



Herald
LEADING-EDGE INVESTING

Herald Investment Fund plc
The Herald Worldwide Technology Fund

2023

Annual report & financial statements
31 December 2023

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

ANNUAL REPORT & FINANCIAL STATEMENTS

for the financial year ended 31 December 2023

Organisation	3
Background to the Company	4
Investment Manager's Report	6
Directors' Report	16
Depository's Report to the Members of Herald Investment Fund plc	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	40
Appendix 1 Other Disclosures (Unaudited)	42
Appendix 2 Schedule of Portfolio Movements (Unaudited)	44

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

Bridge Fund Management Limited
Percy Exchange
8/34 Percy Place
Dublin 4
D04 P5K3
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

Dominic Del Mar (British)
Charles Ekins (British)
Paul Halley (Irish)
Fergus Sheridan, Chairman (Irish)

SECRETARY

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 of Ireland (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 (the "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 telecommunications, multimedia and technology 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 (the "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

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
Email PDF forms; HeraldTAInstructions@ntrs.com

Alternatively online dealing is available at:

Aegon Institutional: www.cofunds.aegon.co.uk
A.J.Bell: Retail: www.youinvest.co.uk
A.J.Bell: Professional: www.investcentre.co.uk
Hargreaves Lansdown: www.hl.co.uk
Interactive Investor: www.ii.co.uk
Transact: 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 2023 (April 2022: 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 2023

The objective of the Herald Worldwide Technology Fund ("Fund") is to achieve capital growth by investing globally in telecommunications, multimedia and technology companies. The Investment Manager ("Herald") believes these sectors of the economy continue to offer growth greater than the world economy as a whole and present attractive investment opportunities. In addition, the Investment Manager offers focused specialist management, with a 27-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 year end, the net asset value per Class A share was £119.77. In June 2010 a Class B share was launched with an initial net asset value per share of £10.00. At the year end, the net asset value per Class B share was £79.40.

Total return for the financial year ended 31st December 2023

Herald Worldwide Technology Fund NAV (Class A)	36.8%
Herald Worldwide Technology Fund NAV (Class B)	36.5%

Global

Dow Jones World Technology	48.9%
Dow Jones World Technology (Net Total Return)	47.9%

United States

Russell 1000® (Large Cap Technology)	58.2%
Russell 2000® (Small Cap Technology)	20.9%
S&P 500	19.7%
Russell 2000® (Small Cap)	10.8%

United Kingdom

iShares Core FTSE 100 UCITS ETF	7.8%
Numis Smaller Companies plus AIM (ex Investment companies)	3.2%

Europe

DAX	17.8%
Deutsche Bourse TECDEX	11.9%
CAC 40	17.6%

Asia Pacific

NIKKEI 225	15.4%
KOSDAQ IT Composite Index	15.2%
Taiwan Electronics Index	37.0%

All percentage returns are in GBP

Source: Herald Investment Management Limited and Bloomberg, ©Russell Investment Group.

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 indicator to future performance.

Summary

The Fund had a strong year with a return of 36.5% for the Class B shares. This compares with a return of 47.9% for the Dow Jones World Technology Net Total Return Index (the "Index") and mid/high teens returns for broader indices such as the S&P 500, DAX and the Nikkei 225. The Fund's performance remains in the top one percent of the over 5,000 offshore funds on FE Trustnet on a one, five and ten-year basis and in the top decile on a three-year basis.

In 2023, the major US and global technology indices were propelled by the strong performance of the largest technology companies, namely Apple, Microsoft, Alphabet, Amazon, NVIDIA, Meta, plus Tesla collectively referred to as the "Magnificent 7". Just these seven companies accounted for 67% of the 19.7% return of the S&P 500 in 2023. Four of the seven were among the Fund's top holdings.

Entering 2023, much of the market was focused on inflation, recession risks and concerns about the US debt ceiling, while at the same time being excited about the prospects of AI, only to be immediately distracted by a succession of unexpected crises, most notably the rapid failures of the iconic Silicon Valley Bank, Signature Bank and First Republic Bank in the US, followed by the collapse of Credit Suisse in Europe.

The Herald Worldwide Technology Fund

Summary continued

Technology companies, which tend to have solid balance sheets, and start-ups, which were still reeling from the end of 'free' money, suddenly found themselves facing totally unanticipated solvency issues arising from their financial exposure to Silicon Valley Bank and its customers.

US and European regulators handled the banking crisis swiftly and, while US growth slowed in 2023, ultimately a recession never materialised as overall employment numbers and consumer spending remained resilient. Inflation (as measured by the consumer price index) also declined steadily from the June 2022 peak of 9.1% to 3.1% in November, leading the market to anticipate a Fed interest rate pivot in 2024. While inflation is not yet at the Fed's 2% target, payroll reports and CPI data provide arguments for no further rate hikes despite the Fed's December 2023 report.

