

HERALD INVESTMENT FUND plc
– The Herald Worldwide Technology Fund

ANNUAL REPORT &
AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

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Organisation	3
Background to the Company	4
Investment Manager’s Report	6
Directors’ Report	15
Depository’s Report to the Members of Herald Investment Fund plc (the “Company”)	20
Independent Auditors’ Report to the Members of Herald Investment Fund plc	21
Profit and Loss Account	24
Balance Sheet	25
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	26
Notes to the Financial Statements	27
Schedule of Investments	41
Appendix 1 Other Disclosures (Unaudited)	43
Appendix 2 Schedule of Portfolio Movements (Unaudited)	44

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

ORGANISATION

REGISTERED OFFICE OF THE COMPANY

4th Floor
76 Baggot Street Lower
Dublin 2
D02 EK81
Ireland

From 29 January 2021

Ten Earlsfort Terrace
Dublin 2
D02 T380
Ireland

INVESTMENT MANAGER

Herald Investment Management Limited
10-11 Charterhouse Square
London EC1M 6EE
England
www.heralduk.com

**ADMINISTRATOR, REGISTRAR
AND TRANSFER AGENT**

Northern Trust International Fund Administration
Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

DEPOSITARY

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

INDEPENDENT AUDITOR

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
D01 X9R7
Ireland

DIRECTORS OF THE COMPANY

William Backhouse LVO (British)*(**)
Dominic Del Mar (British)*(***)
Charles Ekins (British)*
Paul Halley (Irish)*
Fergus Sheridan, Chairman (Irish)*

* Independent Directors

(**) Resigned on 3 March 2020

(***) Appointed on 3 March 2020

COMPANY SECRETARY

Sanne Corporate Administration Services Ireland Limited
4th Floor
76 Baggot Street Lower
Dublin 2
D02 EK81
Ireland

From 29 January 2021

Bradwell Limited
Ten Earlsfort Terrace
Dublin 2
D02 T380
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LEGAL ADVISERS

In Ireland
Arthur Cox
Ten Earlsfort Terrace
Dublin 2
D02 T380
Ireland

In England
MacFarlanes LLP
20 Cursitor Street
London EC4A 1LT
England

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

BACKGROUND TO THE COMPANY

DESCRIPTION

Herald Investment Fund plc (the “Company”), is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”). It was incorporated on 12 February 1998.

The Company is organised in the form of an umbrella fund with segregated liability. Its Memorandum and Articles of Association and Prospectus (“Constitution”) provide that the Company may offer separate classes of shares, each representing interests in a fund comprising a distinct portfolio of investments. As at the date of this Annual Report and Audited Financial Statements the Company has one sub-fund in operation. The Company obtained the approval of the Central Bank of Ireland for the establishment of The Herald Worldwide Technology Fund (the “Fund”) and this Fund was launched on 3 April 1998.

INVESTMENT OBJECTIVE AND POLICY

The objective of the Fund is to seek to achieve capital growth by investing principally in securities of issuers in the technology, communications and multi-media sectors which in the view of Herald Investment Management Limited (the “Investment Manager”) offer potential growth in excess of the average.

MEETING INVESTMENT OBJECTIVE

In pursuing its investment objective, the Fund may hold a number of financial instruments which comprise:

- Equity shares, convertible shares, debt securities, adjustable rate index notes (“ARINs”), depositary receipts and shares of investment companies held in accordance with the Fund’s investment objective and policies; and
- Cash, liquid resources and short term debtors and creditors that arise directly from its operations.

PRICES

The price for buying and selling redeemable participating shares in the Fund is represented by the Net Asset Value (“NAV”) per redeemable participating share.

For Class A shares, an initial charge of up to 3.5% of the NAV per share may be payable directly to the Investment Manager.

For Class A shares, a repurchase charge of 3% of the repurchase monies is payable in respect of repurchases made within one year of subscription for redeemable participating shares and 1% in respect of repurchases made within two years of subscription.

There is no initial or repurchase charge for Class B shares.

DEALING

Subscriptions and repurchases of redeemable participating shares may be made on a Dealing Day. Unless otherwise determined by the Directors, every Irish business day shall be a Dealing Day.

Northern Trust International Fund Administration Services (Ireland) Limited (the “Administrator”) determines the NAV per redeemable participating share of the Fund on each Dealing Day in accordance with the Prospectus and by reference to the last quoted trade prices as of close of business on the relevant market on the business day preceding the Dealing Day.

Online dealing is available at:

A.J.Bell: www.youinvest.co.uk

Hargreaves Lansdown: www.hl.co.uk

Transact: www.transact-online.co.uk

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund
BACKGROUND TO THE COMPANY *continued*

DEALING *continued*

Alternatively application forms are available from Herald Investment Management Limited at www.heralduk.com and must be received by the Administrator by 5.00pm (Irish time) on the business day preceding any Dealing Day. Applications received after 5.00pm (Irish time) will be dealt with on the next succeeding Dealing Day.

Applications should be made to the Administrator:

Northern Trust International Fund Administration Services (Ireland) Limited
2nd Floor, Block A
City East Plaza
Towlerton, Ballysimon
Limerick V94 X2N9
Ireland
Tel +353 (0)1 434 5119
Fax +353 (0)1 434 5251
Email queries; Herald_TA@ntrs.com
Email PDF applications; HeraldTAInstructions@ntrs.com

DIVIDENDS

The Fund may declare a distribution in April of each financial year in an amount not less than 85% of the Fund's net income, where sufficient net income is available for distribution. No distribution was declared in April 2020 (April 2019: Nil).

MINIMUM SUBSCRIPTION

For Class A shares, the minimum initial investment requirement of the Fund is GBP 10,000 and each subsequent investment must be a minimum of GBP 5,000. For Class B shares, the minimum initial investment is GBP 1,000 and there is no minimum for subsequent investments. The Directors reserve the right to vary or waive the minimum investment requirements. Please note that Class A shares are currently closed to new investors.

INVESTMENT MANAGEMENT

Herald Investment Management Limited serves as Investment Manager pursuant to an investment management agreement dated 23 March 1998 (as amended by addenda dated 29 June 2006 and 25 May 2018).

NET ASSET VALUE

The NAV per share of a class shall be calculated by dividing the NAV of the relevant fund attributable to the class by the number of shares in issue in that class at the close of business on the Dealing Day immediately preceding the Dealing Day on which the NAV per share is being calculated.

PUBLISHED INFORMATION

Except where the determination of the NAV has been suspended, the NAV per share shall be made available at the registered office of the Administrator on each Dealing Day and shall be available on the business day immediately succeeding each Dealing Day.

In addition, the NAV shall also be available in respect of each Dealing Day on the Investment Manager's website, www.heralduk.com on the business day immediately succeeding the relevant Dealing Day. Such information shall relate to the NAV per share for the previous Dealing Day and is available for information only. It is not an invitation to subscribe for, repurchase or convert shares at that NAV.

The above details are in summary form only and must be read in conjunction with the detailed information contained in the Prospectus of the Company.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2020

The objective of the Herald Worldwide Technology Fund (“Fund”) is to achieve capital growth while investing globally in information technology, communications and multimedia. The Investment Manager, believes this area of the economy continues to offer growth greater than the world economy as a whole and presents attractive investment opportunities. In addition, the Investment Manager offers focused specialist management, with a 25 year history and an experienced team. The Fund was launched in April 1998 with an initial asset value per Class A share of £10.00. At the end of the period the net asset value per Class A share was £89.72. On the 9th June 2010, a Class B share was launched with an initial net asset value per share of £10.00. At the end of the period the net asset value per Class B share was £59.06.

Total return for the financial year ended 31st December 2020

Herald Worldwide Technology Fund NAV (Class A)	33.3%
Herald Worldwide Technology Fund NAV (Class B)	35.9%

Global

S&P Dow Jones World Technology	42.0%
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United States

Russell 1000 (Large Cap) Technology	42.5%
Russell 2000 (Small Cap) Technology	38.8%
S&P 500	15.0%
Russell 2000 Small Cap	16.5%

United Kingdom

iShares Core FTSE 100 UCITS ETF	-11.5%
Numis Smaller Companies plus AIM (ex Investment companies)	4.9%

Europe

DAX	9.5%
Deutsche Bourse TECDAX	12.7%
CAC 40	0.5%

Asia Pacific

NIKKEI 225	20.3%
KOSDAQ IT Composite	39.2%
Taiwan Electronics	45.7%

All percentage returns are in GBP

Source: Herald Investment Management Limited and Bloomberg.

The Fund is not managed by reference to any benchmark and the indices above are shown for comparative purposes only.

Past performance is not a guide to future performance.



We remain enthusiastic about the outlook for investing in the technology sector. Technology is more pervasive than ever and the impact of Covid has further driven its ubiquity to the advantage of many companies within the portfolio. As the capability of cloud-based AI or machine learning computing platforms continues to evolve, an ever-growing proportion of the global economy and traditional business are vulnerable to disruption. In 2020, the pandemic caused an unprecedented catalyst for activities to move from offline to online across diverse aspects of business and personal lives. Much of this momentum is likely to persist for the next 4-5 years and create compelling long-term investment opportunities.



HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2020 *continued*

Summary

Despite all its challenges, 2020 proved to be a good year for the Fund, largely due to the strong performance of equities in the targeted sector. Cash holdings continued to be a drag as uncertainties due to Covid and US elections, as well as high valuations in parts of the technology sector, led to the Manager maintaining a higher level. Nevertheless, the Fund's performance over three and five years remains in the top 1% of nearly 5000 offshore funds on Trustnet.

To call 2020 an unusual year would be an understatement. In the global equity markets, the first half of the year was characterised by extreme volatility following the emergence of Covid and the unprecedented actions by governments around the world in reaction to the health, social and financial risks posed by the global pandemic. This led to a scramble for safety, towards companies with strong balance sheets and those benefiting from the work from home (WFH) trends. The second half of the year was characterised by a gradual rebuilding of investor confidence as supply chains normalised and more economies opened, leading to strong performance in the markets. By Q4, after Covid vaccine approvals looked to be emerging and uncertainty around US elections had subsided, investor optimism bordered on exuberance with equity markets rising across the world and rapid rotations into the under-performing sectors such as energy and finance, despite rising Covid numbers.

The data above shows a large divergence between the returns of the different indices as a result of the crisis. The Russell 1000 (Large Cap) Technology Index and the S&P Dow Jones World Technology Index have both appreciated over 40% during 2020 after having appreciated 41.5% and 39.0% respectively in 2019. By contrast indices with a smaller exposure to technology stocks have risen far more modestly or have declined during the period.

2020 was the year that technology companies across the world showed resilience, adaptability and that they could be relied on in serving customers and supporting employees despite unprecedented challenges.

