

Strings & Silicon: How a Fund Manager Harmonizes Nvidia CEO's Focus with Emotion-Free Investing

By Michelle deBoer-Jones

One of the most difficult things for individual investors to do is to keep emotions out of their investment decisions. While some fund managers may face those same challenges from time to time, the most successful ones have ways of keeping those emotions in check so that they can make the best decisions for their clients.



In an interview with Hedge Fund Alpha, Owens Huang [of Dalton Investments](#) said he composes music to help "purify" his emotions and remain neutral while making investment decisions. Under his musical pseudonym, OHNomad, he has composed 15 different pieces of music on a variety of topics, ranging from Asian history to his inspiration from NVIDIA CEO Jensen Huang.

Background on Owens Huang

Dalton Investments has about \$4.5 billion in assets under management, most of which is in Japan. Huang manages a global equity and an Asia Pacific portfolio, a total of \$200 million to \$300 million.

He originally studied chemistry for his undergraduate degree. Since he has a science background, he prefers to research the technology sector to leverage his understanding of science and engineering.

In 2010, Huang started working at the Taiwanese Insurance Guaranty Fund. The purpose of the institution was to take over insolvent insurance companies. He noted that insolvent insurance companies don't really go bankrupt because they always have cash flow, but they become insolvent when they can't meet their liabilities in the long term.

For example, an insurance company may have about \$8 billion in assets and a \$2 billion financial deficit, and the Taiwanese government would task the guaranty fund with taking it over.

"In my position as investment commissioner, I co-worked with the CIO of the insolvent insurance company," Huang explained. "That's how I started my investment career, so before my MBA, I worked in Taiwan to co-manage an \$8 billion portfolio. That's why when I joined Dalton in 2015, three months later,

[Chief Investment Officer James] Rosenwald soon promoted me to co-portfolio manager."

Joining Dalton

In 2014, Huang met Rosenwald when he took his class Global Value Investing at the New York Stern School of Business. He later joined Dalton as a senior analyst for the Asian equity market after graduating, and a few months later, he was promoted to co-portfolio manager.

In 2016, Huang wasn't able to get a work visa in the U.S., so he proposed to the company that he travel around the different major Asian cities to meet with companies locally. He planned to stay in each market for about a month, meeting with over 500 companies in 20 months between July 2016 and April 2018.

Describing his 20 months of traveling as a "nomad trip for business," Huang traveled to Taiwan, Korea, Japan, Hong Kong, New Zealand, the Philippines, and Singapore, also stopping in Bangkok, Sydney, Melbourne, New Deli, Mumbai, Beijing and Shanghai.

When Huang originally started investing

The first stock Huang bought was an integrated-circuit (IC) design company in Taiwan when he was 19 years old. He asked his mother to open a stock trading account and used her account to pick one he thought was "cool."

"The company, when I bought it the first week, jumped 20%, and I think I'm good at it, but it's just luck," Huang said. "After that, I'm not lucky. Luck is bad as a beginner because I thought investing money was easy, and I didn't realize the discipline I needed to be successful."

When he initially joined Dalton, the first stock he bought was Largan Precision, which produced camera lenses for the iPhone. Over the years, the iPhone has grown from having a single camera to having two or three cameras, with each camera having multiple layers of lenses to improve resolution. In 2018, he started to research the data center and networking industry. Huang felt Accton Technology had strong moats in the networking switch field for cloud service providers. He bought the stock in 2018 and has continued to own it for over seven years. The shares have skyrocketed nine or tenfold over the life of the investment.

Huang takes every opportunity to learn from his mistakes. One of his worst-performing stocks started out as an excellent investment that later turned bad. Huang said the stock tumbled 50% in 2022 because of an oversupply of power management ICs, which are traditionally manufactured by Texas Instruments and used to manage power in circuit boards.

He added that the 50% drop was painful when he wanted to hold the stock for a long time, although he still made a fivefold return on it when he sold it. Huang is continually double-checking his thesis and company fundamentals to avoid making the same mistakes again.