Within the technology sector, the overarching themes in 2023 were AI, cost-control and China/US tensions in the semiconductor sub-sector. As we had anticipated, companies which had hired staff aggressively during Covid and its aftermath switched gear to cost-cutting and a wholesome focus on profitability. Other post-Covid supply/demand imbalances and problems of excess ordering also continued to work themselves out across different sub-sectors, ranging from PCs and smartphones to autos and industrial equipment. Although many auto component suppliers with whom we met in December felt inventories were normalised, we have not been convinced, especially given the increasing share of Chinese automotive companies in global markets and their reliance on domestic supply chains.

In the stock markets, another defining feature of 2023 was the narrow breadth of the market, especially within the technology sector. This is demonstrated by the difference in the 58.2% return of the Russell 1000® Technology Index (RGUSTL) and 21.0% return of the Russell 2000® Technology Index (RGUSTS) in 2023, although in November and December there was a brief catch-up with the small cap RGUSTS appreciating 18.5% in those two months versus 8.3% appreciation for the large cap RGUSTL. The Fund's underperformance relative to tech indices is partly attributable to UCITS rules restricting concentration of holdings and partly due to the Fund's higher exposure to midcap companies. As we look into 2024 and beyond, five factors support our long-term conviction in the sector, namely:

- (1) Technology spending is largely non-discretionary and increasingly more foundational across sectors, whether it be fintech, healthtech, edtech, retail-media tech, insuretech, traveltech, agTech, adTech etc.;
- (2) We remain at the early stages of adoption of AI. Generative AI and Large Language Models ("LLM") are on the path to transform the role of computers in our lives and how we interact with them. These changes will create new opportunities for many companies in the sector for the next 10+ years as the technology evolves further and is adopted;
- (3) Initiatives to onshore and near-shore supply chains are supportive tailwinds for this sector as more automation and robotics will need to be deployed to operate the new manufacturing facilities efficiently;
- (4) The technology ecosystem is large, diverse and driven by a culture of continuous innovation. There are always sub-segments of strong growth within the overall sector; and lastly,
- (5) An Increasing number of companies in the sector have attractive business models with recurring revenues, strong cashflows, solid balance sheets and sustainable pricing power.

We remain optimistic about finding investments that can generate sustainable long-term growth while managing the appropriate risk/reward. The Fund's holdings are likely to continue to remain more weighted towards midcaps as we see greater opportunities in this segment. The Herald approach has always been to "look under every rock" in search of companies with strong management teams, defensible competitive moats, solid financials and attractive valuations which are benefitting from growing markets. Our team meets with over 1,500 companies a year. We therefore remain confident that our investment process, philosophy and sector focus will continue to yield attractive long-term returns for investors.

HERALD INVESTMENT FUND PLC

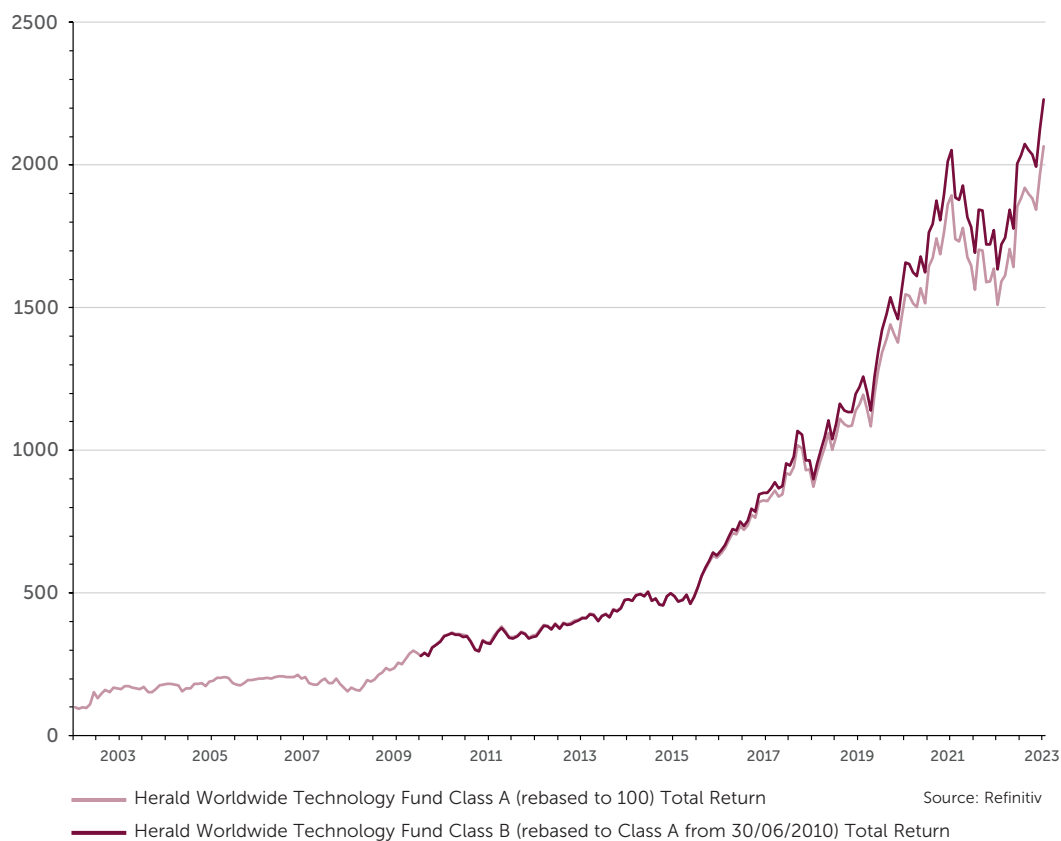
The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2023 continued

