

**HERALD INVESTMENT FUND plc**  
**- The Herald Worldwide Technology Fund**

**CONDENSED INTERIM REPORT &**  
**UNAUDITED FINANCIAL STATEMENTS**

**for the six months ended 30 June 2021**

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**CONDENSED INTERIM REPORT & UNAUDITED FINANCIAL STATEMENTS**  
**for the six months ended 30 June 2021**

Organisation .....	3
Background to the Company .....	4
Investment Manager's Report .....	6
Profit and Loss Account .....	14
Balance Sheet .....	15
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares .....	16
Notes to the Financial Statements .....	17
Schedule of Investments .....	24
Appendix 1 Other Disclosures .....	26
Appendix 2 Schedule of Portfolio Movements .....	27



**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**ORGANISATION**

**REGISTERED OFFICE OF THE COMPANY**

Ten Earlsfort Terrace Dublin 2  
D02 T380  
Ireland

**MANAGEMENT COMPANY**

*From 11 August 2021*  
Bridge Fund Management Limited  
Ferry House  
48-53 Mount Street Lower  
Dublin 2  
D02 PT98

**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**

Dominic Del Mar (British)\*  
Charles Ekins (British)\*  
Paul Halley (Irish)\*  
Fergus Sheridan, Chairman (Irish)\*  
\* Independent Directors

**SECRETARY**

*From 29 January 2021*  
Bradwell Limited  
Ten Earlsfort Terrace  
Dublin 2  
D02 T380  
Ireland

**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 Condensed Interim Report and Unaudited 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 include:

- 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 may be 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.

**ACCOUNT OPENING AND DEALING**

New investors must open an account before they can subscribe for redeemable participating shares. Account Opening Forms and Dealing Forms are available from Herald Investment Management Limited at [www.heralduk.com](http://www.heralduk.com)

Subscriptions and repurchases of redeemable participating shares can be made by account holders 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.

Dealing Forms must be received by the Administrator by 5.00pm (Irish time) on the business day preceding any Dealing Day. Dealing Forms received after 5.00pm (Irish time) will be dealt with on the next succeeding Dealing Day.

# HERALD INVESTMENT FUND PLC

## - The Herald Worldwide Technology Fund

Account Opening applications and dealing requests should be made to the Administrator:

Northern Trust International Fund Administration  
Services (Ireland) Limited  
2nd Floor, Block A  
City East Plaza  
Limerick V94 X2N9  
Ireland

Tel +353 (0)1 434 5119  
Fax +353 (0)1 434 5251  
Email queries; [Herald\\_TA@ntrs.com](mailto:Herald_TA@ntrs.com)  
Email PDF forms;  
[HeraldTAInstructions@ntrs.com](mailto:HeraldTAInstructions@ntrs.com)

Alternatively online dealing is available at:

Aegon Institutional: [www.cofunds.aegon.co.uk](http://www.cofunds.aegon.co.uk)  
A.J.Bell: Retail: [www.youinvest.co.uk](http://www.youinvest.co.uk)  
A.J.Bell: Professional: [www.investcentre.co.uk](http://www.investcentre.co.uk)  
Hargreaves Lansdown: [www.hl.co.uk](http://www.hl.co.uk)  
Interactive Investor: [www.ii.co.uk](http://www.ii.co.uk)  
Transact: [www.transact-online.co.uk](http://www.transact-online.co.uk)

### **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 2021 (April 2020: 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](http://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 six months ended 30 June 2021**

The objective of the Herald Worldwide Technology Fund ("Fund") is to achieve capital growth while investing globally in information technology, communications and multimedia companies. 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 £95.41. 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 £62.76.

**Total return for six months to 30 June 2021**

Herald Worldwide Technology Fund NAV (Class A)	6.3%
Herald Worldwide Technology Fund NAV (Class B)	6.3%

**Global**

S&P Dow Jones World Technology	13.8%
--------------------------------	-------

**United States**

Russell 1000 (Large Cap) Technology	16.3%
Russell 2000 (Small Cap) Technology	9.5%
S&P 500	14.0%
Russell 2000 Small Cap	16.3%

**United Kingdom**

iShares Core FTSE 100 UCITS ETF	10.4%
Numis Smaller Companies plus AIM (ex Investment companies)	16.4%

**Europe**

DAX	7.6%
Deutsche Bourse TECDAX	5.4%
CAC 40	14.6%

**Asia Pacific**

NIKKEI 225	-3.1%
KOSDAQ IT Composite Index	6.4%
Taiwan Electronics Index	15.3%

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 reliable guide to future performance.**

**Summary**

Equity markets have been robust in the first half. Although the cyclical and financial sectors have had the strongest performance during this period, the technology sector too has continued to perform strongly even after the record returns of 2020. Unfortunately, the Fund's return of 6.3% lags the performance of many indices.

Although we have had some strong performers in the portfolio, the low relative return is attributable to a multiplicity of factors, including stock specific short-term underperformance and our continued cautious stance on valuations within certain parts of the market.