From technology to music

He's always working on various projects, so when he got back to the U.S. in 2018, he applied to learn about technology, participating in an industry conference almost every month when he stayed in Los Angeles. When conducting his industry research, he looked back five to eight years, studying the development of artificial intelligence amid the geopolitical climate in China.

During the COVID shutdown in 2020, Huang conducted lots of deep-dive research, even learning about Amazon Web Services to understand the

different structures of cloud technology. At the time, he also started to learn music composition and how to do counterpoint, harmony, notation and orchestration. Huang started to view music as a coding language for musicians to articulate the essence of humanity.

In his early years, he amassed thousands of classical and jazz recordings and has been a lifelong music enthusiast. However, he had no academic education in music before 2020, so he started from scratch then. After COVID, he prepared to launch a new global equity fund with a concentrated portfolio of 10 names.

Light at the end of the tunnel

According to [public information](#), Dalton Investments is among the top 10 firms by percentage and perhaps the only fund in the top list that has not traded NVIDIA in the last two to three years. However, when he launched his fund at Dalton, Huang bought lots of NVIDIA shares.

Huang said, "2022 was a very bad year for the investment world. We had huge inflation and the stock market collapsed, so when I launched my new fund, I purchased undervalued stocks, potential compounders, for my concentrated portfolio. When you have a contrarian view, you have to have confidence, and not only in your fundamental research, so I composed a piece I called '[Stream Light in the Cave](#).' To perceive reality — the true forms of objects — a philosopher must walk toward the light and be set free from the cave. 2022 was a dark year, but there's a light in front of us that will lead us through, and we have a bright future going forward. This is NVIDIA."

When he composed his piece, it gave him confidence in his investment position in 2022. Huang noted that China also had a serious COVID outbreak in 2022 that caused lots of city shutdowns in the first half of the year.

Gaining inspiration

Inspired by what was happening in China, Huang composed a song entitled "[Shadows on the Forbidden City](#)," which focuses on what has happened in China over the last 100 years as people have suffered under political dictatorship. Unfortunately, this piece has been banned on QQ Music and Netease Music, the two leading streaming platforms in China.

"I wanted to think about what's next," Huang said. "What is the potential solution for China in the future? I spend lots of time in the financial markets and have lots of emotions, but ideally as a fund manager, I need to stay emotion neutral. So to purify my emotions, I compose music so that... I can remain objective [as a portfolio manager]."

When he composes music, he gains lots of inspiration from the financial markets, not just the volatility but also political news that moves the markets. As he researched networking and semiconductors, Huang got to know the founder of Mellanox, which was acquired by NVIDIA in 2019.

After the Supernova Music Festival on Oct. 7, 2023, he composed a song called "[Universal Connection - Danielle](#)" in honor of Eyal Waldman's daughter Danielle, who was killed by Hamas at the festival. That strike against Israel triggered the current war in the Middle East, also spiking oil prices and creating tension in Asia. As a result, Huang needed to "purify" his emotions amid all this turmoil.

His second piece was called "[Universal Connection - Rosenwald](#)," after his boss. Huang used it as a way to tell the story of Dalton's activist investment in Japan. Rosenwald was working to transform Japan. Since he's Jewish, Huang tried to use a Jewish Klezmer vibe in the piece, combining it with Japanese tonality.

Inspiration from NVIDIA's CEO

In March 2024, Huang participated in GTC, NVIDIA's annual event, where CEO Jensen Huang told a story about the importance of Taiwan in the AI, semiconductor and data center areas. Jensen Huang has described himself as Taiwan's ambassador, and his speech inspired Owens Huang to compose another song about Taiwan's importance, called "[The Silicon Island](#)."

It's a 12-minute piece with three different movements that tell the story of how people came to Taiwan 400 years ago and then experienced occupations by both Japanese and Chinese dictators, followed by the democratization of Taiwan starting in 1987, and now looking toward a promising future with the AI revolution.