Fund Total Return: 31/12/2022 – 31/12/2023



Fund Total Return: 31/12/2002* – 31/12/2023



*The date the existing fund manager took over the management of the portfolio.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

Total Return by Region*	1 year	3 years	5 years
Asia	22.0%	-11.3%	60.8%
EMEA	20.5%	-0.7%	1.1%
North America	47.0%	52.7%	222.5%
UK	2.7%	5.1%	106.7%

* Time weighted return ("TWR") (GBP)

North America

North America continues to comprise the majority of the Fund (82.7%). The total return ("TWR") for the US portfolio was 47.0%. This is comparable to the 47.9% return of the Index. As mentioned, the Fund's underperformance relative to the Russell 1000® Technology Index is partly attributable to UCITS rules restricting concentration of holdings in the Fund.

The star performers in percentage terms were Super Micro Computer, Arlo Technologies (ARLO) and Advanced Micro Devices (AMD), which appreciated 227%, 156% and 115% respectively (in sterling). Super Micro Computer and AMD were also the largest contributors to the Fund's performance, followed by Microsoft. The performances of Super Micro Computer and ARLO were driven by strong underlying growth in their businesses. Both are beneficiaries of the growth in AI. Supermicro is a key supplier of AI servers powered by Nvidia's chips and therefore a beneficiary of the growth of Nvidia. ARLO uses a form of AI to identify events in their security cameras. AMD performance was driven partly by expectations of a normalisation in PC demand and the clearing of semiconductor inventories and partly by its strong product offering for the data centres of hyperscalers and for potential AI demand. We are pleased to have topped up the Fund's position in AMD in the sell-off of 2022. Microsoft has been the decisive software beneficiary of the AI 2023 boom, because it has already launched a new revenue generating license/user product.

The most significant negative contributors to returns were Tower Semiconductor (-33%), SolarEdge Technologies (-69%) and Teradata (-14%). Tower Semiconductor's poor performance was a result of its failed merger with Intel as Chinese regulators refused to approve the transaction. SolarEdge's disappointing performance was largely due to the impact of rising interest rates on demand for solar projects. Teradata is a position which we added to the Fund in Q2 2023. Our investment case is based on changes we are expecting in the company's business model during the next 1-2 years.

The price to earnings ratio ("P/E") of the North American portfolio on Bloomberg forecasts was 25x at year-end December 2023 compared to 18x at the end of 2022 and 39x at the end of 2021. The expansion in the P/E has been partly due to cyclical decline in the earnings of some of the Fund's semiconductor holdings and partly due to the re-rating of the Fund's holdings as opposed to any substantial changes in the holdings.

Europe

The European portfolio comprises 2.1% of the Fund and the total return was 20.5%. The Fund's only European holdings are SAP and Nordic Semiconductor, with end of year weightings of 1.7% and 0.4% respectively. SAP maintains a strong competitive position in its core markets and is executing well under its relatively new management team. Nordic Semiconductor, however, has been struggling to assess true demand for their products following the Covid overbuilds of inventory at their customers. The company continues to have a strong position in the IoT market. Nordic Semiconductor is one of the Fund's smallest holdings. In December 2023 the longtime CEO announced his retirement and we are waiting to meet his replacement prior to adjusting the Fund's position.

We continue to look for attractive investment opportunities in Europe. However, we find that the limited number of large, liquid, listed technology companies in Europe causes a high scarcity premium to be associated with the higher quality companies, compared with equivalent companies in North America and Asia.

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2023 *continued*

UK

The UK portfolio comprises 2.4% of the Fund. The total return of the UK portfolio was 2.7%. The Fund's largest UK holding was Herald Investment Trust, with an average weighting of 2.0%. Herald Investment Trust appreciated 7.9%. The first 10 months of 2023 were tough for HIT due to the overall underperformance of small tech versus large cap as evidenced by the 37 point difference between the returns of the Russell 1000® Technology Index (RGUSTL) and the Russell 2000® Technology Index (RGUSTS). As noted, this trend reversed during November and December with the RGUSTS appreciating 18.5% in those two months versus 8.3% appreciation for the RGUSTL, while the small company markets in Europe (including the UK) had a challenging year.

The other UK holding is BOKU, a new addition to the Fund in 2023. BOKU is a company we are familiar with as we have been investors in the company for a number of years through the Herald Investment Trust. BOKU has an impressive customer base and has the potential to be a global leader in aggregating local payment methods.