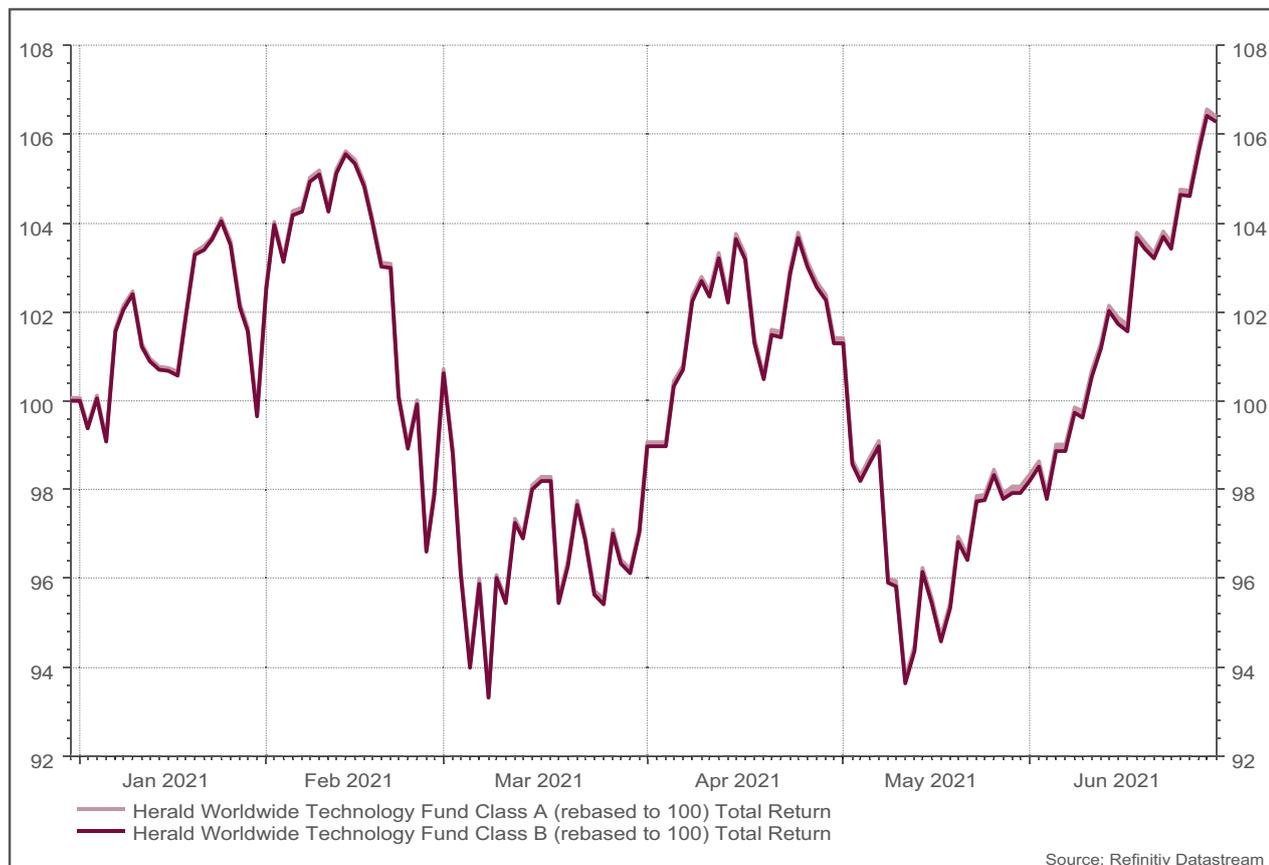
We are sensitive to the unusual economic backdrop of exceptionally low interest rates and record government spending, and the propensity for this combination to trigger troubling inflation despite the efforts of the central bankers. We also appreciate that during inflationary times, certain types of equities tend to be attractive assets.

## HERALD INVESTMENT FUND PLC - The Herald Worldwide Technology Fund

The sector is sufficiently diverse and dynamic that throughout our 25+ years of investment in the sector we have always found attractively positioned, reasonably valued and well managed companies to invest in. At this juncture, we see greater opportunity in investing in a mixture of the megacaps and the mid/smaller capitalised companies, shying away from some of the very high duration stocks. We are privileged to be able to research and invest in the mid/smaller cap segment of the market efficiently, because of our team's unique depth and breadth of experience in the global small cap technology sector through our management of the Herald Investment Trust.

Despite our caution, we remain enthusiastic about opportunities to invest in the sector which possesses both growth and defensive characteristics. Many of the companies benefit from recurring non-discretionary spend, low working capital, and pricing power.