2020 also saw a step change in the use of technology for almost everyone across all walks of life, especially in western countries where lockdowns were longest and most prevalent. In the consumer sectors spending across retail, healthcare, financial services, education and entertainment rapidly shifted from offline to online. Within the business sectors, WFH and lockdown necessitated at times a total change in business practices, driving the adoption of new communication and collaboration technologies, new marketing initiatives, more supply-chain management tools, and at the same time creating capacity management and sprawling security challenges for the IT teams across public and private organisations.

The combination of the pandemic and the economic and social schism it has unveiled is leading to mainstream questions about the value of globalisation and whether the pendulum has swung too far. The reverberations of the social and economic dislocations of 2020 are likely to be felt for years. The question is whether we recoil towards a bipolar world or whether the growing forces advocating sustainable and responsible investing lead to greater cooperation and better social and living standards for everyone. It is noteworthy that more than 200 employees at Alphabet announced the formation of a union, joining with the Communications Workers of America to organise full-time and contract workers alike.

In hindsight, despite the strong absolute returns of the Fund during the period, we were too conservatively positioned by holding over 10% in cash throughout the year. In February supply chains for technology hardware were disrupted as Covid emerged in China. It has been both surprising and remarkably helpful for the sector that Asia has controlled the virus so much better than the West, and manufactured supplies resumed quite quickly. Meanwhile the technology companies in the West are more software orientated, and in general were able to function satisfactorily with WFH during the Covid lockdown environment, and some even benefited from stimulated demand. Furthermore, we were overly concerned about the macro-economic risks posed by the virus and underestimated the extent to which technology stocks would be favoured by investors as they sought safe havens and growth opportunities.

We continue to be optimistic about investing in the technology sector. We believe that despite economic and political uncertainties; the technology sector will continue to provide opportunities for long-term capital growth.

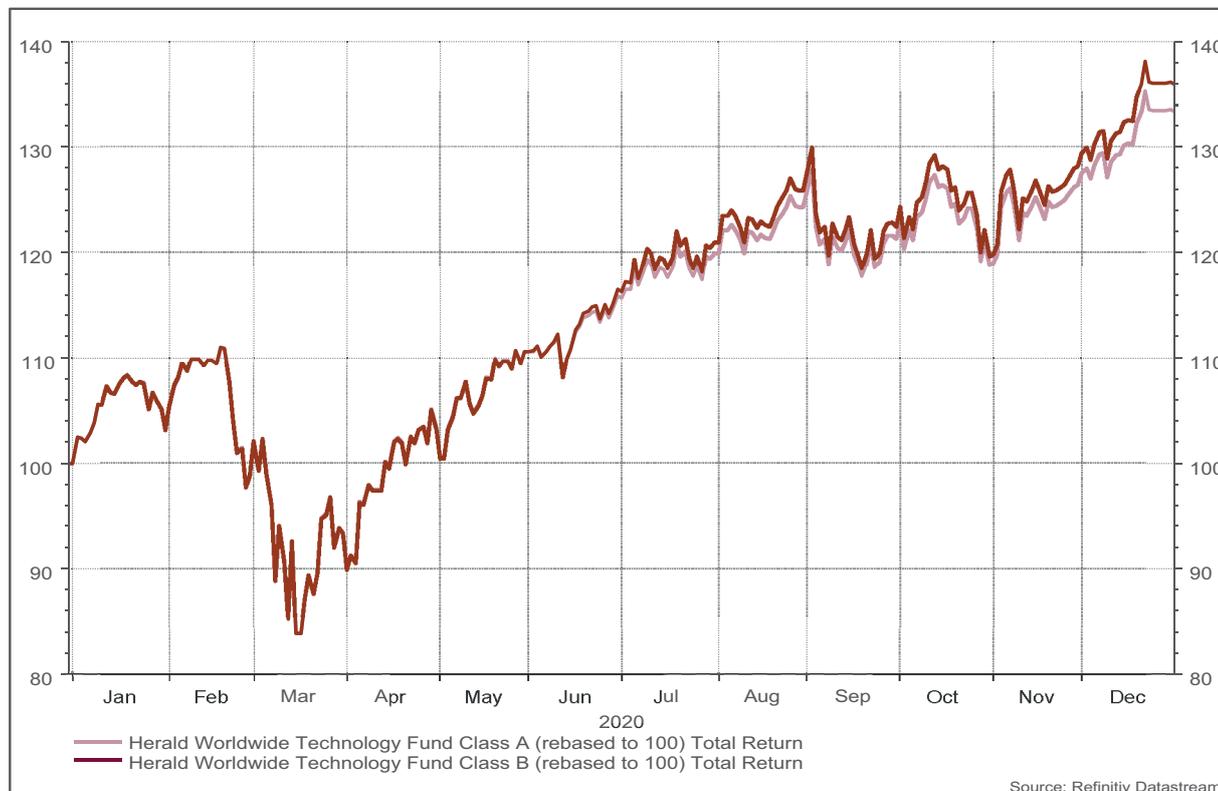
Companies in the sector have always focused on new and better ways of addressing problems and the rate of innovation, adoption, and disruption is accelerating. The pandemic has caused a tectonic shift in the operating practices across sectors and revealed the shortcomings of many existing solutions. In the same way that Zoom redefined the simple conference call and rose to become a multibillion dollar company or Slack redefined messaging or Revolut redefined the credit card, we expect a myriad of companies to reinvent better ways of operating across all sectors over the next decade and create attractive opportunities for long-term investors.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

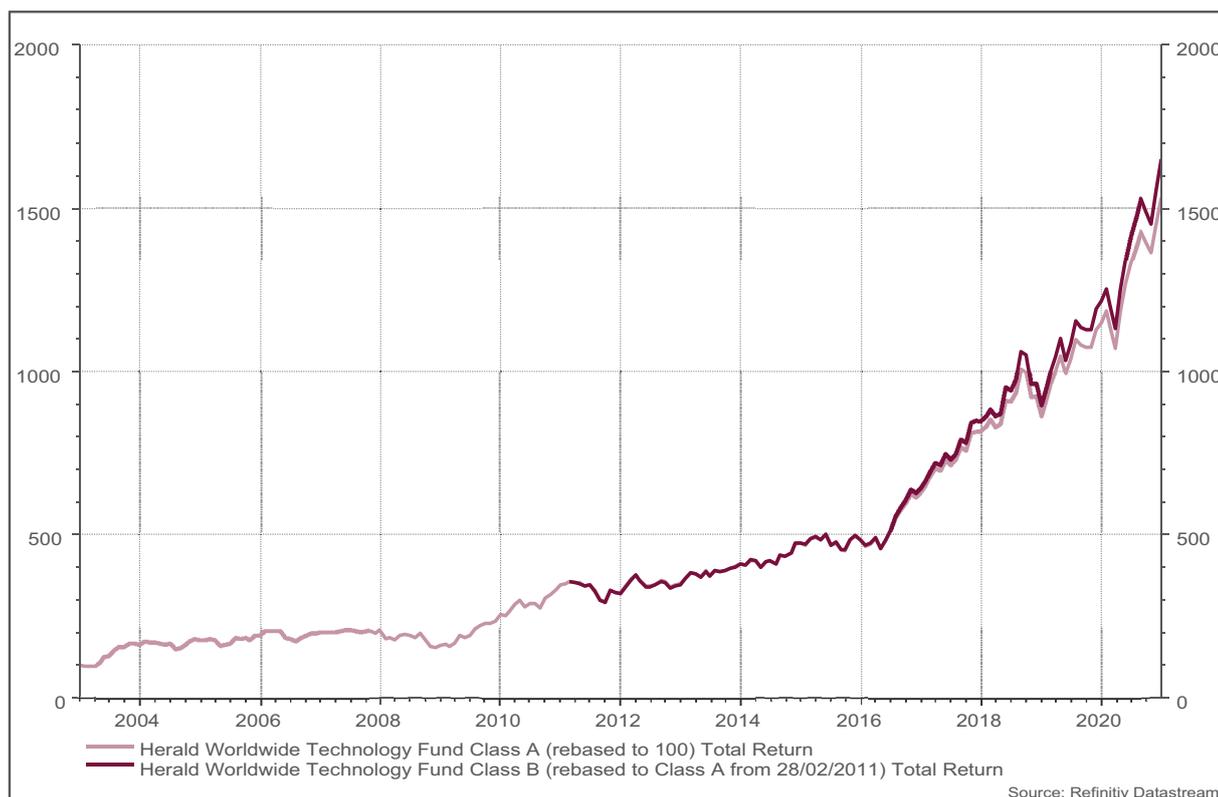
INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2020 *continued*

Summary *continued*

Total Return: 2020



Current Manager: Total Return 31/12/2002 – 31/12/2020



HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER’S REPORT for the financial year ended 31 December 2020 *continued*

Summary *continued*

Total Return by Region*	1 year	3 years	5 years
Asia	33.9%	50.2%	246.7%
EMEA	-2.3%	-18.3%	19.6%
North America	47.2%	143.8%	339.0%
UK	40.2%	84.2%	348.4%

* Time Weighted Return

North America

The total return (TWR) for the US portfolio was 47.2% which compares very favourably with the Russell 1000 (Large Cap) Technology Index total return of 42.5% and is pleasing given the unprecedented uncertainty in the economy. It also comprises the majority of the fund (74.2%).

The star performers in percentage terms were Nvidia, Varonis Systems, and Advanced Micro Devices (AMD), which appreciated 115%, 104%, and 94% respectively (in sterling). The largest contributor to performance was Apple, which appreciated 77% and is the largest position in the portfolio. The launch of Apple’s own M1 chip has been very successful, showing significant improvements in the performance of their laptops. The pandemic has also elongated replacement cycles for the iPhone. Near-term drivers for the stock will be laptop upgrades by the installed base to benefit from the M1 chip and iPhone replacements.

Longer term, we believe Apple is well positioned to expand into new markets such as healthcare. The recent re-emergence of speculation about the Apple car could be another longer-term driver. Apple is also one of the best positioned companies to address rising consumer privacy concerns, as the products have been built from the ground-up to ensure privacy and provide consumers with control over the data they choose to share with third parties. These privacy features will also serve them well as they explore more healthcare opportunities.

Other holdings which have been significant contributors to the returns of the North American portfolio include Amazon (+71%), Microsoft (+38%) and Cadence Design Systems (+91%). The negative contributors to returns were Yelp (-46%), NXP Semiconductors (-20%), and Intel (-17%). We sold Yelp and NXP in the first half of the year due to our concerns about the outlook for the companies. In hindsight we should not have sold NXP as the shares have bounced back sharply. Intel has had a challenging year, still grappling with technology migration and manufacturing yield issues but the recent change in CEO is likely to be beneficial. In H1-2018, we halved the holdings in Intel and reinvested the proceeds into AMD. Since then, AMD management have been executing almost flawlessly and capturing market-share from Intel and contributing to the Fund’s positive returns. Overall, the negative contributors were mostly smaller positions and the aggregate negative contribution of the three combined was less than the positive contribution from each of the top three performers.

