growth-Stage Specialists in Taiwan's Supply Chain

Verdancia targets **mid- to late-growth minority positions** in companies with:

- defensible know-how ("technology moats")
- strong founder leadership
- clear qualification and scaling pathways
- potential for durable supply-chain integration

Subsectors include:

- semiconductors
- specialty memory

- advanced materials
- precision manufacturing
- compute infrastructure

Portfolio construction aims for **8–12 companies**, each with **10–25% ownership**, supported by reserves for scaling and qualification.

5. SPV Program: Track Record and Proprietary Access

Verdancia will execute **2–3 SPVs** ahead of the fund’s first close. These SPVs demonstrate:

- sourcing advantage
- technical diligence capability
- execution discipline
- founder access

The first SPV — an AI inferencing chip platform — addresses the long-standing “memory wall” bottleneck through a wafer-on-wafer DRAM-stacked architecture.

From the document:

“The result is up to 8–10× higher memory bandwidth... while consuming only 10% of the power required by general purpose GPUs.”

This is a textbook example of Verdancia’s thesis: deep-tech innovation emerging from Taiwan’s mature ecosystem.

6. Governance, Structure, and Institutional Controls

Verdancia employs a standard Cayman Islands fund structure with:

- LP–GP governance
- European waterfall
- 2% GP commitment
- 8% hard hurdle

- 2.0% management fee (1.75% founder share)

Third-party service providers include:

- **Walkers** (legal)
- **Portcullis** (fund admin)
- **PwC** (audit)
- **Lexcel** (Taiwan regulatory counsel)

From the document:

“These arrangements ensure operational independence, transparency, and institutional grade controls.”

7. The Verdancia Advantage

Verdancia’s platform is built on:

- **technical leadership** from former CTOs of TSMC and Winbond
- **proprietary founder access**
- **deep-tech diligence capability**
- **institutional structuring discipline**
- **Taiwan-specific regulatory expertise**
- **a pipeline of high-value specialist companies**

Verdancia is positioned to participate in one of the most consequential technology build-outs of our time.