### Total Return: 31/12/2020 – 30/06/2021

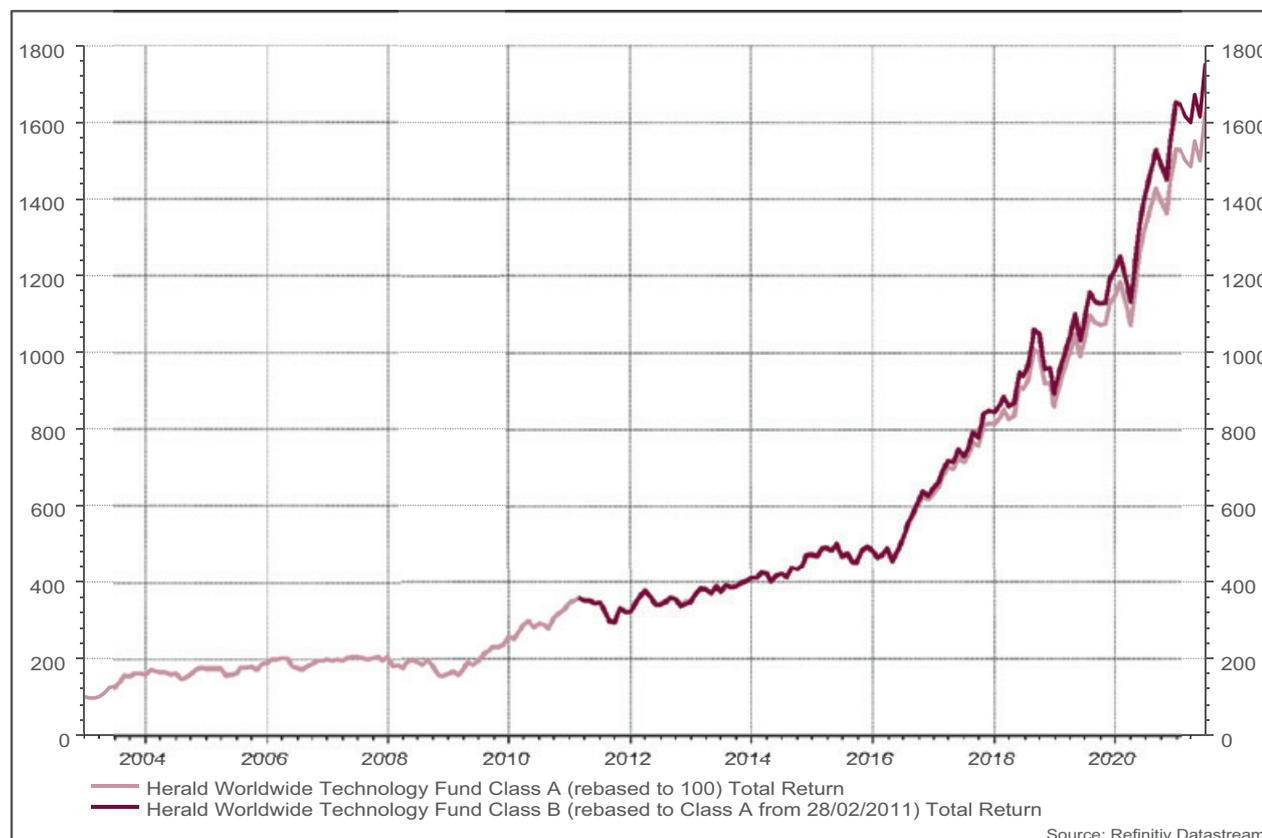


HERALD INVESTMENT FUND PLC  
- The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the six months ended 30 June 2021

Summary continued

Total Return: 31/12/2002 – 30/06/2021



### North America

The total return for the US portfolio was 8.7% which disappointingly lags the Russell 1000 (Large Cap) Technology Index total return of 16.3%. The US portfolio comprises the majority of the Fund (78.1%).

The star performer in sterling terms was Alphabet, which appreciated 37.8%. Alphabet was also the largest contributor to performance by value. Other holdings which have been significant contributors to the returns of the North American portfolio include Nvidia (+30.2%), NetApp (+23.9%), and Arista Networks (+23.2%). The key negative contributors to returns were from three of our cybersecurity holdings, Check Point Software Technologies (-13.6%), FireEye (-13.3%), and Qualys (-18.3%) and Bottomline Technologies (-30.5%).

We are confident about the outlook for our cybersecurity holdings. Check Point has a free cashflow yield of close to 7% with a solid balance sheet and astute management team who consistently buy back shares. FireEye maintains its leadership in the cybersecurity space and remains the “go-to” firm for defence against and remediation following the most complex cyber breaches. Qualys has been suffering following the unexpected illness and passing away of its visionary and charismatic CEO. The underlying business remains solid, profitable, and cash generative.

Bottomline, the main disappointment in our portfolio, is a fintech company going through a business model transition towards a subscription and recurring revenue model. The market has lost patience with the company, following a period of management overpromising and underdelivering. A new CFO has come on board since March 2021 who seems to be more operationally focused and prudent about managing market expectations. Our thesis is that if they continue to struggle with their transition, their diverse range of products in the business-to-business (B2B) payments market makes them an attractive acquisition target for some of the larger fintech companies.

During H1, we exited our position in Nvidia. We appreciated Nvidia’s unique position in the Artificial Intelligence market and that is why we were investors in the company for the last three years and benefited from the 174% appreciation in the share price. However, with the market cap approaching \$500BN and EV/Sales of over 20x, we struggled to see meaningful further upside in the shares. We reinvested the proceeds into Dynatrace, a leader in cloud application monitoring and a beneficiary of the growth in cloud workloads. We also increased our position in Tower Semiconductor, a manufacturer of specialised semiconductors with significant exposure to the automotive, industrial and communications markets.

## HERALD INVESTMENT FUND PLC

### - The Herald Worldwide Technology Fund

The P/E of the North American portfolio on Bloomberg forecasts was 27x on 30th June 2021 compared to 31x at the end of 2020, 25x at the end of 2019 and 18x at the end of 2018. The contraction in P/E has been mostly due to the de-ratings of the Fund's holdings as opposed to any substantial changes in them. It is reassuring to see strong earnings growth driving stock prices higher and at the same time, a tempering of multiples.

#### Europe

The Fund's only European holding is SAP, with a weighting of 2.0%. SAP returned 7.5% in the first half of 2021. We like the 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.

#### UK

The UK portfolio comprises 5.4% of the Fund and disappointingly declined 5.9%. The Fund's largest UK holding was Herald Investment Trust, with a weighting of 2.9%, followed by Avast (2.1%) and Wandisco (0.4%). All three performed poorly in H1 after very strong performance for Herald Investment Trust and Avast in 2020.

The underperformance of Herald Investment Trust was entirely driven by a widening discount between the price of the shares and the net asset value (NAV) of the fund. The underlying NAV appreciated 14.0% in the period while the shares declined 2.9%. We expect this anomaly to work itself out over time as it has done in the past.

Wandisco is the smallest position in the fund with a weight 0.4%. It is a company we know well which is going through a business model transition. They have established attractive partnerships with Microsoft Azure and Amazon Web Services (AWS) for the transfer of large volumes of corporate data to the cloud. As with all transitions we have seen over the years, there are always some unforeseen challenges. We are maintaining a small position with a view to potentially increasing these holdings when the success of the transition is clearer.

#### Asia

The Asian portfolio comprises 6.2% of the Fund and the total return was 8.3%. The largest contributor to positive returns was Kulicke & Soffa Industries (+91.4%) which is a leading provider of capital equipment for the semiconductor market and is benefitting from strong demand and tightness of supply throughout much of the semiconductor manufacturing value chain. Our largest position is Samsung Electronics which we believe will continue to benefit from its leadership position in the memory market as well as being the only viable alternative to Taiwan Semiconductor Manufacturing Company (TSMC) capable of providing leading-edge semiconductor foundry services. Samsung's continued commitment to shareholder returns through their dividend policy will also be supportive for the shares. We remain concerned about investing in domestic Chinese companies due to corporate governance issues and the lack of protection for shareholders. Our only Chinese holding is Alibaba, a leader in ecommerce and cloud computing in China as well as many foreign markets.

#### Market Background

What a difference a year makes. In contrast to the lockdowns and shutdowns of 2020, the first half of 2021 has been dominated by consistent indicators of sharp economic recovery in the US and Europe, where vaccine rollouts have been successful, and lockdowns and restrictions have been eased progressively despite the Covid waves. Albeit employment numbers remain lower than expected, especially in the US.