"[The second movement](#) was a sad period, with what they suffered," Huang said. "This is why we work so hard to make Taiwan important. I was inspired by Jensen Huang, and this is how I combine inspiration from the financial market with my music."

Investment strategy in parallel with music evolution

In developing his investment strategy, Huang said it's similar to how he has evolved through his music. Dalton Investments has four main principles to find stocks to invest in. The firm operates an equity-only portfolio utilizing a mostly long-only strategy, although sometimes it does delve into long/ short equity, depending on the account mandate.

"We are value investors, traditional, old school-style like Warren Buffett," Huang explained. "For all the companies we invest in, we must meet the management team personally. We usually invest in owner-operator companies with a margin of safety. We imagine the company's value in three

to five years. The last one is strong discipline of capital allocation, how the management team allocates money."

His investing style has evolved over the years as he started thinking more like a composer.

"I think every artist, we have a mind to think about what human beings want 100 years later," Huang added. "We don't think about what they want next month or year, so we create art that's prepared for something later. This made me think long term. Nowadays when I make investment decisions, I want to hold the company for at least five years. Hopefully I don't need to sell."

Why invest in Taiwan?

Huang has spoken a lot about investing in Taiwan. Comparing Taiwan to the Middle East in the 20th century, he explained that oil and gas companies became critical for the developed world. Now in the 21st century, semiconductors and data centers have become essential.

"Taiwan has the entire semiconductor supply chain," Huang added. "TSMC provides all the chips. There's no alternative. Ninety percent of the capacity is in Taiwan, and it's actually difficult to replicate Taiwan's semiconductor success somewhere else."

That's why he composed "The Silicon Island." He noted that manufacturing and foundries not only require lots of specialized equipment but also a very disciplined, huge team of engineers.

"These engineers in Taiwan go through very serious military training. In Israel and Korea as well, these three countries tend to do better. In the semiconductor R&D and production line, they need serious intelligence and discipline."

How NVIDIA changed everything

NVIDIA has been the hot stock on Wall Street for quite some time now, and it was the one stock Huang said changed the way he invests forever. He said what he has experienced in NVIDIA in the past few years has changed his thinking of investing and volatility.

Huang explained that a lot of his peers may see issues with competitors or margins and would suggest trimming the position and allocating to something else. However, he turns to Warren Buffett for advice.

"I feel the successful fund manager needs to understand how to hold and compound," Huang said. "Usually in a portfolio a few names make 80% to 85% of your returns. You have a chance to participate in the rally. Then the return is not only priced differently but also in quantity. You need to have enough quantity to make a sizable return. It's how to have enough quantity and stay with a peaceful mind. That is my learning through holding NVIDIA over the last three years."

He hasn't traded any NVIDIA shares in the last three years, and the stock has gone up eight or nine times.

On being contrarian

To be a fund manager, Huang feels it's very important to be contrarian. He noted that everyone talks about being contrarian, but it's a challenge when everyone uses Bloomberg and reads the same sell-side emails and market information. Thus, when he started to teach, he would share with his students how to actually be contrarian in the way they handle ideas.

"You need to do something very different in action all over the financial market," Huang explained. "You can't just have different ideas. All fund

managers find ways to do things differently and have different behaviors. My way is to compose music. To show my students how to be very different this year, when I came back to NYU Stern MBA to teach, I asked to perform my music in my class, and I brought in a cellist."

This is the first time Stern has incorporated music into lectures to inspire students in investing over its 100-year history. Huang said the inspiration could also stem from philosophy or psychology to build a strong mind and think about the financial markets in a different way.

"Most of the time, we are in cruise mode when the market goes up and down," Huang said. "That's OK, but at a critical moment, for example, the beginning of the August 2024 market crash, some say it was because Japan's central bank raised interest rates, but in that critical moment, the market crashed... A fund manager has to have the confidence to buy more at the bottom. That's difficult to learn from Bloomberg or research reports or an MBA education. You need to learn from something else. For me, it's through music or philosophy."

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