MORGAN CREEK

DIGITAL
ALTERNATIVE THINKING ABOUT INVESTMENTS

Welcome to Morgan Creek Digital's digital asset update. It is comprised of a thought piece from our team. We hope you find this content interesting. Please let us know if you have any comments or questions or if you would like to speak to a member of the [Morgan Creek Digital team](#).

Unlocking Potential: The Convergence of AI and Advanced Processors
Shaping the Future of Applications and Investments

The Headline[1] NVIDIA has enhanced its AI computing platform with the introduction of the NVIDIA HGX™ H200 ("H200"), based on the Hopper™ architecture, a Graphics Processing Unit (GPU) microarchitecture developed by NVIDIA. With a Tensor Core GPU with HBM3e and 141GB of memory operating at 4.8 terabytes per second, the H200 surpasses its predecessor in both capacity and bandwidth by a factor of 2.4x. Faster and larger memory will positively impact the training of generative AI models and high-performance computing (HPC) workloads.

More on the "H200":[2]

- The eight-way HGX H200 provides over 32 petaflops of FP8 deep learning computing and 1.1TB of aggregate high-bandwidth memory, which with a full software stack, offers accelerated performance in generative AI and HPC applications for both developers and enterprises.
- The Hopper architecture, with ongoing software improvements, like TensorRT™-LLM, is set to nearly double inference speed on Llama 2, a 70

billion-parameter LLM, compared to its predecessor.

- The H200's deployment options cover on-premises, cloud, hybrid-cloud, and edge data centers, with partner server makers and major cloud service providers including AWS, Google Cloud, Microsoft Azure, and Oracle Cloud.

What Do These Advances Mean? The convergence of powerful processors with generative AI has the potential to bring about major changes and presents potential prospects for wealth generation. At Morgan Creek Digital, we like to say that exponential software of the digital age requires exponential hardware, and with recent advances in processor technology, characterized by innovations in materials, transistor designs, and specialized architectures like GPUs and Tensor Processing Units (TPUs), there is new promise for heightened computational power and energy efficiency.

We believe that developers of Generative AI, with their emphasis on content creation models, stand to benefit substantially from these advances. The synthesis of more sophisticated generative models, such as the Generative Pre-trained Transformer (GPT) series[3], becomes feasible with enhanced processing capabilities. This evolution can translate into tangible applications, such as the creation of high-fidelity synthetic media, and virtual environments for gaming and simulations. In healthcare, the synthesis of synthetic medical images aids in training machine learning algorithms, thereby advancing Generative AI's capabilities to generate diagnostic content. In gaming, the fusion of advanced processors and generative AI can produce immersive virtual environments that rival reality and the promise of Web3 gaming.

Concurrently, the domain of data workloads used to train said models may also be poised for a paradigm shift. The processing of massive datasets, historically constrained by computational bottlenecks, complexity, and energy consumption is set to be revolutionized. Whereas CPUs were built for general purpose computing, and original GPUs were built for graphics and deep learning, advances in more complex and specialized processors can accelerate the workflows and analytics needed to power new age technologies and software applications.

Conclusion The investment landscape in this ecosystem is marked by strategic opportunities, as companies specializing in advanced processor development, particularly those tailored for AI and data workloads, hold a pivotal position in the digital age. Additionally, we believe that investments in startups leveraging generative AI for practical applications, such as content creation, simulation, and data analytics, may present opportunities for investors. As we navigate this technological frontier, we look for pragmatic applications and investment potential stemming from the synergy between AI software and advanced processing hardware.

[Click Here to listen to the latest episode of Digital Currents](#)

[1] https://nvidianews.nvidia.com/news/nvidia-supercharges-hopper-the-worlds-leading-ai-computing-platform
[2] Ibid.
[3] **GPT** refers to a language model originally developed by AI research company, Open AI, which relies on deep learning to generate human-like text and context based on given text-based inputs. https://en.wikipedia.org/wiki/Generative_pre-trained_transformer

_____

illustrations are not intended to predict the performance of any specific investment or security.

General

This is neither an offer to sell nor a solicitation of an offer to buy interests in any investment fund managed by Morgan Creek Capital Management, LLC or its affiliates, nor shall there be any sale of securities in any state or jurisdiction in which such offer or solicitation or sale would be unlawful prior to registration or qualification under the laws of such state or jurisdiction. Any such offering can be made only at the time a qualified offeree receives a Confidential Private Offering Memorandum and other operative documents which contain significant details with respect to risks and should be carefully read. Neither the Securities and Exchange Commission nor any State securities administrator has passed on or endorsed the merits of any such offerings of these securities, nor is it intended that they will. This document is for informational purposes only and should not be distributed.

Risk Summary

Interests in the Morgan Creek Digital Fund IV, LP ("Fund") are speculative and involve a significant degree of risk. Cryptocurrencies and related businesses have limited performance histories, can be extremely volatile, and are not subject to many of the regulatory oversights over which other investable assets are subject. An investment in the Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and limited liquidity inherent in the Units.

There can be no assurance that the Fund will be successful or that losses will not be incurred by the Fund. Each investor in the Fund must have the ability to bear the risk of loss of their entire investment and must be prepared to bear such risks for an extended period of time. Investors are strongly urged to consult with their professional advisors and to carefully review the risk prior to investing.

Performance Disclosures

There can be no assurance that the investment objectives of any fund managed by Morgan Creek Capital Management, LLC will be achieved. Past performance is not indicative of the performance that any fund managed by Morgan Creek will achieve in the future. Although Morgan Creek Capital Management, LLC has been presented with co-investment opportunities in the past, there can be no assurance that Morgan Creek will be presented with similar opportunities in the future. Further, there can be no assurance that co-investment opportunities will be available in the future.