Asia

The Asian portfolio comprises 4.2% of the Fund and the total return was 22.0%.

The Fund's largest holdings in Asia during the year were Samsung Electronics and Kulicke & Soffa Industries which appreciated 33.0% and 18.4% respectively. We expect Samsung to benefit as global memory prices recover. The cyclical recovery of PCs and laptops and secular demand from AI workloads are supportive of demand for memory both short-term and medium-term. Samsung should also benefit from US trade restrictions on the Chinese semiconductor sector which have stymied the technological progress of Chinese competitors like Yangtze Memory Technologies Co and Changxin Memory Technologies.

Overall, our exposure to domestic Chinese companies (0.4% at the year-end) remains low and, in line with our long held cautious views on investing in Chinese companies, is unlikely to become material.

Market Outlook

As always, when looking forward, it is important to distinguish between structural and cyclical factors impacting global economies and markets. Cyclically, declining inflation levels and the prospect that the US interest rate cycle may have peaked have obviously been positive for equities. Also, as 2024 is an election year in the US, US fiscal and monetary policies are likely to be accommodative. However, structurally, we remain of the view that many of the deflationary forces of the 2000-2020 period are behind us. The trend towards deglobalisation and protectionism, coupled with social and environmental pressures and mounting government debt across major global economies, will make it hard for policy makers to maintain inflation and interest rates at low levels and create an environment to foster healthy growth. Expanding geopolitical tensions, particularly between the West and China and Russia, are also concerning.

The interplay between cyclical, structural and episodic issues will no doubt continue to cause volatility across markets, but given our focus on the innovative and growing TMT sector, we remain optimistic about opportunities for generating long-term capital appreciation despite the potentially challenging structural headwinds facing global economies.

Our approach to managing through short-term market volatility and potential dislocations is to be selective about the companies in which we invest. We are fundamentally long-term investors. We focus on companies with (1) strong management teams, (2) solid financials, (3) sustainable moats, (4) strong outlooks for growth and (5) attractive valuations. This has been our approach since the inception of the Fund and will continue to be our approach.

Sector Outlook

Gartner forecasts global IT spending to be \$3.5 trn in 2024, growing 9% year-on-year, at the higher end of historical averages of mid-single digits and an acceleration from the more tepid growth of 4% in 2023.

Within the different areas of spending, software is expected to continue to benefit from higher growth of 13%, reaching \$1tn in 2024. Spending on devices is expected to remain lacklustre but improving to 5% growth and reaching \$732bn. This compares to declines of 6% and 9% in 2022 and 2023 respectively, following the Covid boom in PC and laptop sales.

We expect demand for PCs and laptops to be solid over the next couple of years as new AI features get incorporated into the devices, driving another upgrade cycle. It is also encouraging to see Apple launch their virtual reality (VR) devices after over a decade of development. The combination of VR with LLM's ability to understand language could spur a major new hardware platform cycle in the next 2-3 years, despite the prohibitive initial costs of the products.

The Herald Worldwide Technology Fund

Below we highlight trends in some of the key subsegments of the sector as well as regulatory and geopolitical factors impacting the sector.

AI

Although 2023 was a year dominated by AI, we remain at the very early stages of its impact on the sector and the world more broadly. McKinsey estimate that AI will create \$13tn of value by 2030. We suspect it will take longer. For perspective, during the dotcom era of 25 years ago, there was enormous enthusiasm and expectations for the mobile internet. However, it was only in 2023 that US ecommerce sales on mobile exceeded those from desktop PCs (though it was earlier in other markets, especially emerging markets). Another example is cloud services, which were launched by Amazon in 2006. Gartner expects cloud spending to reach 50% of its addressable market in 2025, i.e. 20 years after the initial availability of the service. Like AI, both mobile and cloud services promised higher productivity, lower cost and new opportunities. Nevertheless, widespread adoption has taken decades.

In the cases of both the mobile and cloud adoption cycles, attractive investment opportunities have persisted throughout the growth periods across different parts of the supply chains. We are convinced the growth, evolution and eventual maturity of the AI ecosystem will also present attractive investment opportunities for the next 10+ years.

The improvements in AI systems are driven by three factors, namely (1) the power of the computing infrastructure (2) the volume and quality of training data and (3) innovation in the training algorithms.

So far, most of the focus of the investment community has been on the hardware and infrastructure layers of the supply chain. A number of software companies have also followed Microsoft's lead and are aiming to charge for AI modules of different forms. We are sceptical of many of these supposed total addressable market ("TAM") expansion opportunities. As with prior platform shifts, such as mobile and the internet, the growing adoption of AI across sectors and geographies will lead to the emergence of new supply chains and new service providers addressing the unique and evolving needs of the new ecosystem, challenging the status quo by improving productivity.

The following are some of Gartner's projections about AI:

- by 2025, 39% of worldwide organizations will be at the experimentation phase of the AI adoption curve, while only 14% will be at the expansion phase.
- By 2027, the percentage of organisations in the expansion phase and above will be 22%
- By 2026, more than 70% of independent software vendors will have embedded generative AI capabilities in their enterprise applications, a major increase from fewer than 1% today.