During the year, we used the proceeds from the sale of some of the investments in favour of increasing the positions in cybersecurity stocks. FireEye and Qualys are two of the new additions to the Fund. We know both companies quite well and as we have been investors in the companies through the Herald Investment Trust. Both are leaders in different segments of the cybersecurity market. The value of our holdings in both FireEye and Qualys have appreciated significantly since the purchase.

The P/E of the North American portfolio on Bloomberg forecasts was 31x on 31st December 2020 compared to 25x at the end of 2019 and 18x at the end of 2018. This expansion in P/E has been mostly due to the reratings of the Fund holdings as opposed to any substantial changes in its holdings.

Europe

The Fund’s only European holding is SAP, with a weighting of 2.3%. SAP performed poorly during the year as the pandemic and global economic challenges reduced impetus for customers to embark on major Enterprise Resource Planning initiatives. The shares fell 4.5% in 2020. We increased this position during Q4. We continue to like the long-term outlook for SAP as it retains a strong competitive position in its core enterprise software markets, with scope for sustainable long-term growth, and a supportive valuation.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER’S REPORT for the financial year ended 31 December 2020 *continued*

Summary *continued*

UK

The UK portfolio comprises 6.1% of the Fund and the total return was 40.2%. The Fund’s largest UK holding was Herald Investment Trust, with a weighting of 3.2%. Herald Investment Trust appreciated 53% in the period, following a strong appreciation of 38% in 2019. Other UK stocks that have performed strongly include Avast and IQE which appreciated 22% and 16% respectively during the year.

Asia

The Asian portfolio comprises 6.1% of the Fund and the total return was 33.9%. Taiwan Semiconductor Manufacturing Company (TSMC) and Samsung Electronics, were the star performers, returning 87% and 52% respectively. Early in the year as news about the pandemic was emerging, we reduced the Fund’s exposure to China. We sold out of CTrip.com, the leading online travel company and reduced the holding in Alibaba. Alibaba had a roller coaster run in the year, the shares appreciated strongly in H2 in anticipation of the ANT Financial initial public offering (IPO), but retraced much of the gains, when the Chinese regulator stopped the IPO.

We expect the Chinese technology sector to remain dynamic and volatile for the foreseeable future. The Chinese government will continue to fund and support its domestic champions across different segments of the technology sector. We believe it is important to follow the progress of these companies as they can pose meaningful competitive threats to non-Chinese companies as Huawei did to Ericsson, Nokia, Alcatel and Cisco during the last 10 years.

It is also valuable to understand the evolving business models of the leaders, as new models such as those of Tiktok and Ant Financial recently and Alibaba previously can point to opportunities and changes in other markets. Despite some of the attractive prospects of the domestic Chinese technology sector, we remain concerned about investing in these domestic companies due to corporate governance issues and the lack of protection for shareholders. In some ways, the risks of investing in Chinese companies are further magnified when investing in the Nasdaq listings of such companies. Foreign ownership of some business activities in China is prohibited and contractual arrangements via Cayman Islands corporate structures are often utilised. This can mean that in times of uncertainty the pricing of such Chinese ADRs listed on Nasdaq can be weak, enabling private equity to “persuade” management to go private at disappointingly low valuations for public market investors. This scenario occurred during 2020 with the Fund’s holding in 58.com - the leading online classifieds business in China - which went private in September 2020. As shareholders, the Fund voted against this transaction. As investors, it remains a challenge to balance the potential rewards from investing in high growth Chinese technology companies with the regulatory and corporate governance risks of investing in an undemocratic country with effectively a President for life as the head of state.

The regulatory and corporate governance risks are less severe in the rest of Asia, in particular Taiwan which has been driving improvements in corporate governance for a number of years. TSMC has been a great long-term success story for both the Taiwanese economy and international investors.

Market Background

Markets in 2020 were marked by the onset of the Covid pandemic and unprecedented and rapid fiscal and monetary actions by governments in response to the crisis. Following the start of the global pandemic in early 2020 and market concerns about a global recession, the Fed adapted its playbook of the 2008 Financial crisis and reduced the Fed funds rate by a half-percent on March 3, from 1.50-1.75% to 1.00-1.25%, and by an additional percent on March 15, to 0-0.25% and pursued a policy of quantitative easing through buying bonds. Other central banks also pursued similar policies.

These actions led to a powerful market rally that began in late March and quickly caused the equity indices to regain the ground they had lost and, in some cases, reach new highs. As assets and asset classes are inherently interconnected, changing the risk-free rate reset the returns on most other securities, especially longer duration assets, leading to higher valuations. Reratings in some segments of the market, for example, cloud software companies trading on 30+ multiples of revenues, have reached levels where the embedded long-term growth expectations leave little room for any uncertainties, especially after accounting for annual stock dilutions used for employee compensation.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER’S REPORT for the financial year ended 31 December 2020 *continued*

Market Background *continued*

The US elections marked a turning point in US and global politics now with Democratic control of the White House and Congress. Biden is a proponent of clean energy and has outlined an ambitious policy. The possibility of corporate tax increases returns. Democrats have also been more aggressive with anti-trust reform. Reforms could include making it harder for big tech to acquire potential rivals and passing new rules around how corporations can muscle into new markets. At the very least Congress is likely to increase funding for the Federal Trade Commission and Department of Justice to support their antitrust lawsuits against the tech giants. Joe Biden and Kamala Harris have also pledged to focus on civil rights across all policy areas and technology is unlikely to be an exception. It is reasonable to expect that Congress will work to tackle issues ranging from consumer privacy to discriminatory and racially biased artificial intelligence (AI) algorithms.

The regulatory rumble is beyond just the US and the technology mega-caps. European regulators are also actively pursuing technology companies, with long-awaited “gate keeper” legislation proposed in December 2020. In July Apple won its appeal against a much fan fared 2016, European ruling requiring it to pay Ireland EUR 13bn in unpaid taxes, although the final outcome is uncertain as the European Commission has stated that it will appeal this decision and take it to the European Court of Justice. The Chinese authorities also remain vigilant against big tech, as was seen with their prevention of the Ant Financial initial public offering (IPO) in November which was expected to be one of the largest IPOs in history. Anti-China regulation, spear-headed and expanded by the Trump administration, remains in place with the pandemic highlighting the importance of reliable supply chains across sectors.

President Biden has been purposefully opaque on China policy. Despite the political rhetoric against big tech, there is meaningful resistance in the US to “breaking up” any of these companies, as they are recognised to be the leading US warriors in the battle against Chinese technology dominance.

Despite the global pandemic-related turmoil, equity capital markets were very active in 2020. According to Bloomberg, in 2020 the volume of equity and equity-linked offerings in the technology sector grew 90% year-on-year to \$172bn. Much of the fund raising in the first half was for convertibles as companies’ managements scrambled to shore up their balance sheets and avert any liquidity risks. After grinding to a halt at the beginning of the year, by Q3 the technology IPO market had opened up and gathered steam in Q4. Post-IPO performance was largely very strong. Snowflake, the data analytics company, and Unity Software, the game development platform provider, were two of the standout performers.

In 2020, we also saw a growing trend for many companies to go public using special purpose acquisition companies (SPACs). SPACs provide an avenue for companies to access liquidity without the burden of the IPO process. The downside for investors is that inherently there is poorer disclosure than with a typical IPO offering. According to SpacAnalytics, 55% of US IPOs in 2020 were through SPACs, raising \$83bn of proceeds. This compares to 28% of SPAC IPOs in 2019 and \$14bn of proceeds. Although we chose not to participate in any of the IPOs or SPACs, we benefited from the management meetings and investor education sessions.

Another notable aspect of the markets has been the growing interest in Environmental, Social and Governance (ESG) and Responsible Investing initiatives initially spearheaded by European institutions although Asian institutions, such as the Taiwan Stock Exchange, have also been actively promoting the agenda for years. According to Morningstar, in Q3-2020 alone, more than €50bn of capital flowed into European ESG funds. This represents 40% of the overall European fund flows. According to The Investment Association in the UK, there has also been a 275% increase in flows into ESG funds in the first nine months of 2020 compared to 2019. We expect this momentum to continue and act as a favourable tailwind for many companies in the technology sector.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2020 *continued*

Sector Outlook

The low barriers to scaling enabled by cloud computing, low cost funding, and the prominent shift in responsible investing sweeping the globe, all combine to create new opportunities to solve old problems. Developments such as 5G, artificial intelligence, machine learning and sensor networks, which we have talked about in prior years, remain pivotal building blocks for the development of new solutions. However, this year we believe the challenges caused by the pandemic have been an unprecedented accelerant for the adoption of diverse technologies.

Healthcare IT market finally cracked

Healthcare is a prime example of this. The pandemic has been a watershed moment for the digital healthcare industry. For decades, tech entrepreneurs and investors have been looking at the trillions of dollars of healthcare costs and attempted different approaches for breaking into the market with efficient technological solutions. Suddenly, after decades of promise, bountiful opportunities have become mainstream. These opportunities target key functions such as diagnostics, prescriptions and monitoring as well as treatment trials and efficacy assessments. Like early generations of phones or enterprise applications, many of the healthcare applications of today are still in their infancy and will take generations to mature. The growing number of millennials in the healthcare industry will propel adoption rates of new solutions across the chain. Multi-billion-dollar platform leaders and category leaders will emerge over the next 5-7 years. It is ironic, or perhaps indicative of diverging perspectives, that Amazon, JP Morgan and Berkshire Hathaway dissolved their healthcare JV at the end of 2020.

Hybrid Online / Offline models expanding into new markets

Many of the emerging healthcare opportunities are likely to follow the hybrid online/offline model similar to services offered by Intuit's premium tax service. After years of experimentation, Intuit has succeeded in integrating technology with on-demand, personalised advice from certified public accountants (CPAs). This has allowed the company to build a scalable hybrid online/offline model which both the consumer and the CPAs find valuable. We expect more companies to build on Intuit's success and break into high value services markets such as healthcare with innovative and cost-efficient offerings attractive to both the consumer and the healthcare service providers. We anticipate the emergence of more of these amorphous tech companies spanning, hardware, software, and high-end services, allowing technology to increase the effectiveness and efficiency of highly skilled professionals.

Cloud goes mainstream and continues to flourish

We continue to see opportunities from the migration of on-premise IT infrastructure to cloud based systems despite the strong performance of the cloud infrastructure providers during the past few years.

Gartner estimates overall IT budgets fell 3.2% in 2020 and forecasts a growth of 6.2% in 2021 to \$3.9Tn. Within the broad budgets, spending on cloud is expected to grow at a CAGR of 17-18% during the next four years, from \$294bn in 2020 to \$565bn in 2024. This compares with a mid-single digit growth expectation for overall IT budgets during the same period.