According to the OECD, global economic growth is now expected to be 5.8% this year, a sharp upwards revision from the December 2020 projection of 4.2% for 2021, and for many economies, such as the US and Western European countries, the fastest rate of increase in decades.

Sharp demand and supply bottlenecks have led to noteworthy price rises in miscellaneous commodities and costs of transportation. These are feeding into retail prices and the CPI. Understandably, these price increases and the unprecedented size of government spending programs are fuelling concerns about inflation rising faster than expected, with even the Chairman of the Fed stating FOMC participants have revised up their projections for inflation notably for this year. A survey of fund managers conducted by Bank of America in June, showed inflation to be the top market concern. The current debate is whether it is transitory or more persistent and perhaps pernicious.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**INVESTMENT MANAGER'S REPORT for the six months ended 30 June 2021**

**Market Background** *continued*

Earnings have been strong across the board, leading to meaningful upwards revisions in expectations across sectors. According to Credit Suisse, consensus EPS growth expectations for the S&P 500 have risen from 22% at the beginning of the year to 34% in June. Credit Suisse believe we are likely to end the year with 40% EPS growth for the S&P. Although EPS growth expectations for the S&P tech sector have risen from 18% at the beginning of the year to 28% in June, management teams remain apprehensive about visibility and sustainability of the demand in a post-Covid world and continue to temper market expectations.

In the equity markets, the combination of inflation concerns and the large divergence in the valuation between growth and value stocks has led to a rotation into "value" stocks, with cyclicals, energy and financial sectors outperforming more growth-oriented sectors such as technology and healthcare and fuelling double digit returns for many global indices in H1.

The robust markets have also sustained the Initial Public Offerings boom. According to Bloomberg, a record high of almost \$350 billion has been raised in IPO's in the first six months of this year surpassing the previous peak of \$282 billion from the second half of 2020.

Within the tech sector there was also meaningful volatility, with many of the highly valued cloud software companies selling off in February, while semis and semicap continued to perform strongly. The Bessemer Cloud Index, a good proxy for the cloud software companies, fell 27.2% between mid-February and mid-May but has bounced back sharply since then, ending up 3.5% for the year up to 30 June. We used the sharp market moves to take profits on some positions where valuations had become too stretched and reinvested in others.

**Sector Outlook**

After a strong 2020, companies in the technology sector continue to see solid broad-based demand. In H1, year-on-year growth for many companies has naturally been distorted by the unusual circumstances of H1 2020, when lockdowns swept the world. Year-on-year comparisons will get progressively more difficult in Q3 and Q4. We started the year with an expectation of 9% revenue growth and 24% EPS growth for the Bloomberg World Tech Index. Those expectations have now been increased to 19% revenue growth and 41% EPS growth.

Key themes in the technology sector remain digitisation and the move to cloud computing, security and privacy, regulation and geopolitics. These themes are inter-dependent and touch the entirety of the global technology supply chain.

**Semiconductors**

We continue to see the semiconductor sector as well positioned for long-term growth despite natural short-term cyclical volatility. For a long time, we have been vocal about the importance of this sector. Semiconductors are the key enablers of the digitisation theme and productivity solutions across all sectors are critical to the health of the broader economy and geopolitical security. These facts seem to have been finally understood more widely and have led to the rerating of the valuations of many of the companies in the subsector. Fortunately there are a large number of mid and smaller cap companies in the subsector, so we feel comfortable about being able to benefit from these subsector growth drivers, whilst owning sensibly valued companies. The Bloomberg World Semiconductor Index, a proxy for the companies in the semiconductor sector, is trading on a P/E of 20x 2021 expectations.

**Security and Supply Chain Resilience**

We believe the broad theme of security, encompassing physical, geopolitical, and cybersecurity will remain a key driver of innovation and spending in the technology sector. During the last year, the volatility of demand and supply in miscellaneous end-markets exposed structural risks in global supply chains that had not been generally apparent. Although restriction on high tech exports to China had mounted substantially during the Trump era, and regulation was put in place to challenge the advances of some of the Chinese companies, especially those affiliated with the government and the military, the aftermath of Covid has led to a broader appreciation of the risks to global supply chains.

This year, a chorus of auto companies have been complaining about a shortage of semiconductor components hampering their ability to address demand causing more Western governments to wake-up to the importance of the semiconductor industry. It is arguable that the automakers' troubles were largely due to their own poor supply chain management policies, a relic of the high interest rate era of the past when inventories, even for highly durable but critical components, were kept to a minimum to reduce working capital costs and inventory write-off risks. Nevertheless, their cries of pain have been further triggers for governments and business leaders to propel diverse risk mitigation initiatives.

## HERALD INVESTMENT FUND PLC

### - The Herald Worldwide Technology Fund

The near-term risk is that of over-ordering flattering short-term demand and thus leading to another period of inventory digestion. Although these issues cause stresses and strains in relationships between suppliers and customers, the key is to have a strong balance sheet to weather these ebbs and flows of demand. We have also seen that over time, companies which treat customers equitably as opposed to opportunistically raising prices, ultimately benefit from cementing a reputation with their customers as a trusted partner.

Key beneficiaries of the increased awareness of supply chain risk and security include:

- (1) Management Consultancy and IT services companies which are being engaged by the multinationals to redesign supply chains and accelerate digital transformation programs,
- (2) Vietnam, Mexico, and other low cost countries, as western companies diversify production away from China,
- (3) US semiconductor industry as more investment is targeted at domestic manufacturing and of course,
- (4) a myriad of specialist software companies focused on different aspects of cybersecurity.

We continue to meet management teams and assess the shifts in the landscape. The growth in the number of companies in this segment, suits our style of bottom-up fundamental analysis and allows us to be selective in our investments.