These projections confirm that we remain at the very early stages of the adoption of AI.

Overall, we see the adoption of AI as a positive driver for many companies in the sector. However, It is also worth bearing in mind that, near-term, AI spending is likely to crowd-out some more discretionary IT projects as IT spending remains constrained and companies will be reprioritising investments.

Cloud

The growth in cloud spending continues unabated. Gartner expects IT spending on public cloud services to exceed \$1tn by 2027 compared to \$661bn in 2023, implying a compound annual growth rate ("CAGR") of 13.7% between 2023 and 2027. Despite the robust growth of the last 10+years, Gartner estimates that by 2027, spending on cloud services will still only account for 58% of the total addressable market.

We remain enthusiastic about opportunities to benefit from the growth in cloud services. Amazon, Microsoft and Alphabet continue to invest aggressively in cloud infrastructure and services. Combined, their capital expenditures for cloud services are projected to reach \$113bn in 2024. These investments not only drive their own growth but also create efficiency and growth opportunities for companies across all market segments. Many of the holdings in the Fund are drivers and beneficiaries of cloud growth including long-time holdings such as Arista, Fabrinet and Dynatrace.

Software

The size of the global software sector is estimated by Gartner to be \$913bn in 2023 and projected to grow at a CAGR of 14% between 2023 and 2027, reaching \$1.5tn in 2027.

Within the broader software market, Gartner estimates the AI software market to be \$146bn in 2023 and growing at a CAGR of 19.1% between 2023 and 2027 to reach \$298bn. Surprisingly, the largest consumer of AI software is projected to be the government sector. Within the AI software market, generative AI is expected to grow from \$12bn in 2023 to \$104bn in 2027, i.e. a CAGR of 73% over the period.

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2023 *continued*

A key difference between the economics of AI companies and other software companies is that an AI product can require large (\$10-\$100 million) upfront training costs by our estimate for its LLMs. Within the software sector, companies large and small should be able to benefit from the significant productivity enhancements enabled by generative AI across functions from software development to customer support.

Overall, we remain enthusiastic about the outlook for the software companies in the portfolio. Although 2023 was a strong year for many software companies in revenue terms, multiples in aggregate for the sector have retrenched broadly to the 10-year average from the excessive levels seen in 2021. We hope to be able to add to our software holdings over time.

Semiconductors

As we anticipated last year, the semiconductor sector headed towards a cyclical bottom in 2023 with year-on-year revenue growth rates for the sector declining 22% in April and year-on-year growth rates improving thereafter. The excess inventory that had accumulated post Covid has now largely been absorbed and so the sector is poised for a rebound in revenues, further propelled by the demands of AI systems.

Based on data from Gartner, semiconductor revenues are forecast to drop 11% in 2023 to \$533 billion and grow at a CAGR of 9% between 2023 and 2027, reaching \$764bn in 2027. Near-term growth rates will vary across subsectors, with memory experiencing the sharpest declines and therefore biggest bounce and the automotive sector arguably just beginning to work through inventory issues. Longer-term, overall semiconductor sales are likely to continue to grow by mid-single digits, in line with multi-decade historical trends.

Capacity constraints on Graphical Processing Units, the engines of AI systems, will ease over time, especially as all of the hyperscalers are offering their own proprietary AI chips e.g. Alphabet's Tensor Processing Units, Amazon's Trainium2, Microsoft's Maia. AMD has also made strong progress with its AI portfolio including its ROCm software which optimises the performance of its chips for different AI models, tools and libraries. The large memory and power consumption needs of AI chips are also driving demand for advanced materials and new chip packaging techniques.

Two key aspects of designing AI systems are training and inference, with the latter being faster and less resource intensive. Gartner estimates the market for AI semiconductors to be \$52bn in 2023 and growing to \$140bn in 2027, implying a CAGR of 28%. Most of the excitement of the last year has been related to specialty chips needed for training AI systems. For real world AI systems to be deployed outside datacentres, there will also be growing demand for specialty chips for "edge" devices, i.e. laptops, smartphones, IoT devices.

Financial markets are always forward-looking. In 2023, the semiconductor subsector was the best performing subsector within the technology sector. This was largely driven by the performance of NVIDIA, which accounted for 40% of the return of the Bloomberg World Semiconductor Index. We reduced some positions in the Fund because of valuation concerns and have added to others. The subsector is large and diverse; within it we continue to find well-managed, attractively valued companies with strong product offerings.

Security

Security remains a core investment priority for all companies and governments. According to Gartner, the security market is estimated to be \$193bn in 2023 and growing at a CAGR of 10.4% between 2023-2027. This is just an estimate of spending on products and services to prevent cybercrime. The actual cost of cybercrime is estimated to reach \$10.5tn by 2025, i.e. if accurate, it is close to 10% of global GDP. This includes costs associated with operational issues such as damage and destruction of data, stolen money, lost productivity, intellectual property theft and reputational harm. According to Varonis, the likelihood that a cybercrime entity is detected and prosecuted in the U.S. is estimated to be less than 0.1%. This implies that the risk of prosecution is not much of a deterrence to the criminals.