Amazon and Microsoft retain their leadership positions in the cloud services market, while Google continues to invest aggressively to catch-up, having a somewhat differentiated offering for AI focused applications. Alibaba remains the leading non-US provider. We believe in the strength of the cloud business models and that all four companies remain well positioned to drive and benefit from this secular growth trend.

An emerging trend is that hyperscalers are also investing in developing their own semiconductor chips. Similar to Apple, their growing scale justifies the R&D expense associated with chip design. Having their own proprietary chips will allow them to reduce operating costs, increase power efficiency, increase security, and increase the differentiation between their offerings.

Another interesting development we are seeing in the cloud space is the emergence of a marketplace, mirroring aspects of the Apple App Store model.

Some of the key attributes which led to the success of the Apple App Store were that it removed these three critical barriers to software adoption, trust, distribution and payments. Customers know that the software in the App Store has been vetted by Apple to ensure it meets security and privacy requirements. They also know there is little risk that the software will damage their devices. For the developers, Apple provide a distribution platform, reducing historical packaging and channel costs. The Apple App Store also simplifies payment processing, including issues like foreign currency and tax handling in diverse jurisdictions for the developers.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2020 *continued*

Sector Outlook *continued*

The shift to cloud architectures has spurred an ecosystem of cloud-native infrastructure software vendors. Amazon AWS, Microsoft, Google and Alibaba have been working on creating a similar app store model to support the growth of these cloud-native companies whose businesses are symbiotic to that of the cloud vendors. The same way that the Apple App Store created extra trust, reduced distribution costs, and reduced friction associated with contracts and payments etc, the cloud infrastructure providers are seeking to provide similar services to the new breed of cloud software vendors.

These cloud app stores will enable a new range of specialty or niche software vendors to grow scalable and profitable businesses. Our interactions with the managements of diverse software companies, including some of the holdings in the Herald Investment Trust, have allowed us to see the progression of companies distributing their products through these cloud app stores. The ecosystem is rich and is likely to provide attractive investment opportunities.

Security problems are not going away

2020 was notable for many events, one of the most concerning being the revelation in December that the security of almost all US government departments and over 300,000 corporations had been compromised because of malicious software embedded in a widely used SolarWinds Orion Platform.

Attribution is known to be very hard in the cyber-security world, but experts believe the SolarWinds breach had been orchestrated by Russian state actors.

In addition to the SolarWinds debacle, 2020 was notable for the number of sophisticated ransomware attacks on large corporations. Many of these were also alleged to be have been orchestrated by RYUK, known Russian operatives.

It is getting harder to distinguish between cyber security and the broader security market. The lines continue to blur as more and more technology permeates the physical security market. This provides increased opportunities for infiltration by cybercriminals.

The cybersecurity market is estimated to be \$151bn in 2020 and expected to grow to over \$210bn by 2024. With the global cost of cyber-crime cited at over \$900bn per annum, still far exceeding the remediation spend, we remain optimistic about opportunities for investing in these markets. In H2-2020 we increased the Fund's exposure to the market by adding FireEye and Qualys to the portfolio and continue to look for other interesting companies.

Semiconductors remain the enablers and beneficiaries of digitalisation

At Herald we have always looked across supply chains for risks and opportunities. As the use of technology expands across the economy, and industries such as healthcare, education and entertainment embrace more digitalisation initiatives, they drive demand for computing capacity, memory and storage. Regardless of the particular solution a company or sector adopts, digitalisation drives demand, and the semiconductor sector is therefore a core beneficiary. Although we have reduced some of the Fund's positions in the semiconductor stocks due to concerns about stretched valuations, we continue to favour the subsector and have substantial exposure through investment in AMD, Nvidia, Intel, Micron Technology, Samsung Electronics, TSMC, Cadence Design Systems, Xilinx and Teradyne. It is conspicuous that there is currently very high utilisation in many semiconductor fabrication facilities.

Summary

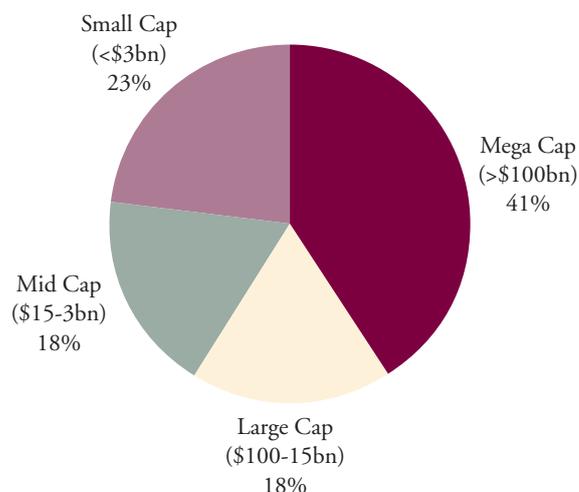
We remain enthusiastic about the outlook for investing in the technology sector. Technology is more pervasive than ever and the impact of Covid has further driven its ubiquity to the advantage of many companies within the portfolio. As the capability of cloud-based AI or machine learning computing platforms continues to evolve, an ever-growing proportion of the global economy and traditional business are vulnerable to disruption. In 2020, the pandemic caused an unprecedented catalyst for activities to move from offline to online across diverse aspects of business and personal lives. Much of this momentum is likely to persist for the next 4-5 years and create compelling long-term investment opportunities.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INVESTMENT MANAGER’S REPORT for the financial year ended 31 December 2020 *continued*

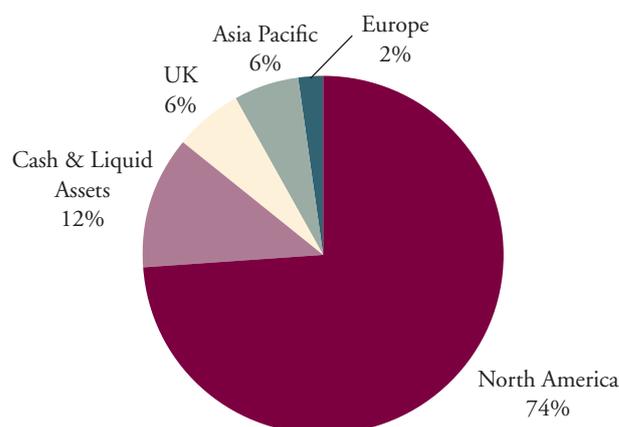
**BREAKDOWN OF EQUITY INVESTMENTS
BY MARKET CAP**

	31/12/2020	31/12/2019
Mega Cap (>\$100bn)	41%	41%
Large Cap (\$100-15bn)	18%	19%
Mid Cap (\$15-3bn)	18%	27%
Small Cap (<\$3bn)	23%	13%
	100%	100%



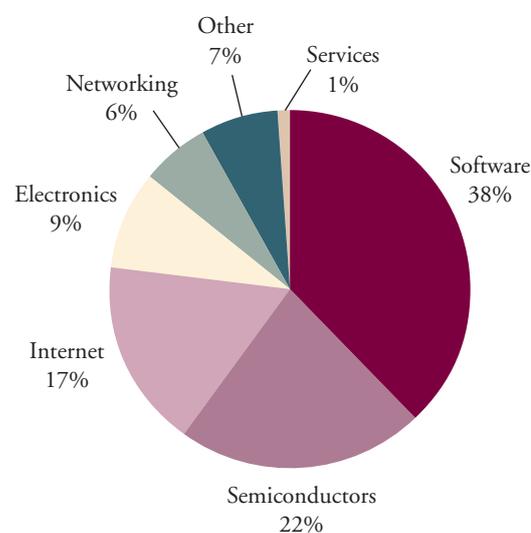
GEOGRAPHICAL BREAKDOWN

	31/12/2020	31/12/2019
North America	74%	78%
Cash & Liquid Assets	12%	5%
UK	6%	7%
Asia Pacific	6%	8%
Europe	2%	2%
	100%	100%



SECTOR BREAKDOWN

	31/12/2020	31/12/2019
Software	38%	35%
Semiconductors	22%	26%
Internet	17%	19%
Electronics	9%	9%
Networking	6%	5%
Other	7%	5%
Services	1%	1%
	100%	100%



Source: Herald Investment Management Limited
Date: 31/12/2020

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

DIRECTORS' REPORT for the financial year ended 31 December 2020

The Directors present herewith the Annual Report and Audited Financial Statements for the financial year ended 31 December 2020.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Audited Financial Statements in accordance with Irish law and accounting standards issued by the Financial Reporting Council, including FRS102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Principles in Ireland) and UCITS Regulations.

Irish Company law requires the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards and notify shareholders in writing about the use of disclosure exemptions of FRS 102; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017) and enable those financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In carrying out this duty, the Directors have delegated depository of the Company's assets to the Northern Trust Fiduciary Services (Ireland) Limited (the "Depository").

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017).

The financial statements are published on the Company's website www.heralduk.com. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance Statement

The Board of Directors (the "Board") has voluntarily complied with the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by the Irish Funds Industry Association ("Irish Funds"), as the Company's corporate governance code ("IF Code").

The Board has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

DIRECTORS' REPORT for the financial year ended 31 December 2020 *continued*

Internal Control and Risk Management Systems

The Company is responsible for establishing and maintaining adequate internal control and risk management systems in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including the production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Board of the Company and filed with the Central Bank of Ireland. The financial statements are required to be audited by independent auditors who report annually to the Board on their findings.

The Board regularly reviews the performance of the Administrator to ensure its performance is satisfactory and in accordance with the terms and conditions of the Administrator Agreement and Prospectus.

The Board evaluates and discusses significant accounting and reporting issues as the need arises.

Operation of the Shareholder Meeting, the Key Powers of the Shareholder Meeting, Shareholders' Rights and the Exercise of Such Rights

The convening and conduct of shareholders' meetings are governed by the Constitution of the Company and the Irish Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017). Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company every calendar year within nine months of the Company's financial year end and no more than fifteen months from the date of the previous annual general meeting. Shareholders representing not less than one-tenth of the paid up share capital of the Company may also request the Directors to convene a shareholders' meeting. Not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders. Fourteen days notice must be given in the case of any other general meeting unless the auditors of the Company and all the shareholders of the Company entitled to attend and vote agree to shorter notice.

Two members present either in person or by proxy constitute a quorum at a general meeting provided that the quorum for a general meeting convened to consider any alteration to the class rights of shares is two shareholders holding or representing by proxy at least one third of the issued shares of the relevant sub-fund or class.