#### **Regulation and the Megacaps**

The regulatory assault against big tech continues across geographies. Alphabet, Amazon, Facebook, and Apple are in the headlines; week in : week out, accused of abusing their strong positions in their respective businesses. The miscellaneous litigation initiatives targeted at these companies include, but are not limited to, the “*American Innovation and Choice Online Act*”, the “*Platform Competition and Opportunity Act*”, the “*Ending Platform Monopolies Act*”, the “*Augmenting Compatibility and Competition by Enabling Service Switching (ACCESS) Act*”, and the “*Merger Filing Fee Modernization Act*” which are barreling through Congress in the US.

Although the regulatory overhang is likely to limit the valuation multiples of the companies as it did for Microsoft during 2003-2010 period, we do not expect fundamental detriment to their businesses, other than escalating legal and lobbying costs and wasted management time. A global tax deal will be a welcome clarification for tax structures. The impact would clearly vary depending on the rate but it is unlikely to necessarily disadvantage large capitalised technology companies.

We expect this regulatory noise to rumble on in different jurisdictions for the foreseeable future. Regrettably, although bashing bigtech is popular politics, much of it is poor policy. It is exceptionally difficult to make the case that these companies are causing consumer harm. It is also noteworthy that these companies are amongst the most popular in the U.S. Despite the politics, there is also strong resistance to “breaking up” any of these companies in some quarters of the government, especially as they have been critical in keeping the economy functioning during the recent pandemic and they are the leading US warriors in the battle against Chinese tech dominance.

There is no doubt that we have meaningful societal problems and the divide between the “haves” and “have nots” has widened during the pandemic. These problems need to be addressed through legislative measures, supporting workers’ rights and workers’ pay, e.g. minimum pay and healthcare. Attacking large tech because of their size and success in global markets will not address the societal issues. However, big tech companies with their strong financial positions will no doubt be able to adopt any progressive laws directed at increasing workers’ rights and incomes.

We continue to believe our megacap holdings, Microsoft, Alphabet, Amazon, and Apple are well-positioned to continue to grow healthily and navigate the regulatory assault directed at them. They all continue to invest aggressively in R&D and Capital Expenditure (capex). Their combined spending in R&D and capex over the last 3 years has been \$265bn and \$199bn. The R&D spending of these 4 megacaps in 2020 accounted for 25% of the R&D of Bloomberg’s top 500 US companies. Not all R&D and capex necessarily bears attractive fruits. However, by making these investments, these companies are more likely to find or create new markets to exploit and drive productivity and efficiency. They are also consistently buying back their own shares. Apple and Alphabet have committed to \$90bn and \$50bn of share buybacks respectively while Microsoft has been returning about \$10bn to shareholders each quarter through a combination of dividends and share buybacks.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**INVESTMENT MANAGER'S REPORT for the six months ended 30 June 2021**

**Summary**

In summary, we remain enthusiastic about investing in the sector. The companies in the sector are key enablers of productivity across diverse end markets and thus well-positioned for long-term growth. The sector is sufficiently diverse and dynamic that throughout our 25+ years of investment in it, we have always found attractively positioned, reasonably valued and well managed companies to invest in. At this juncture, we see greater opportunity in investing in a mixture of the megacaps and the mid/smaller capitalised companies.

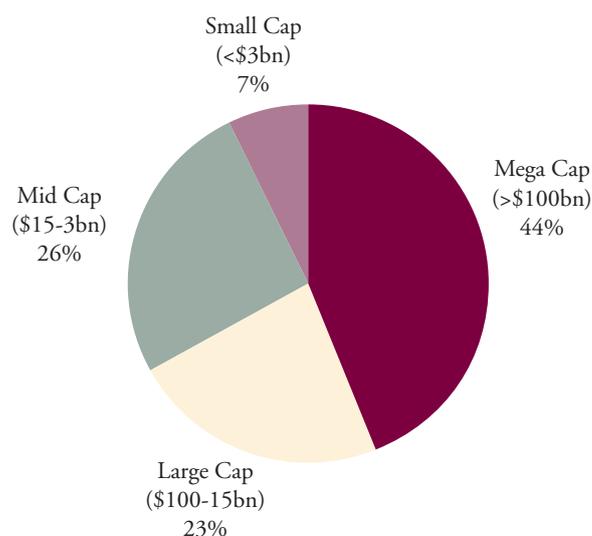
Our global smaller companies coverage and expertise, established and practiced through our management of the Herald Investment Trust, gives us unique insight into companies both large and small alike. The firm has over 70 relationships with brokers that provide broad research and plentiful corporate access. We typically have over 1,500 meetings with managements of companies each year.

We remain focused on bottom-up fundamental analysis, in search of well-managed, strongly positioned, and attractively valued companies with outlooks for sustainable long-term growth and look forward to moving from Zoom meetings to more face-to-face meetings with managements, hopefully by the end of Q3-2021.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

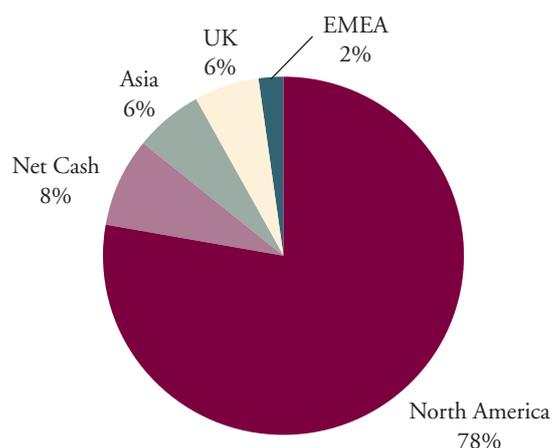
**BREAKDOWN OF EQUITY INVESTMENTS BY MARKET CAP**

	<b>30/06/2021</b>	<b>31/12/2020</b>
Mega Cap (>\$100bn)	44%	41%
Large Cap (\$100-15bn)	23%	18%
Mid Cap (\$15-3bn)	26%	18%
Small Cap (<\$3bn)	7%	23%
	100%	100%