AI creates its own collection of security problems for companies both in terms of protecting corporate data from potential misuse in training models and from more sophisticated cyber attacks. According to a UBS survey published in December 2023, 41% of companies have blocked access to GenAI apps due to security fears. This is a recognition of the fact that currently their data and infrastructure are not sufficiently protected against potential leaks. As these companies map out strategies to use GenAI, inevitably they will also need to bolster their spending on security.

On the attackers' side, Generative AI and large language models will make content used for phishing and social engineering (including voice and video) appear more legitimate, making it harder to spot phishing emails and messages.

The Fund continues to have meaningful exposure to the cyber security subsector, with long term investments like Varonis, Check Point Software Technologies and CyberArk.

Regulation

The TMT sector remains in the cross-hairs of governments and regulators globally. Companies in the sector are scrutinised for issues ranging from national security to consumer protection and privacy and predatory behaviors. The latest frontier is the regulation of AI. As investors in the TMT sector, regulation is a factor which we have always and will continue to incorporate as part of our fundamental analysis. Regrettably, regulation almost always has unintended consequences, often benefiting larger companies and hurting smaller ones.

On 6 September 2023, the European Commission designated for the first time six gatekeepers under the Digital Markets Act (DMA). The companies are Alphabet, Amazon, Apple, ByteDance, Meta and Microsoft. In total, 22 core platform services provided by those gatekeepers are subject to the regulation. These companies have until March 6, 2024 to comply with all of the Act's provisions. For example, Apple will have to allow other App Stores on its iOS platform.

Regarding AI, governments across jurisdictions have been working on frameworks and regulations for years. The challenge will be to develop comparable and interoperable rules which foster the benefits of AI and innovation while protecting against potential harm. Otherwise, the unintended consequences are likely to be to encourage regulatory arbitrage and ultimately benefit large companies which can absorb the costs of excess complexity, while hampering smaller ones. The OECD's 2019 AI Principles aims to be such a framework. While the EU's Act of 2023, which is based on reports published in 2020, is presented as "the world's first comprehensive AI law." The EU AI Act has been designed as a horizontal EU legislative instrument applicable to all AI systems placed on the market or used in the European Union.

As a reminder, in 2020, the Chinese Communist Party designated data as the fifth factor of production—after land, labor, capital and technology and placed stringent rules on collection and use of data by foreign companies in China. In the meantime, Chinese companies have been collecting highly valuable data from across the world through companies such as ByteDance, Shien, Huawei, automotive companies and others.

One questionable issue is that the work on AI legislation has been on-going for the past 4-5 years, during which time there have been substantial advances in AI technology, especially the emergence of large language models as the basis for diverse AI systems. The peculiar nature of the workings of the large language models and generative AI is that the factors leading to decisions and results are opaque and often unidentifiable by human logic. The decisions are driven by the emergent weights on neural networks. This peculiarity will make it particularly difficult to create laws, reliant on proving cause and effect in AI systems using LLMs.

Regulation in the semiconductor space also remains rife. We touch on semiconductor regulation in the segments on China and Semiconductors. New cyber security disclosure rules from the US Securities and Exchange Commission (SEC) also took effect in December 2023. Preparation for the reporting may have boosted spending in 2023. Nevertheless, based on a Q4-2023 survey by Morgan Stanley, spending on security remains a top priority for companies.

China Tensions

Tensions between the West and China remain high though perhaps tempered after the meeting between President Biden and President Xi last November. The differing strategic objectives and the fierce technological rivalry between China and the West will continue to strain relations and impact stocks.

As technology investors, we understand the broad and deep dependence of the world on the Taiwanese semiconductor sector. Despite over \$60bn of proposed subsidies by Western governments to bolster domestic semiconductor production, these investments will not bear meaningful results for another 5+ years at best. In the meantime, Taiwan Semiconductor Manufacturing Company remains the dominant supplier of key semiconductors across all industries.

Since 2016, the US has imposed ever growing and more stringent restrictions on Chinese high-tech companies as well as western companies exporting products to China or having certain operations in China. Although these initiatives have hampered the pace of China's progress in areas such as advanced semiconductor manufacturing, nevertheless, Chinese companies have continued to forge ahead across industries. Clear examples are (1) the 7 nanometer chips used in Huawei phones produced by HiSilicon and Semiconductor Manufacturing International Corporation and (2) China's leadership in the global electric vehicle market in 2023.

In our discussions with management of companies with operations in China, we have found that many of the US restrictions can be sidestepped through special permissions and/or slight product changes. We are therefore not surprised by the continued progress of the Chinese technology companies.