Every member present in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every member is entitled to one vote in respect of each share held by them. The chairman of a general meeting of the Company or at least five members present in person or by proxy or any holder or holders of participating shares present in person or by proxy representing at least one-tenth of the shares in issue having the right to vote at such meeting may demand a poll.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company or of the shareholders of a particular sub-fund or class requires a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company or of the shareholders of a particular sub-fund or class requires a majority of not less than 75% of the shareholders present in person or by proxy and voting in a general meeting in order to pass a special resolution including a resolution to amend the Constitution.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

DIRECTORS' REPORT for the financial year ended 31 December 2020 *continued*

Composition and Operation of the Board of Directors and the Committees of the Board of Directors

Unless otherwise determined by an ordinary resolution of the Company in a general meeting, the number of Directors may not be less than two nor more than twelve. Currently, the Board of the Company is composed of four Directors, being those listed on page 3 of these financial statements.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as required by the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017) or by the Constitution of the Company.

A Director may, and the Company Secretary, at the request of a Director will, at any time, summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the chairman has a second or casting vote. The quorum necessary for the transaction of the business at a meeting of the Directors is two.

There are no sub-committees of the Board.

Principal Activities and Future Developments

The objective of the Fund is to seek to achieve capital growth by investing principally in securities of issuers in the technology, communications and multi-media sectors which in the view of the Investment Manager offer potential growth in excess of the average. The Investment Manager's Report contains a review of the factors which contributed to the performance for the financial year.

Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are market risk (comprising of market price, interest rate and foreign currency risk), credit risk and liquidity risk which are disclosed further in note 2 'Financial Risk Management' in the financial statements.

The non financial risks that may have a potential impact on the Company are Political, Eurozone, Brexit, Umbrella Structure of the Company and Cross Liability Risk, Cyber Security and Identity Theft, Health Risks.

Significant Events During the Year

Change in Directorship

William Backhouse resigned as Director on 3 March 2020.

Dominic Del Mar was appointed as Director on 3 March 2020.

Covid

On 11 March 2020, the World Health Organisation officially declared Covid, the disease caused by novel coronavirus, a pandemic. The pandemic has caused significant volatility in international markets. There is significant uncertainty around the breadth and duration of business disruptions related to the pandemic, as well as its impact on international economies and, as such, the Company is actively monitoring the extent of the impact to its operations, financial accounting and reporting. Based on the continuity of services from third party suppliers, the Directors do not at consider that there is any material negative impact on the ability to manage or administer the Fund. The Board is monitoring the evolution of this pandemic, including how it may affect the economy and the general population. The financial impact of these events continues to remain uncertain.

Brexit

The UK formally exited the EU on 31 January 2020 ("Brexit"). Under the terms of the withdrawal agreement a transition period ran to 31 December 2020, during which EU law continued to apply in the UK. On the 24 December 2020 a permanent trade agreement was agreed.

There were no other significant events during the year which, in the opinion of the Directors, may have had an impact on the financial statements for the financial year ended 31 December 2020.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

DIRECTORS' REPORT for the financial year ended 31 December 2020 *continued*

Events Since the Financial Year End

Covid

Since the year end Covid continues to spread rapidly around the world. The ultimate economic fallout from the pandemic and the long term impact on economies, markets, industries and individual issuers, are not known. The Company continues to monitor the situation closely.

Brexit

The Directors continue to monitor the impact of Brexit on the Company.

Appointment of a third party Management Company

In order to better facilitate compliance with the Central Bank of Ireland issued Guidance on Fund Management, the Company proposes to move from being a self-managed Investment Company to one which is externally managed and proposes to appoint a third-party management company.

Change in Company Secretary

On 29 January 2021 the Company appointed Bradwell Limited as Company Secretary, replacing Sanne Corporation Administration Services Ireland Ltd.

There were no other events after the Balance Sheet date which, in the opinion of the Directors, may have had an impact on the financial statements for the year ended 31 December 2020.

Results and Dividends

The results and dividends for the year are set out in the Profit and Loss Account on page 24.

Directors

The Directors who held office during the year under review were:

William Backhouse LVO (British)^(**)

Dominic Del Mar (British)^(***)

Charles Ekins (British)^{*}

Paul Halley (Irish)^{*}

Fergus Sheridan, Chairman (Irish)^{*}

^{*}Independent Directors

^(**) Resigned on 3 March 2020

^(***) Appointed on 3 March 2020

Directors' Interests in Shares and Contracts

The Directors' interests in shares and contracts are detailed in note 10.

Transactions Involving Directors

There are no contracts or arrangements of any significance in relation to the business of the Company in which the Directors or Company Secretary had any interest as defined in the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017), at any time during the financial year.

Accounting Records

The Directors believe that they have complied with the requirements of the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017), with regard to the keeping of accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function.

The accounting records of the Company are maintained at:

Northern Trust International Fund Administration Services (Ireland) Limited
Georges Court,
54-62 Townsend Street,
Dublin 2,
D02 R156

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

DIRECTORS' REPORT for the financial year ended 31 December 2020 *continued*

Ireland

Independent Auditors

In accordance with Section 383 (2) of the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017), PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, are willing to continue in office.

Transactions with Connected Persons

Any transactions carried out with the Company by a management company or depositary to the Company, the delegates or sub-delegates of a management company or depositary, and any associated company of such a management company, depositary, delegate or sub-delegate (“connected persons”) must be carried out as if negotiated at arm’s length. Transactions must be in the best interests of the shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the financial year complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

Directors' Compliance Statement

The Directors, in accordance with Section 225(2) of the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017), acknowledge that they are responsible for securing the Company’s compliance with certain obligations specified in Section 325 of the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017), where applicable, the Market Abuse (Directive 2003/6/EC) Regulations 2005, the Prospectus (Directive 2003/71/EC) Regulations 2015, the Transparency (Directive 2004/109/EC) Regulations 2007 and Tax laws (‘relevant obligations’). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company’s policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company’s relevant obligations, have been put in place; and
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the Company’s compliance with its relevant obligations.

Statement of Relevant Audit Information

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company’s statutory auditors are unaware. The Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company’s auditors are aware of that information.

On behalf of the Board of Directors

Fergus Sheridan
Director

Paul Halley
Director

25 February 2021

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

DEPOSITARY’S REPORT to the Members of Herald Investment Fund plc (the “Company”)

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Herald Investment Fund plc (the “Company”) provide this report solely in favour of the members of the Company for the year to 31 December 2020 (the “Annual Accounting Period”).

This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, which implemented Directive 2009/65/EU into Irish Law (the “UCITS Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the Company for this Annual Accounting Period and we hereby report thereon to the members of the Company as follows:

We are of the opinion that the Company has been managed during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitutional documents and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Constitutional document and of the UCITS Regulations.

For and on behalf of:

Northern Trust Fiduciary Services (Ireland) Limited
25 February 2021

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INDEPENDENT AUDITORS' REPORT to the Members of Herald Investment Fund plc

Report on the audit of the financial statements

Opinion

In our opinion, Herald Investment Fund plc's financial statements:

- give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2020 and of its results for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report & Audited Financial Statements, which comprise:

- the Balance Sheet as at 31 December 2020;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the year then ended;
- the Schedule of Investments as at 31 December 2020; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INDEPENDENT AUDITORS' REPORT to the Members of Herald Investment Fund plc *continued*

Reporting on other information

The other information comprises all of the information in the Annual Report & Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 15, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

INDEPENDENT AUDITORS' REPORT to the Members of Herald Investment Fund plc *continued*

Responsibilities for the financial statements and the audit *continued*

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records..

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Patrick Glover
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
25 February 2021

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

PROFIT AND LOSS ACCOUNT for the financial year ended 31 December 2020

	Note	Financial year ended 31 December 2020 GBP	Financial year ended 31 December 2019 GBP
Income			
Operating income	3	241,436	242,524
Net gains on financial assets and liabilities at fair value through profit or loss	4	15,345,874	10,718,566
		15,587,310	10,961,090
Total investment income			
Operating expenses	5	(1,606,343)	(1,301,733)
Expense reimbursement from investment manager	8	226,940	251,000
		14,207,907	9,910,357
Profit for the year before tax			
Non-reclaimable withholding tax		(64,617)	(54,612)
		14,143,290	9,855,745
Increase in net assets from operations attributable to holders of redeemable participating shares			

There are no recognised gains or losses arising in the financial year other than the increase in net assets attributable to holders of redeemable participating shares of the Company. In arriving at the results of the financial year, all amounts above relate to continuing operations.

On behalf of the Board of Directors

Fergus Sheridan
Director

Paul Halley
Director

25 February 2021

The accompanying notes form an integral part of the Financial Statements.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund
BALANCE SHEET as at 31 December 2020

	Note	As at 31 December 2020 GBP	As at 31 December 2019 GBP
ASSETS			
Financial assets at fair value through profit or loss	2	49,984,563	38,850,969
Cash and bank balances	9	7,380,987	2,524,181
Debtors	1 (g)	210,954	212,759
TOTAL ASSETS		57,576,504	41,587,909
 LIABILITIES			
Creditors - amounts falling due within one year	1 (f)	(1,039,932)	(765,517)
Net assets attributable to holders of redeemable participating shares		56,536,572	40,822,392

On behalf of the Board of Directors

Fergus Sheridan
Director

Paul Halley
Director

25 February 2021

The accompanying notes form an integral part of the Financial Statements.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE PARTICIPATING SHARES**
for the financial year ended 31 December 2020

	Financial year ended 31 December 2020 GBP	Financial year ended 31 December 2019 GBP
Net assets attributable to holders of redeemable participating shares at beginning of year	40,822,392	29,428,791
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	14,143,290	9,855,745
Amounts received on issue of redeemable participating shares	6,467,305	3,746,327
Amounts paid on redemption of redeemable participating shares	(4,896,415)	(2,208,471)
Increase in net assets resulting from share transactions	1,570,890	1,537,856
Net increase in shareholders' funds	15,714,180	11,393,601
Net assets attributable to holders of redeemable participating shares at end of year	56,536,572	40,822,392

The accompanying notes form an integral part of the Financial Statements.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020

1. Significant Accounting Policies

a) Basis of Preparation

In preparing the Annual Report and Audited Financial Statements for the financial year end 31 December 2020, the Directors have applied Financial Reporting Standard 102 (“FRS 102”) the Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish Statute comprising Companies Act 2014, the Companies (Accounting) Act 2017 and the UCITS Regulation and the Central Bank UCITS Regulations and these financial statements comply with that standard.

The financial statements have been prepared on a going concern basis and in accordance with Irish law and accounting standards issued by the Financial Reporting Council, including FRS102 “The Financial Reporting Standards applicable in the UK and Republic of Ireland” (Generally Accepted Accounting Principles in Ireland).

The format and certain wording of the financial statements have been adapted from those contained in Irish Statute so that, in the opinion of the Directors, it more appropriately reflects the nature of Herald Investment Fund plc’s (the “Company’s”) business as an investment company.