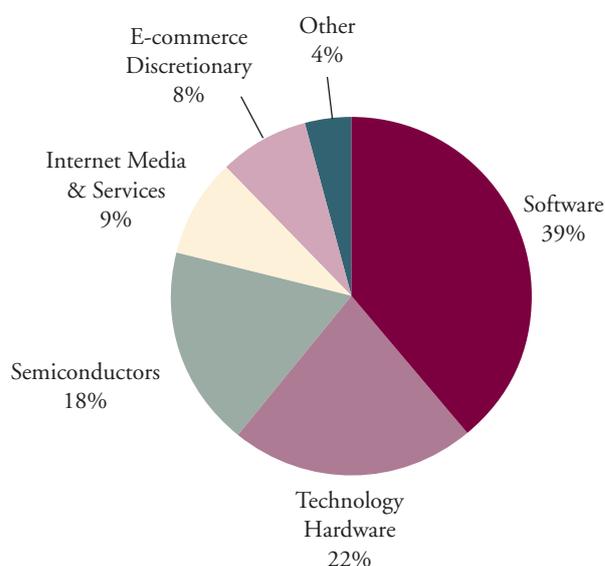
**GEOGRAPHICAL BREAKDOWN**

	<b>30/06/2021</b>	<b>31/12/2020</b>
North America	78%	74%
Net Cash	8%	12%
Asia	6%	6%
UK	6%	6%
EMEA	2%	2%
	100%	100%



**SECTOR BREAKDOWN**

	<b>30/06/2021</b>	<b>31/12/2020</b>
Software	39%	40%
Technology Hardware	22%	22%
Semiconductors	18%	18%
Internet Media & Services	9%	8%
E-commerce Discretionary	8%	8%
Other	4%	4%
	100%	100%



Source: Herald Investment Management Limited

Date: 30/06/2021

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**PROFIT AND LOSS ACCOUNT for the six months ended 30 June 2021**

	Note	Six months ended 30 June 2021 GBP	Six months ended 30 June 2020 GBP
<b>Income</b>			
Operating income	6	147,421	135,813
Net gains on financial assets and liabilities at fair value through profit or loss	7	3,755,474	6,989,739
<b>Total investment income</b>		<b>3,902,895</b>	<b>7,125,552</b>
Operating expenses	8	(459,672)	(573,937)
Expense reimbursement from investment manager	10	140,294	114,837
<b>Profit for the period before tax</b>		<b>3,583,517</b>	<b>6,666,452</b>
Non-reclaimable withholding tax		(34,036)	(37,308)
<b>Increase in net assets from operations attributable to holders of redeemable participating shares</b>		<b>3,549,481</b>	<b>6,629,144</b>

There are no recognised gains or losses arising in the financial period 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 period, all amounts above relate to continuing operations.

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

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**  
**BALANCE SHEET as at 30 June 2021**

	Note	As at 30 June 2021 GBP	As at 31 December 2020 GBP
<b>ASSETS</b>			
Financial assets at fair value through profit or loss		54,814,935	49,984,563
Cash and bank balances	9	4,921,770	7,380,987
Debtors		173,239	210,954
<b>TOTAL ASSETS</b>		<b>59,909,944</b>	<b>57,576,504</b>
 <b>LIABILITIES</b>			
Creditors - amounts falling due within one year		(122,380)	(1,039,932)
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>59,787,564</b>	<b>56,536,572</b>

The accompanying notes form an integral part of the Unaudited 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 six months ended 30 June 2021**

	<b>Six months ended 30 June 2021 GBP</b>	<b>Six months ended 30 June 2020 GBP</b>
<b>Net assets attributable to holders of redeemable participating shares at beginning of period</b>	<b>56,536,572</b>	<b>40,822,392</b>
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	3,549,481	6,629,144
Amounts received on issue of redeemable participating shares	2,445,992	3,291,656
Amounts paid on redemption of redeemable participating shares	(2,744,481)	(2,984,604)
(Decrease)/increase in net assets resulting from share transactions	(298,489)	307,052
<b>Net increase in shareholders' funds</b>	<b>3,250,992</b>	<b>6,936,196</b>
<b>Net assets attributable to holders of redeemable participating shares at end of period</b>	<b>59,787,564</b>	<b>47,758,588</b>

The opening net assets attributable to holders of redeemable participating shares for 2021 differs to the closing position in 2020 by the change in net assets attributable to holders of redeemable participating shares for the second half of the comparative financial period.

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

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**NOTES TO THE FINANCIAL STATEMENTS for the six months ended 30 June 2021**

**1. Significant Accounting Policies**

**Basis of Preparation**

In preparing the Condensed Interim Report and Unaudited Financial Statements for the six months ended 30 June 2021, the Directors have applied Financial Reporting Standard 102 (FRS 102) and Interim Financial Reporting Standard 104 (FRS 104), applicable in the UK and Republic of Ireland and Irish statute comprising of Companies Act 2014, the Companies (Accounting) Act 2017 and UCITS Regulation and the Central Bank UCITS regulation and these financial statements comply with that standard.

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with Irish law and accounting standards issued by the Financial Reporting Council “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 accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2020.

**2. Fair Value Measurement**

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 six months ended 30 June 2021**

**2. Fair Value Measurement** *continued*

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

**30 June 2021**

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Financial assets designated at fair value through profit or loss</b>				
Equity securities	53,070,935	–	–	53,070,935
Exchange traded investment funds	1,744,000	–	–	1,744,000
<b>Total Assets</b>	<b>54,814,935</b>	<b>–</b>	<b>–</b>	<b>54,814,935</b>

**31 December 2020**

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

**3. Net Asset Value**

	As at 30 June 2021 GBP	As at 31 December 2020 GBP	As at 31 December 2019 GBP
Net Asset Value Class A share	44,852,633	42,404,317	33,069,507
Net Asset Value Class B share	14,934,931	14,132,255	7,752,885
Net Asset Value per Class A share	95.41	89.72	67.30
Net Asset Value per Class B share	62.76	59.06	43.46

**4. 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 28 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.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**Subscriber Shares**

As at 30 June 2021, the Company has issued 7 subscriber shares (31 December 2020: 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**

	<b>Six months ended 30 June 2021</b>	<b>Six months ended 30 June 2020</b>
<b>Number of Class A Shares issued and fully paid</b>		
Balance at beginning of period*	472,610	491,383
Issued during period	45	3,263
Redeemed during period	(2,538)	(15,251)
<b>Total number of Class A Shares in issue at end of period</b>	<b>470,117</b>	<b>479,395</b>
	<b>Six months ended 30 June 2021</b>	<b>Six months ended 30 June 2020</b>
<b>Number of Class B Shares issued and fully paid</b>		
Balance at beginning of period*	239,278	178,394
Issued during period	40,840	67,672
Redeemed during period	(42,136)	(40,931)
<b>Total number of Class B Shares in issue at end of period</b>	<b>237,982</b>	<b>205,135</b>

\*The opening shares for 2021 differs to the closing position in 2020 by the number of issued and redeemed shares in the second half of the comparative financial year.