INVESTMENT MANAGER'S REPORT for the financial year ended 31 December 2023 *continued*

Bloomberg Economics estimates the price of a war over Taiwan could be around \$10tn, equal to about 10% of global GDP. For perspective, this is equivalent to the sum of the economic impacts of COVID, the Global financial crisis of 2009, and September 11, 2001.

Bloomberg estimates that nearly \$6tn of value is contributed to global GDP by sectors using chips as direct inputs, i.e. 5.6% of global GDP. Covid taught us all about the problem of the "golden screw," i.e. all it takes is one tiny inexpensive widget (or semiconductor) to cause manufacturing to halt and cause a tsunami of problems across services.

Clearly, an all-out war is not in the interest of the US nor China. However, their rivalry and desire for self-sufficiency is likely to continue to lead to continued tensions and increasing regulations impacting trade and investments.

Capital Markets

As investors focused on the TMT sectors and on innovation and growth, the trends in venture funding and capital markets activity are important for us. Despite the challenges presented by higher interest rates and slowing economic growth, these trends continue to bode well for HWTF as we look for future investment opportunities.

On the venture capital (VC) front, despite the declines from the heady levels of 2021, funding remained abundant for strong companies. According to Pitchbook, total VC funding in 2023 was \$345bn and exits were \$225bn. These levels are commensurate with levels in 2017/2018.

As expected, AI is a core focus for VCs. Based on data from Crunchbase, in 2023 \$50bn was invested in AI startups and over \$200bn has been invested since 2019.

In public markets, although 2023 was another challenging year for technology IPOs, nevertheless, 264 new technology companies were listed and \$32bn of funding was raised. These included large deals such as Instacart, Klaviyo and ARM. Surprisingly, the number of technology deals in EMEA (58) exceeded the number in the Americas (34).

Part of the slowdown in capital markets activity has been due to private companies needing to adjust their business models away from the "growth at any cost" models of 2-3 years ago to focus on profitability. Secondly, founders and existing investors have had to come to terms with lower valuation metrics than they may have been expecting 2-3 years ago. As a result of these delays, a healthy IPO pipeline has been building up over the last two years. Although we tend not to invest in IPOs as companies tend to be overpriced at the time of their listing, we look forward to sifting through and finding well-managed, high growth, attractively valued companies to invest in following their listing.

Summary

We appreciate the fragile macroeconomic backdrop globally and believe it will take some time to fully adjust to the normalisation of interest rates while fiscal deficits are so high in so many countries. We are also cognisant of the heightened geopolitical risks. Additionally, 2024 will also be the year of elections, including in the US, UK, Taiwan, India, Pakistan, Indonesia and Mexico. We expect markets to be volatile as they have been in recent years. Despite these issues, we remain optimistic about finding investments that can generate sustainable long-term growth.

In its essence, spending on technology by companies and governments is always a means to either increase efficiency or reduce risk. Demand will therefore be resilient. Moreover, the sector is driven by continuous innovation, reliably producing companies which drive productivity and benefit from new growth opportunities.

Progress in AI in the last year has laid the foundation for a major new technology cycle. We expect the initial rate of adoption to be slower than estimates such as McKinsey's, but longer term, we are bullish on AI and other emerging technologies.

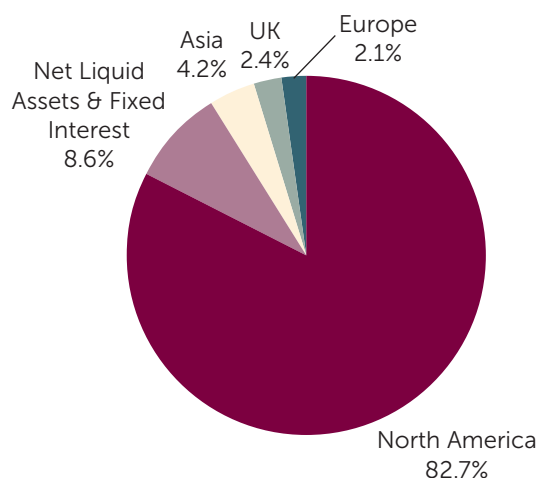
Our investment philosophy has always been and continues to be rooted in a bottom-up approach, where we analyse individual companies based on their fundamentals. We prioritise high standards of corporate governance and maintain a disciplined valuation framework. As in the past, we expect the Fund's holdings to be more weighted towards midcap companies than are typical technology indices.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

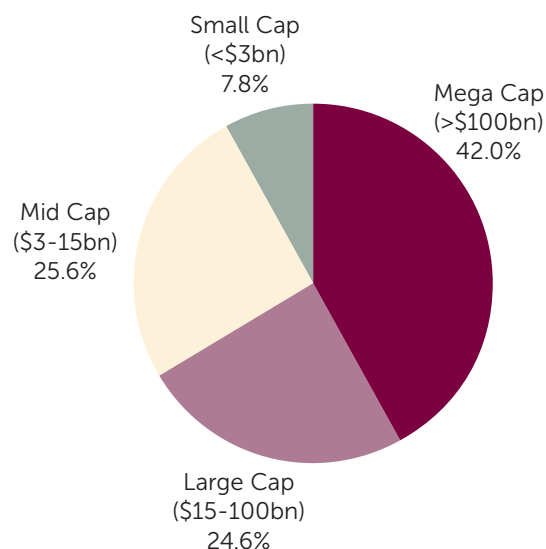
GEOGRAPHICAL BREAKDOWN

	31/12/2023	31/12/2022
North America	82.7%	77.9%
Net Liquid Assets & Fixed Interest	8.6%	13.5%
Asia	4.2%	4.0%
UK	2.4%	2.3%
Europe	2.1%	2.3%
	100.0%	100.0%