The Herald Worldwide Technology Fund (the “Fund”) meets all the conditions set out in FRS 102, Section 7, and consequently has availed of the exemption available to certain funds not to prepare a statement of cash flows.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

b) Fair Value Measurement

By fully adopting FRS 102, in accounting for its financial instruments, the Company has chosen to implement the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU) and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

c) Investments

(i) Classification and Recognition/Derecognition

The financial assets and financial liabilities at fair value through profit or loss comprise of equities and exchange traded investment funds.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company’s documented investment strategy. The Company’s policy is for the Investment Manager and the Board to evaluate the information about these financial assets on a fair value basis together with other related financial information.

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument, and all significant rights and access to the benefits from the assets, and the exposure to the risks inherent in those benefits, are transferred to the Company. The Company derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the Company.

Regular purchases and sales of financial assets are recognised on trade date. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Profit and Loss Account.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

1. Significant Accounting Policies *continued*

c) Investments *continued*

ii) Fair Value Measurement Principles

Investments listed on a recognised exchange or traded on any other organised active market are valued at fair value. The last traded price on the principal exchange or market for such instruments, being a quoted price, is taken as the best evidence of fair value. Investments acquired or traded at a premium or discount outside or off the relevant exchange, or on an over the counter market, may be valued at fair value.

If for specific investments the last traded prices do not, in the opinion of the Investment Manager, reflect their fair value or are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

d) Cash

Cash comprises current deposits with banks.

e) Income

Dividends are recognised as income on the dates the securities are first quoted “ex dividend” to the extent that information thereon is reasonably available to the Company. Income which suffers a deduction of tax at source is shown gross of such withholding tax.

Bank deposit and bond interest are accounted for on an effective interest basis.

f) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method. The difference between the proceeds and the amounts payable is recognised over the year of the payable using the effective interest method.

g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost less provision for impairment.

h) Fees and Charges

Management fees, administration fees, custody fees and other operating expenses are charged to the Profit and Loss Account on an accruals basis.

i) Redeemable Participating Shares

The Company issues redeemable shares, which are redeemable at the holder’s option and are classified as financial liabilities. Redeemable shares can be redeemed at any time for cash equal to a proportionate share of the Company’s Net Asset Value (“NAV”). The redeemable share is carried at the redemption amount that is payable at the Balance Sheet date if the holder exercises the right to redeem.

Redeemable shares are issued and redeemed at the holder’s option at prices based on the Company’s NAV per share at the time of issue or redemption. The Company’s NAV per share is calculated by dividing the net assets attributable to the holders of redeemable shares by the total number of outstanding redeemable shares. In accordance with the provisions of the Company’s Constitution, investment positions are valued based on the last traded market price, for the purpose of determining the NAV per share for subscriptions and redemptions.

All issued redeemable shares are fully paid. The Company’s capital is represented by these redeemable shares with no par value and with each carrying one vote. They are entitled to dividends and to payment of a proportionate share based on the Company’s NAV on the redemption date.

Financial liabilities, arising from the redeemable participating shares issued by the Company, are carried at the redemption amount representing the investors’ right to a residual interest in the Company’s assets.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

1. Significant Accounting Policies *continued*

j) Foreign Exchange

(i) Functional and Presentation Currency

The Company's investors are mainly from the UK, with the subscriptions and redemptions of the redeemable participating shares denominated in GBP. The primary activity of the Company is to invest in global securities and to offer UK investors a high return compared to other products available in the UK. The performance of the Company is measured and reported to the investors in GBP. The Board considers GBP the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in GBP, which is the Fund's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Profit and Loss Account.

Translation differences on non-monetary financial assets and liabilities, such as equities at fair value through profit or loss, are recognised in the Profit and Loss Account within the net gains/(losses) on financial assets and liabilities at fair value through profit or loss.

The following exchange rates were used to convert investments, assets and liabilities to the functional currency of the Company:

	As at 31 December 2020	As at 31 December 2019
Euro	1.1172	1.1802
Korean Won	1,484.9179	1,532.0072
Taiwan Dollar	38.4086	39.7120
US Dollars	1.3670	1.3248

k) Net Assets Attributable to Holders of Redeemable Participating Shares

In accordance with the provisions of the Offering Memorandum, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last quoted trade price as at the close of business on the valuation day for the purpose of determining NAV per share for subscriptions and redemptions and for various fee calculations.

Net assets attributable to shareholders represent a liability in the Balance Sheet, carried at the redemption amount that would be payable at the Balance Sheet date if the shareholders exercised the right to redeem shares in the Fund.

l) Transaction Costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are included as part of the cost of such purchases. Any transaction costs are included in net gains/(losses) on financial assets and liabilities at fair value through profit or loss. See note 8 to the financial statements for further information.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

2. Financial Risk Management

In accordance with the investment objective of maximising capital appreciation, the Company invests in securities on a worldwide basis. The Company's financial assets consist of cash, equities and exchange traded investment funds and short term debtors and creditors.

The main risks arising from the Company's financial instruments are as follows:

A. Market Risk - comprising:

- (i) Market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency rate movement;
- (ii) Interest rate risk, being the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates; and
- (iii) Foreign currency risk, being the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

B. Credit Risk - being the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

C. Liquidity Risk - being the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Day-to-day risk management is undertaken by the Investment Manager. Risk management issues are reported separately to the Directors by the Administrator and Depositary monthly.

The Company is subject to a number of investment restrictions imposed by external regulators or self-imposed by its Constitution. These restrictions are intended to reduce the risks associated with the Company's financial instruments.

These policies for managing risk have been applied throughout the financial year and are summarised below.

A. Market Risk

(i) Market Price Risk

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuit of the investment objective.

A full list of the Company's investments is given in the Schedule of Investments on pages 41 and 42. The Company has a number of investment restrictions which aim to limit risk by ensuring a degree of diversification. For instance, the Company will hold a maximum of 10% of the NAV in securities or money market instruments issued by the same body, and the total of securities or money market instruments which are greater than 5% of the NAV are not to exceed 40% of the NAV in aggregate.

Some of the recognised exchanges on which the Company may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Company may liquidate positions to meet repurchase requests or other funding requirements. The trading and settlement practices on some of the recognised exchanges on which the Company may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Company.

Where the Company acquires or values securities on the over-the-counter market there is no guarantee that the Company will be able to realise such securities at that valuation price due to the nature of the over-the-counter market. There were no securities held on the over-the-counter market at the financial year end.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

2. Financial Risk Management *continued*

A. Market Risk *continued*

(i) Market Price Risk *continued*

Market Price Risk – Sensitivity Analysis

The portfolio does not target any exchange as a benchmark, and the performance of the portfolio does not track any generally used market index due to insufficient relevance. However, to comply with the disclosures required by FRS102 only, in 2020 Share Class A returned 33.3% (31 December 2019: 33.2%) while the USD denominated Dow Jones World Technology Index returned 41.4% in sterling terms (31 December 2019: 38.6%). Based on the NAV of the Fund as at 31 December 2020, and a historic one-year sensitivity analysis, if the Dow Jones World Technology Index increased by 10.00% in sterling terms, the Fund would increase by 8.05% (31 December 2019: increase by 8.60%), resulting in a gain of GBP 3,411,627 (gain of GBP 2,844,981 based on 31 December 2019 NAV and sensitivity of the Fund). If the Dow Jones World Technology Index decreased by 10.00% in sterling terms then the reverse would apply.

This sensitivity analysis assumes a significantly correlated relationship between movements in the index and the Fund. It also assumes a change in the market price of the Fund while holding all other variables constant (e.g. correlation with index, asset allocation etc.). In practice this is highly unlikely to occur and changes in some of these variables may be correlated. In addition, as the sensitivity analysis used historical data as a basis, it does not encompass all possible scenarios, in particular those that are extreme in nature. Historical movements are not indicative of future events and the movements may differ materially from the movements disclosed above.

(ii) Interest Rate Risk

The Company did not employ any leverage and borrowings for liquidity purposes in the years ended 31 December 2020 or 31 December 2019. The majority of the Company's financial assets and liabilities are non-interest bearing. Excess cash is invested in instantly accessible accounts at prevailing interest rates. The Company was, therefore, not materially exposed to interest rate risk from unfavourable fluctuations in interest rates.

(iii) Foreign Currency Risk

The Company's reporting currency is sterling, but investments are made in overseas markets as well as the United Kingdom and the Net Asset Value can be affected by movements in foreign currency exchange rates.

Furthermore, many companies trade internationally, both through foreign subsidiaries and through exports. The greatest foreign currency risk occurs when companies have a divergence in currencies for costs and revenues.

A much less risky exposure to currency is straight translation of sales and profits. The Investment Manager's report breaks down the portfolio by geographic listing. However, the location of the stock market quote only has a limited correlation to the costs, revenues and even activities of those companies, and so this note should not be regarded as a reliable guide to the sensitivity of the portfolio to currency movements. For example, at times when the USD is weak, portfolio holdings in UK companies with USD revenues and sterling costs would be significantly affected.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

2. Financial Risk Management *continued*

A. Market Risk *continued*

(iii) Foreign Currency Risk *continued*

Exposure to foreign currency risk through asset allocation by currency of listing is indicated below – all figures are stated in GBP:

31 December 2020

Financial Assets	EUR	KRW	USD
Non-monetary assets			
Financial assets held at fair value through profit or loss	<u>1,103,679</u>	<u>1,396,441</u>	<u>44,042,768</u>

31 December 2019

Financial Assets	EUR	KRW	USD
Non-monetary assets			
Financial assets held at fair value through profit or loss	<u>1,019,507</u>	<u>932,424</u>	<u>33,924,794</u>

Foreign Currency Risk – Sensitivity Analysis

Companies whose cost base diverges in currency terms from their sales will in the longer term have a significantly greater effect on valuation than simple translation. In the short term, investee companies generally cover their currency exposure to varying degrees. There is insufficient publicly disclosed information to quantify this, but in the long term this effect is expected to dwarf simple translation of foreign listings in terms of both risk and reward, because many investee companies trade globally. Furthermore, the country of listing is not necessarily an indication of the geography of some or even any operational activities for investee companies. At 31 December 2020 and 31 December 2019, the Company did not use financial instruments to protect against currency movements.

B. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment which it has entered into with the Company. The Investment Manager has a monitoring procedure whereby counterparty risk is monitored on an ongoing basis.

All transactions in listed securities are settled/paid for upon delivery using approved brokers and counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once the broker or counterparty has received payment. Payment is made on a purchase once the securities have been received by the broker or counterparty. The trade will fail if either party fails to meet its obligation.

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) is the appointed Depositary of the Fund, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at year end date 31 December 2020 NTC had a long term credit rating from Standard & Poor’s of (A+) (2019: (A+)) and TNTC had a short term deposit rating of (A-1+) (2019: (A-1+)).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the US, the UK, Ireland and Canada. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Fund’s ownership of Other Assets, (as defined under Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

2. Financial Risk Management *continued*

B. Credit Risk *continued*

TNTC, in the discharge of its delegated depository duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Fund on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed.