As at 30 June 2021, 1 shareholder held 40.64% of the issued share capital of the Company (31 December 2020: 40.43%).

**5. 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 8.

Herald Investment Management Limited and HIML Holdings Limited both hold investments in Herald Investment Fund plc. At 30 June 2021, the number of shares held by Herald Investment Management Limited was 69,980 (31 December 2020: 69,980) and the number of shares held by HIML Holdings Limited was 74,839 (31 December 2020: 74,839).

**Directors' Interests in Shares and Contracts**

Charles Ekins held 1,166 Class B Shares as at 30 June 2021 (31 December 2020: 1,166).

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

**Related Investments**

The Company invests in another fund which has the same Investment Manager, the Herald Investment Trust plc. At 30 June 2021 the number of shares held was 80,000 and the fair value of this investment was GBP 1,744,000 (31 December 2020 the number of shares held was 80,000 and the fair value of this investment was GBP 1,796,000).

**Directors' Fees**

The total Directors' fees are disclosed in Note 8.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**NOTES TO THE FINANCIAL STATEMENTS for the six months ended 30 June 2021**

**6. Operating income**

	<b>Six months ended 30 June 2021 GBP</b>	<b>Six months ended 30 June 2020 GBP</b>
Interest income	–	23
Dividend income	147,421	135,790
	<b>147,421</b>	<b>135,813</b>

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

	<b>Six months ended 30 June 2021 GBP</b>	<b>Six months ended 30 June 2020 GBP</b>
Realised gains on sale of investments	454,909	2,974,590
Net currency gains	1,946	19,214
Net change in unrealised appreciation on investments	3,298,619	3,995,935
	<b>3,755,474</b>	<b>6,989,739</b>

**8. Operating Expenses**

	<b>Six months ended 30 June 2021 GBP</b>	<b>Six months ended 30 June 2020 GBP</b>
Administration fees	68,256	70,837
Auditors' fees	9,781	9,362
Custody fees	2,873	2,938
Depository fees	19,836	19,891
Directors' fees	28,070	28,936
Investment Management fees	228,143	168,610
Performance fees	–	218,957
Transfer Agency fees	15,751	27,853
Other expenses	86,962	26,553
	<b>459,672</b>	<b>573,937</b>

**9. Cash and Bank Balances**

	<b>As at 30 June 2021 GBP</b>	<b>As at 31 December 2020 GBP</b>
The Northern Trust Company	<b>4,921,770</b>	<b>7,380,987</b>

# HERALD INVESTMENT FUND PLC

## - The Herald Worldwide Technology Fund

### 10. 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 38,096 were payable at 30 June 2021 (31 December 2020: GBP 72,560).

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 disbursement on Class A Shares is GBP 96,251 (30 June 2020: GBP 125,056) and on Class B Shares is GBP 44,043 (30 June 2020: GBP 43,554).

#### 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 period was GBP 89.72 and the closing GBP 95.41. To date the previous highest NAV per Class A share at a financial period end was reached on 31 December 2020 when the NAV was GBP 89.72 per share. Therefore, a performance fee on the Class A shares of GBP Nil (30 June 2020: GBP 218,957) was accrued for the period end 30 June 2021. 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 accrues 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 15,048 were payable at 30 June 2021 (31 December 2020: GBP 13,820).

#### Depository Fee

The Depository will be entitled to receive a depository 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 Depository 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 4,099 were payable at 30 June 2021 (31 December 2020: GBP 3,871).

#### Transaction Costs

Transaction costs of the Fund were GBP 2,138 for period ended 30 June 2021 (30 June 2020: GBP 8,975) and are included in net gains on financial assets and liabilities at fair value through profit or loss.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**NOTES TO THE FINANCIAL STATEMENTS for the six months ended 30 June 2021**

**11. Exchange Rates**

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

	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Euro	1.1649	1.1172
Korean Won	1,555.7201	1,484.9179
Taiwan Dollar	38.4907	38.4086
US Dollars	1.3815	1.3670

**12. 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.

**13. 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 period complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

**14. Soft Commission Arrangements**

There were no soft commission arrangements affecting the Company during the period.

**15. Distributions**

There were no distributions declared during the period ended 30 June 2021 (30 June 2020: Nil).

## **HERALD INVESTMENT FUND PLC**

### **- The Herald Worldwide Technology Fund**

#### **16. Significant events during the period**

##### **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 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.

##### **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 significant events during the period which, in the opinion of the Directors, may have had an impact on the financial statements for the period ended 30 June 2021.

#### **17. Events After the Balance Sheet Date**

##### **Appointment of Management Company**

On 11 August 2021 the Company appointed Bridge Fund Management Limited (“Bridge”) as its Management Company. Bridge will be responsible for the management of the Company’s affairs on a day-to-day basis, under the supervision of the Directors.

There were no events after the Balance Sheet date, which, in the opinion of the Directors, may have had an impact on the financial statements for the period ended 30 June 2021.

