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## MEDIA RELEASE

### Unveiling the hidden winners in Nvidia's AI powerhouse

Nvidia's dominance in the artificial intelligence (AI) processing unit (GPU) market isn't a solo act. While Nvidia has grabbed the headlines with its powerful H100 chip, a network of suppliers is silently reaping the rewards according to Qiao Ma, partner & lead portfolio manager of the Munro Global Growth Small & Mid Cap Fund, Munro Partners.

Nvidia's H100 GPU is the most powerful GPU chip on the market and is designed specifically for AI applications. The H100 contains 80 billion transistors, which is six times faster than its predecessor, Nvidia's A100 chip<sup>1</sup>.

According to Ms Ma, Nvidia's H100 GPU is like a multi-lane highway, boasting thousands of 'lanes' called cores. This translates to lightning-fast AI tasks like image recognition, language translation, video editing, etc. This phenomenal performance has created a surge in demand, benefitting not just Nvidia, but the entire supply chain.

"The H100 features specialised lanes dedicated to specific types of data, like images or text. This specialised approach boosts efficiency, allowing the H100 to handle complex AI tasks such as self-driving cars, medical diagnosis systems and other AI-powered applications."

While Nvidia has grabbed the spotlight, numerous other companies are key to their production and are benefitting from the GPU maker's strong sales. From specialised power delivery systems being made by Monolithic Power, to intricate cooling solutions inside the data centres made by Vertiv, each element contributes to the functionality of Nvidia's chips. Most of these suppliers have seen the AI-related portion of their revenues and profits soar over the past few quarters, and Ma thinks it is just the start.

"It can help to think of Nvidia's GPU as a dedicated express lane for data, enabling faster information flow compared to traditional memory architecture. This speed boost is crucial for handling the massive data demands of AI tasks. These memory chips are made by SK Hynix," said Ms Ma.

"Importantly, the H100 features innovative chip stacking. Imagine multiple microprocessors layered on top of each other, working together. This miniaturisation allows for more computer processing power within a compact space, which is crucial for maximising performance and efficiency of GPUs. The continued development of advanced chip manufacturing will rely heavily on specialised technologies like BESI's hybrid bonding and ASMI's atomic layer deposition," she said.

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<sup>1</sup> <https://www.weforum.org/videos/what-is-h100-gpu-chip-ai-nvidia/#:~:text=The%20H100%20is%20a%20graphics,its%20predecessor%2C%20the%20A100%20c hip>

Nvidia's H100 also requires intricate connections between hundreds of components, demanding microscopic precision. "Companies like Onto Innovation and Camtek play a crucial role in this stage, using specialised metrology techniques to ensure everything is perfectly aligned and free of defects. These companies might not be household names, but their contributions are vital to the H100's success," she said.

"Munro anticipates the aggressive pace of interest rates will subside in 2024, and in which case, we believe it will be a good environment for growth companies such as these semiconductor suppliers, as well as Nvidia. In such an environment, companies will go back to following their earnings, which is what the Munro team spend most of our time researching and investigating."

Munro Partners is capturing growth in the artificial intelligence hardware and semiconductor supply chain investment opportunity through its Munro Global Growth Small & Mid Cap Fund, with ASM International and Onto Innovation as two of the Fund's top five holdings as at 31 March 2024.

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**About GSFM**

GSFM was established in 2007 as a subsidiary of the Grant Samuel Group. In 2016 Canadian wealth manager CI Financial Corp (CI) purchased an 80 per cent stake in the business, previously held by Grant Samuel.

GSFM specialises in marketing funds managed by high calibre local and international managers to Australian and New Zealand institutional and Australian retail investors, and has formed partnerships with eight specialist investment managers:

- New York based Epoch Investment Partners, Inc.
- Tribeca Investment Partners, a successful Australian boutique manager headquartered in Sydney
- Payden & Rygel, a Los Angeles based independent investment management firm
- Munro Partners, an independent global equity manager based in Melbourne
- London-based Man Group plc
- Tanarra Credit Partners, a specialist in private credit instruments
- Access Capital Partners, European independent private asset manager
- Australian Entertainment Partners, to produce the AEP Screen Fund, an investment vehicle dedicated to supporting Australian film and television endeavours.

GSFM represents approximately \$9.56 billion funds under management (as at 31 March 2024).

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**About Munro Partners**

Munro Partners is a global investment manager with a core focus on growth equities. Established in 2016 by an award-winning investment team with a proven track record of strong returns, the business has \$4 billion in AUM and is owned and controlled by key staff. Via a proprietary investment process, Munro invests alongside clients to benefit from some of the key structural changes that occur in our world today. Munro is Australian domiciled, with its head office in Melbourne.

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