The Responsible Party (the Company) manages risk by monitoring the credit quality and financial position of the Depository and such risk is further managed by the Depository monitoring the credit quality and financial positions of the sub-custodian appointments.

C. Liquidity Risk

The Company's policy with regard to liquidity is to provide a degree of flexibility so that the portfolio can be repositioned when appropriate and so that most of the assets can be realised without an excessive discount to the market price. The Company had no holding in unquoted securities as at 31 December 2020 or 31 December 2019.

The Company is an open-ended investment company and shareholders may redeem their investment without notice on any dealing day. Redemption fees are unlikely to discourage redemption as they are low and apply only in the first two years, and the Directors have only limited powers to defer redemption requests. The Company, therefore, has a potential material exposure to liquidity risk which could result from being forced to realise assets to meet large unexpected redemption requests.

If the Company receives requests for the repurchase of shares in respect of ten percent or more of the outstanding shares on any Dealing Day in any fund, the Directors may elect to restrict the total number of shares repurchased to ten per cent of the outstanding shares in such fund, in which case all the relevant requests will be scaled down pro rata to the number of shares requested to be repurchased. The Company shall treat the deferred repurchase requests as if they were received for each subsequent Dealing Day (in relation to which the Company has the same power of deferral at the then prevailing limit) until all the Shares to which the original request related have been repurchased. In such cases, the Company may reduce requests pro rata on the next and following Dealing Days so as to give effect to the above limitation.

For this reason it invests either in cash or actively traded securities that can be readily disposed of. The Company has the ability if required to borrow in the short term to ensure settlement of redemptions.

The Company may temporarily suspend the determination of the Net Asset Value and the sale or repurchase of Shares in any fund during-

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period when any emergency exists as a result of which disposal by the Company of investments which constitute a substantial portion of the assets of the fund is not practicable or feasible;
- (iii) any period when for any reason the prices of any investments of the fund cannot be reasonably, promptly or accurately ascertained by the fund;

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

C. Liquidity Risk *continued*

- (iv) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (v) any period when proceeds of the sale or repurchase of the Shares cannot be transmitted to or from the fund's account;
- (vi) any period when the Company is considering the merger in relation to the Company, a fund or share class where in the opinion of the Directors such suspension is justified having regard to the interests of the Shareholders;
- (vii) any other period where in the opinion of the Directors circumstances require such a suspension and it is justified having regard to the interests of the Shareholder.

To reduce liquidity risk, it is also the policy of the Company to diversify the holdings and generally to restrict the holding in any one company to less than 10% of the share capital of that company. Furthermore, the guideline is for no single investment to account for more than 10% of the net assets of the Company.

The market valuation of each underlying security gives an indication of value, but the price at which an investment can be made or realised can diverge materially from the bid or offer price depending on market conditions generally and other factors which apply to each investment.

All of the Company's liabilities at 31 December 2020 and 31 December 2019 were repayable within one to three months.

D. Fair Value Disclosure

FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

2. Financial Risk Management *continued*

D. Fair Value Disclosure *continued*

The tables below set out the classification of the Company's financial instruments measured at fair value in accordance with FRS 102:

31 December 2020

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets designated at fair value through profit or loss				
Equity securities	48,188,563	–	–	48,188,563
Exchange traded investment funds	1,796,000	–	–	1,796,000
Total Assets	49,984,563	–	–	49,984,563

31 December 2019

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets designated at fair value through profit or loss				
Equity securities	37,370,969	–	–	37,370,969
Exchange traded investment funds	1,480,000	–	–	1,480,000
Total Assets	38,850,969	–	–	38,850,969

3. Operating income

	Financial year ended 31 December 2020 GBP	Financial year ended 31 December 2019 GBP
Interest income	5	15
Dividend income	241,431	242,509
	241,436	242,524

4. Net gains on Financial Assets and Liabilities at Fair Value Through Profit or Loss

	Financial year ended 31 December 2020 GBP	Financial year ended 31 December 2019 GBP
Realised gains on sale of investments	4,874,946	3,525,111
Net currency gains/(losses)	13,695	(6,041)
Net change in unrealised appreciation on investments	10,457,233	7,199,496
	15,345,874	10,718,566

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

5. Operating Expenses

	Financial year ended 31 December 2020 GBP	Financial year ended 31 December 2019 GBP
Administration fees	136,600	136,305
Auditors' fees	20,946	19,802
Custody fees	5,245	4,070
Depository fees	40,000	40,000
Directors' fees	56,524	65,304
Investment Management fees	379,388	277,692
Performance fees	841,405	654,438
Other expenses	126,235	104,122
	1,606,343	1,301,733

6. Share Capital

The Company was incorporated in Ireland on 12 February 1998 as a public company, limited by shares, with registered number 280256 under the Irish Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017). The address of the registered office of the Company was 4th Floor, 76 Baggot Street Lower, Dublin 2, D02 EK81, Ireland until 29 January 2021 and after that date Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland.

The share capital of the Company shall at all times equal the Net Asset Value ("NAV"). Each of the shares entitles the shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a shareholder. The proceeds from the issue of shares shall be applied in the accounting records of the Company to the Fund and shall be used in the acquisition on behalf of the Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately. Each of the shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those shares.

Subscriber Shares

As at 31 December 2020, the Company has issued 7 subscriber shares (31 December 2019: 7). The holders of these shares are not entitled to dividends or any surplus of assets over liabilities upon the winding-up of the Company. They are thus described in the financial statements by way of this note only.

Shares in Issue

	Financial year ended 31 December 2020	Financial year ended 31 December 2019
Number of Class A Shares issued and fully paid		
Balance at beginning of year	491,383	506,026
Issued during year	3,548	11,256
Redeemed during year	(22,321)	(25,899)
Total number of Class A Shares in issue at end of year	472,610	491,383
Number of Class B Shares issued and fully paid		
Balance at beginning of year	178,394	120,759
Issued during year	126,212	74,956
Redeemed during year	(65,328)	(17,321)
Total number of Class B Shares in issue at end of year	239,278	178,394

As at 31 December 2020, one shareholder held 40.43% of the issued share capital of the Company (31 December 2019: 42.97%).

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

7. Net Asset Value

	As at 31 December 2020 GBP	As at 31 December 2019 GBP	As at 31 December 2018 GBP
Net Asset Value Class A share	42,404,317	33,069,507	25,563,046
Net Asset Value Class B share	14,132,255	7,752,885	3,865,745
Net Asset Value per Class A share	89.72	67.30	50.52
Net Asset Value per Class B share	59.06	43.46	32.01

8. Fees

Investment Management

The Investment Manager will receive an investment management fee (expressed as a percentage of the Fund's NAV attributable to the relevant class) of 0.75% for Class A Shares and 1.00 % for Class B Shares. The investment management fee will be paid monthly in arrears and shall accrue on each dealing day. Other classes may be established within a Fund which may be subject to different fee structures. Fees of GBP 72,560 were payable at 31 December 2020 (31 December 2019: GBP 28,027).

The Investment Manager has voluntarily undertaken to limit the aggregate annual ordinary expenses of each class of the Fund to be no more than 1.10% of the NAV of Class A shares and 1.25% of the NAV of Class B shares. The expense reimbursement on Class A shares is GBP 171,678 (31 December 2019: GBP 210,818) and on Class B shares is GBP 55,262 (31 December 2019: GBP 40,182).

Performance Fee

In addition, the Investment Manager is paid a performance fee annually in respect of each accounting period of the Fund at a rate of 10% per annum of the amount, if any, by which the NAV of the Class A Shares, excluding performance fees at the end of the accounting period, exceeds the target NAV (110% of the previous highest NAV adjusted to take account of new subscriptions, repurchases or distributions) of the Fund over the relevant period. The opening NAV per Class A share this financial year was GBP 67.30 and the closing GBP 89.72. To date the previous highest NAV per Class A share at a financial year end was reached on 31 December 2019 when NAV was GBP 67.30 per Class A share. Therefore, a performance fee on the Class A shares of GBP 841,405 (31 December 2019: GBP 654,438) was earned for the year end 31 December 2020. There is no performance fee charged on the Class B shares.

Administration Fee

The Administrator receives a fee of up to 0.12% per annum on the first GBP 25 million of the NAV of the Fund, 0.10% per annum on the next GBP 25 million and 0.08% per annum on that portion of the NAV of the Fund which exceeds GBP 50 million, subject to an annual minimum fee of GBP 130,000 per Fund (plus VAT, if any, thereon) with a single share class; plus GBP 3,000 per additional share class. The Administrator's fee is paid monthly in arrears and shall accrue on each dealing day based on the NAV of the Fund on each dealing day.

For transfer agency, the Fund shall pay the Administrator an annual fee of GBP 10,000, GBP 20 per shareholder account annually and a shareholder transaction fee of GBP 10 per transaction. The Northern Trust International Banking Corporation will also receive a monthly fee of GBP 100 and GBP 10 for each shareholder payment or receipt and GBP 5 for each fund movement on the Fund's subscription and redemption accounts.

The Administrator is paid a flat fee of GBP 3,600 per annum in lieu of out of pocket expenses incurred.

For the Class A Shares performance fee calculation, the Company shall pay the Administrator a fee of 0.0025% per annum of the NAV of the Class A Shares, which is accrued daily and paid monthly in arrears.

Fees of GBP 13,820 were payable at 31 December 2020 (31 December 2019: GBP 13,234).

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

8. Fees *continued*

Depositary Fee

The Depositary will be entitled to receive a depositary fee out of the assets of each Fund, accrued daily and payable monthly in arrears of 0.0175% per annum on the first GBP 150 million of the NAV of the Fund and 0.015% on the portion which exceeds GBP 150 million, subject to a minimum annual fee of GBP 40,000. In addition, the Depositary will be paid out of the assets of each sub-fund safekeeping fees of up to 0.05% per annum of the NAV of the Fund, accrued daily and payable monthly in arrears, and shall be reimbursed all sub-custodial and transactional fees and expenses which will be charged at normal commercial rates, and will be reimbursed any reasonable out of pocket expenses.

Fees of GBP 3,871 were payable at 31 December 2020 (31 December 2019: GBP 3,990).

Transaction Costs

Transaction costs of the Fund were GBP 14,599 for year ended 31 December 2020 (31 December 2019: GBP 13,521) and are included in net gains on financial assets and liabilities at fair value through profit or loss.

9. Cash and Bank Balances

	As at 31 December 2020 GBP	As at 31 December 2019 GBP
The Northern Trust Company	<u>7,380,987</u>	<u>2,524,181</u>

10. Related Party Transactions

FRS 102 requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

Investment Manager

Related parties include the Investment Manager and its holding company, HIML Holdings Limited. Amounts earned by the Investment Manager are disclosed in note 5 and note 8.