#### **18. Approval of Financial Statements**

The financial statements were approved by the Board on 20 August 2021.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

**SCHEDULE OF INVESTMENTS as at 30 June 2021**

Holding	Security name	Industry Sector <sup>+</sup>	Value GBP	% of Fund Net Assets
<b>EXCHANGE TRADED INVESTMENT FUNDS: 2.92% (2020: 3.18%)</b>				
<b>United Kingdom: 2.92% (2020: 3.18%)</b>				
80,000	Herald Investment Trust	Investment Funds	1,744,000	2.92
<b>Total United Kingdom</b>			<b>1,744,000</b>	<b>2.92</b>
<b>Total Exchange Traded Investment Funds</b>			<b>1,744,000</b>	<b>2.92</b>
<b>EQUITIES: 88.76% (2020: 85.23%)</b>				
<b>China: 1.59% (2020: 1.75%)</b>				
5,800	Alibaba ADR	E-Commerce Discretionary	952,133	1.59
<b>Total China</b>			<b>952,133</b>	<b>1.59</b>
<b>Germany: 1.96% (2020: 1.95%)</b>				
11,500	SAP	Software	1,173,204	1.96
<b>Total Germany</b>			<b>1,173,204</b>	<b>1.96</b>
<b>Republic of South Korea: 2.22% (2020: 2.47%)</b>				
25,600	Samsung Electronics	Technology Hardware	1,327,951	2.22
<b>Total Republic of South Korea</b>			<b>1,327,951</b>	<b>2.22</b>
<b>Singapore: 1.00% (2020: 0.56%)</b>				
13,500	Kulicke & Soffa Industries	Semiconductors	598,067	1.00
<b>Total Singapore</b>			<b>598,067</b>	<b>1.00</b>
<b>Taiwan: 1.38% (2020: 1.34%)</b>				
9,500	Taiwan Semiconductor Manufacturing ADR	Semiconductors	826,320	1.38
<b>Total Taiwan</b>			<b>826,320</b>	<b>1.38</b>
<b>United Kingdom: 2.47% (2020: 2.91%)</b>				
250,000	Avast	Software	1,224,500	2.05
65,000	Wandisco	Software	250,250	0.42
<b>Total United Kingdom</b>			<b>1,474,750</b>	<b>2.47</b>
<b>United States: 78.14% (2020: 74.25%)</b>				
26,300	Advanced Micro Devices	Semiconductors	1,788,236	2.99
15,200	Akamai Technologies	Software	1,282,942	2.15
2,345	Alphabet	Internet Media & Services	4,144,918	6.93
1,300	Amazon	E-Commerce Discretionary	3,237,328	5.42
48,440	Apple	Technology Hardware	4,802,448	8.03
4,600	Arista Networks	Technology Hardware	1,206,432	2.02
43,007	Arlo Technologies	Technology Hardware	210,762	0.35
7,800	Arrow Electronics	Technology Hardware	642,712	1.08
14,000	Bottomline Technologies	Software	375,779	0.63
18,900	Cadence Design Systems	Software	1,871,872	3.13
9,200	Check Point Software Technologies	Software	773,387	1.29
89,063	Cloudera	Software	1,022,505	1.71
10,000	Dynatrace	Software	422,889	0.71
27,000	Fabrinet	Technology Hardware	1,873,748	3.14

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**

Holding	Security name	Industry Sector <sup>+</sup>	Value GBP	% of Fund Net Assets
<b>EQUITIES: 88.76% (2020: 85.23%) (continued)</b>				
<b>United States: 78.14% (2020: 74.25%) (continued)</b>				
75,200	FireEye	Software	1,100,687	1.84
19,000	Intel	Semiconductors	772,131	1.29
4,112	Leidos	Technology Services	300,932	0.50
8,849	Match Group	Internet Media & Services	1,032,901	1.73
25,000	Medallia	Software	610,771	1.02
25,000	Micron Technology	Semiconductors	1,537,877	2.57
27,132	Microsoft	Software	5,320,538	8.90
25,000	Mimecast	Software	960,042	1.61
15,250	NetApp	Technology Hardware	903,221	1.51
18,000	Pegasystems	Software	1,813,616	3.03
11,000	Qualys	Software	801,759	1.34
50,000	Radware	Technology Hardware	1,114,047	1.86
45,000	SolarWinds	Software	550,183	0.92
17,900	Teradyne	Semiconductors	1,735,773	2.90
36,000	Tower Semiconductor	Semiconductors	766,933	1.28
42,000	Varonis Systems	Software	1,751,811	2.93
19,000	Xilinx	Semiconductors	1,989,330	3.33
<b>Total United States</b>			<b>46,718,510</b>	<b>78.14</b>
<b>Total Equities</b>			<b>53,070,935</b>	<b>88.76</b>
Total Value of Investments			54,814,935	91.68
Cash at bank			4,921,770	8.23
Other net assets			50,859	0.09
<b>Net assets Attributable to holders of Redeemable Participating Shares at Last Traded Prices</b>			<b>59,787,564</b>	<b>100.00</b>
			<b>31 June 2021</b>	<b>31 December 2020</b>
<b>Analysis of Portfolio (Unaudited)</b>			<b>% of Total Assets*</b>	<b>% of Total Assets*</b>
Transferable securities admitted to an official stock exchange listing or traded on a regular market			91.53	86.81
Other net assets			8.47	13.19
			<b>100.00</b>	<b>100.00</b>

\*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 for the six months ended 30 June 2021**

**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 accounts published after 13 January 2017. During the financial period ended 30 June 2021, the Fund did not enter into any SFTs.

**HERALD INVESTMENT FUND PLC**  
**- The Herald Worldwide Technology Fund**  
**APPENDIX 2 SCHEDULE OF PORTFOLIO MOVEMENTS**  
**for the six months ended 30 June 2021**

<b>PURCHASES</b>		<b>VALUE GBP</b>
36,000	Tower Semiconductor	739,322
45,000	SolarWinds	481,970
10,000	Dynatrace	361,629
43,007	Arlo Technologies	212,624
<b>TOTAL</b>		<b>1,795,544</b>

<b>SALES</b>		<b>VALUE GBP</b>
1,450	Nvidia	718,649
<b>TOTAL</b>		<b>718,649</b>

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