Herald Investment Management Limited and HIML Holdings Limited both hold investments in Herald Investment Fund plc. At 31 December 2020, the number of shares held by Herald Investment Management Limited was 69,980 (31 December 2019: 69,980) and the number of shares held by HIML Holdings Limited was 74,839 (31 December 2019: 74,839).

Directors' Interests in Shares and Contracts

Charles Ekins held 1,166 Class B Shares as at 31 December 2020 (31 December 2019: Nil).

None of the Directors other than those listed above who held office at the year end had any interests in the shares of the Company at that date or at any time during the financial year.

Related Investments

The Company invests in another fund which has the same Investment Manager, the Herald Investment Trust plc. At 31 December 2020 the number of shares held was 80,000 and the fair value of this investment was GBP 1,796,000 (31 December 2019 the number of shares held was 100,000 and the fair value of this investment was GBP 1,480,000).

Directors' Fees

The total Directors' fees are disclosed in note 5.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

11. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation, transfer or deemed disposal of shares for Irish tax purposes, arising as a result of holding shares in the Company for a period of eight years or more, or the appropriation or cancellation of shares by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

No Irish tax will arise on the Company in respect of chargeable events for a shareholder who is:

- (a) an exempt Irish shareholder (as defined in Section 739D) who has provided the Company with the necessary signed statutory declarations, or
- (b) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or the Company has been authorised by the Irish Revenue Commissioners to make gross payments in the absence of appropriate declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

12. Auditor’s Remuneration

The remuneration for all work carried out by the statutory audit firm in respect of the financial year is as follows:

	Financial year ended 31 December 2020	Financial year ended 31 December 2019
	EUR	EUR
Statutory audit of company accounts	19,050	18,050

The remuneration above is quoted in EUR and is exclusive of VAT. At year end closing rate and including VAT the statutory audit of company financial accounts amount is GBP 20,946 (31 December 2019: GBP 19,802).

13. Distributions

There were no distributions declared during the financial year ended 31 December 2020 (31 December 2019: Nil).

14. Significant Events During the Year

Change in Directorship

William Backhouse resigned as Director on 3 March 2020.

Dominic Del Mar was appointed as Director on 3 March 2020.

Covid

On 11 March 2020, the World Health Organisation officially declared Covid, the disease caused by novel coronavirus, a pandemic. The pandemic has caused significant volatility in international markets. There is significant uncertainty around the breadth and duration of business disruptions related to the pandemic, as well as its impact on international economies and, as such, the Company is actively monitoring the extent of the impact to its operations, financial accounting and reporting. Based on the continuity of services from third party suppliers, the Directors do not at consider that there is any material negative impact on the ability to manage or administer the Fund. The Board is monitoring the evolution of this pandemic, including how it may affect the economy and the general population. The financial impact of these events continues to remain uncertain.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2020 *continued*

14. Significant Events During the Year *continued*

Brexit

The UK formally exited the EU on 31 January 2020 (“Brexit”). Under the terms of the withdrawal agreement a transition period ran to 31 December 2020, during which EU law continued to apply in the UK. On the 24 December 2020 a permanent trade agreement was agreed.

Prospectus

The prospectus was updated in June 2020.

There were no other significant events during the year, which, in the opinion of the Directors, may have had an impact on the financial statements for the financial year ended 31 December 2020.

15. Events after the Balance Sheet Date

Covid

Since the year end Covid continues to spread rapidly around the world. The ultimate economic fallout from the pandemic and the long term impact on economies, markets, industries and individual issues, are not known. The Company continues to monitor the situation closely.

Brexit

The manager obtained temporary permission from the FCA to allow the fund to be marketed in the UK post Brexit. The Directors continue to monitor the impact of Brexit on the Company.

Change in Company Secretary

On 29 January 2021 the Company appointed Bradwell Limited as Company Secretary, replacing Sanne Corporation Administration Services Ireland Ltd.

There were no other events after the Balance Sheet date, which, in the opinion of the Directors, may have had an impact on the financial statements for the year ended 31 December 2020.

16. Approval of Financial Statements

The financial statements were approved by the Board on 25 February 2021.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

SCHEDULE OF INVESTMENTS as at 31 December 2020

Holdings	Security name	Industry Sector ⁺	Value GBP	% of Fund Net Assets
EXCHANGE TRADED INVESTMENT FUNDS: 3.18% (2019: 3.63%)				
United Kingdom: 3.18% (2019: 3.63%)				
80,000	Herald Investment Trust	Investment Funds	1,796,000	3.18
Total United Kingdom			1,796,000	3.18
Total Exchange Traded Investment Funds			1,796,000	3.18
EQUITIES: 85.23% (2019: 91.54%)				
China: 1.75% (2019: 4.26%)				
5,800	Alibaba ADR	Retail-Discretionary	987,478	1.75
Total China			987,478	1.75
Germany: 1.95% (2019: 2.50%)				
11,500	SAP	Software	1,103,679	1.95
Total Germany			1,103,679	1.95
Republic of South Korea: 2.47% (2019: 2.28%)				
25,600	Samsung Electronics	Hardware	1,396,441	2.47
Total Republic of South Korea			1,396,441	2.47
Taiwan: 1.34% (2019: 1.02%)				
9,500	Taiwan Semiconductor Manufacturing ADR	Semiconductors	757,804	1.34
Total Taiwan			757,804	1.34
United Kingdom: 2.91% (2019: 3.65%)				
250,000	Avast	Software	1,343,750	2.38
65,000	Wandisco	Software	301,925	0.53
Total United Kingdom			1,645,675	2.91
United States: 74.81% (2019: 77.83%)				
26,300	Advanced Micro Devices	Semiconductors	1,764,492	3.12
15,200	Akamai Technologies	Software	1,167,452	2.06
2,345	Alphabet	Media	3,006,650	5.32
1,300	Amazon	Retail-Discretionary	3,097,413	5.48
48,440	Apple	Hardware	4,702,076	8.32
4,600	Arista Networks	Hardware	977,813	1.73
7,800	Arrow Electronics	Design, Manufacturing & Distribution	555,207	0.98
14,000	Bottomline Technologies	Software	540,151	0.96
18,900	Cadence Design Systems	Software	1,886,336	3.34
9,200	Check Point Software Technologies	Software	894,526	1.58
89,063	Cloudera	Software	906,300	1.60
27,000	Fabrinet	Design, Manufacturing & Distribution	1,532,558	2.71
75,200	FireEye	Internet	1,268,599	2.24
19,000	Intel	Semiconductors	692,476	1.22
13,500	Kulicke & Soffa Industries	Semiconductors	314,156	0.56
4,112	Leidos	Technology Services	316,217	0.56
8,849	Match Group	Internet	978,734	1.73

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

SCHEDULE OF INVESTMENTS as at 31 December 2020 *continued*

Holdings	Security name	Industry Sector ⁺	Value GBP	% of Fund Net Assets
EQUITIES: 85.23% (2019: 91.54%) (continued)				
United States: 74.81% (2019: 77.83%) (continued)				
25,000	Medallia	Software	607,557	1.07
25,000	Micron Technology	Semiconductors	1,374,959	2.43
27,132	Microsoft	Software	4,414,718	7.81
25,000	Mimecast	Software	1,039,541	1.84
15,250	NetApp	Hardware	738,988	1.31
1,450	Nvidia	Semiconductors	553,927	0.98
18,000	Pegasystems	Software	1,754,768	3.10
11,000	Qualys	Computers	980,701	1.73
50,000	Radware	Hardware	1,015,033	1.80
17,900	Teradyne	Semiconductors	1,569,941	2.78
14,000	Varonis Systems	Software	1,675,657	2.96
19,000	Xilinx	Semiconductors	1,970,540	3.49
Total United States			42,297,486	74.81
Total Equities			48,188,563	85.23
Total Value of Investments			49,984,563	88.41
Cash at bank			7,380,987	13.06
Other net liabilities			(828,978)	(1.47)
Net assets Attributable to holders of Redeemable Participating Shares at Last Traded Prices			56,536,572	100.00
			31 December 2020	31 December 2019
Analysis of Portfolio (Unaudited)			% of Total Assets*	% of Total Assets*
Transferable securities admitted to an official stock exchange listing or traded on a regular market			86.81	93.42
Other net assets			13.19	6.58
			100.00	100.00

*Calculation based on the total assets of the Fund (excluding liabilities)

+Bloomberg Industry Classification System

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

APPENDIX 1 Other Disclosures (Unaudited) for the financial year ended 31 December 2020

Remuneration Policy

Regulation 89(3A) of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) requires the annual report of the Company to contain certain remuneration-related information in the financial year of the Company ended on 31 December 2020:

- (a) Only fixed remuneration (meaning payments or benefits without consideration of any performance criteria) was paid by the Company the Directors. The Directors to the Company are responsible for awarding remuneration and any benefits, and these are set at a level that reflects the qualifications and contribution required, taking into account the Company’s size, internal organisation and the nature, scope and complexity of its activities.
- (b) Directors’ fees charged for the year amounted to £56,524.
- (c) The Remuneration Policy is subject to an annual review in accordance with the requirements of the UCITS Regulations.
- (d) The Remuneration Policy was updated to reflect the publication of the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD.

Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the financial year (31 December 2019: Nil).

Securities Financing Transactions Regulation (SFTR)

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) is required on all reports and financial statements published after 13 January 2017. During the financial year ended 31 December 2020, the Fund did not enter into any SFTs.

HERALD INVESTMENT FUND PLC
– The Herald Worldwide Technology Fund

APPENDIX 2 SCHEDULE OF PORTFOLIO MOVEMENTS (Unaudited)
for the financial year ended 31 December 2020

PURCHASES		VALUE GBP
15,500	Fabrinet	868,437
4,600	Arista Networks	789,490
75,200	FireEye	781,347
4,100	IAC	770,556
11,000	Qualys	767,455
14,000	Bottomline Technologies	434,649
2,894	Microsoft	358,844
65,000	Wandisco	358,184
13,500	Kulicke & Soffa Industries	252,632
23,813	Cloudera	198,196
135	Amazon	196,102
167	Alphabet	190,095
1,500	SAP	137,123
464,807	IQE	126,595
1,500	Varonis Systems	92,324
TOTAL		6,322,029

SALES		VALUE GBP
13,870	Mellanox Technologies	1,397,115
11,400	CyberArk Software	1,098,041
4,000	Apple	999,442
16,000	Advanced Micro Devices	970,494
18,000	Zscaler	861,766
6,362	Microsoft	800,015
9,923	NXP Semiconductors	712,943
8,500	Envestnet	540,171
562	Alphabet	501,657
16,600	Trip.com ADR	448,624
4,100	IAC	426,283
750,000	IQE	424,528
20,000	Herald Investment Trust	412,924
8,000	58.com ADR	345,666
50,000	Wandisco	259,833
2,200	Cadence Design Systems	186,941
10,000	Yelp	133,469
TOTAL		10,519,912

The above purchases and sales represent the total trading for the year.