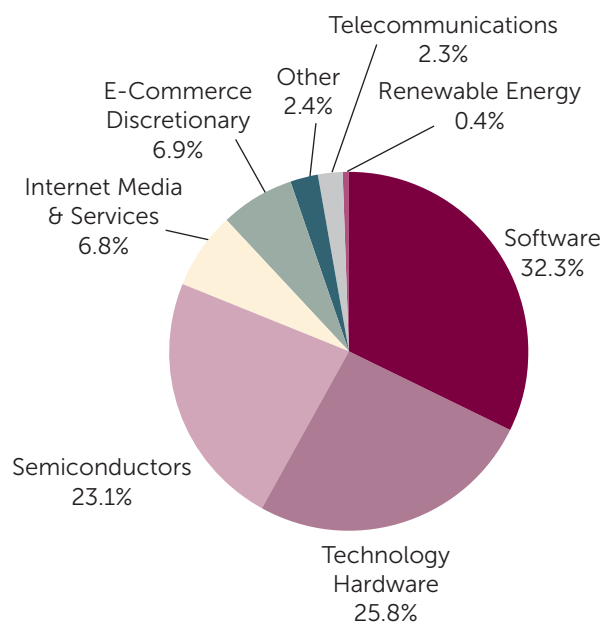
BREAKDOWN OF EQUITY INVESTMENTS BY MARKET CAP

	31/12/2023	31/12/2022
Mega Cap (>\$100bn)	42.0%	41.5%
Large Cap (\$15-100bn)	24.6%	16.8%
Mid Cap (\$3-15bn)	25.6%	27.9%
Small Cap (<\$3bn)	7.8%	13.8%
	100.0%	100.0%



SECTOR BREAKDOWN

	31/12/2023	31/12/2022
Software	32.3%	32.0%
Technology Hardware	25.8%	28.0%
Semiconductors	23.1%	22.8%
E-Commerce Discretionary	6.9%	6.1%
Internet Media & Services	6.8%	6.4%
Other	2.4%	2.7%
Telecommunications	2.3%	0.0%
Renewable Energy	0.4%	2.0%
	100.0%	100.0%



Source: Herald Investment Management Limited

DIRECTORS' REPORT for the financial year ended 31 December 2023

The Directors present herewith the Annual Report and Audited Financial Statements for the financial year ended 31 December 2023.

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 depositary of the Company's assets to the Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary").

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 (the "Irish Funds"), as the Company's corporate governance code (the "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.

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.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

Internal Control and Risk Management Systems continued

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.

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 Bradwell Limited (the "Company Secretary") on the requisition of a Director shall, summon a meeting of the Directors at any time. 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.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

DIRECTORS' REPORT for the financial year ended 31 December 2023 *continued*

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 telecommunications, multimedia and communications sectors which the Investment Manager believes 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 12 'Financial Risk Management' in the financial statements.

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

Significant Events During the Year

From 1 January 2023, the Investment Manager has voluntarily undertaken to limit the aggregate annual ordinary expenses of each class of the Fund to be no more than 0.95% of the NAV of Class A shares and 1.10% of the NAV of Class B shares of the Fund's NAV.

The Board are also monitoring the escalation of the war in Ukraine. This uncertainty has created supply chain disruption and exacerbated inflationary pressures worldwide. The Fund's principal risks are market-related and the current extreme market conditions have demonstrated the resilience of the Fund and its investment objective and policy.

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 2023.

Events Since the Financial Year End

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 year ended 31 December 2023.

Results and Dividends

The results and dividends for the year are set out in the Profit and Loss Account on page 24. No dividends were declared during the year.

Directors

The Directors who are all independent and held office during the year under review were:

Dominic Del Mar (British)

Charles Ekins (British)

Paul Halley (Irish)

Fergus Sheridan, Chairman (Irish)

Directors' Interests in Shares and Contracts

The Directors' interests in shares and contracts are detailed in note 9.

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.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

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
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

27 February 2024

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

DEPOSITARY'S REPORT to the Members of Herald Investment Fund plc

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to the Company provide this report solely in favour of the members of the Company for the year to 31 December 2023 (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
27 February 2024

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 2023 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 & Financial Statements, which comprise:

- the Balance Sheet as at 31 December 2023;
- 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 2023; 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.

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 & 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 2023 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 16, 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.

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, Ireland
27 February 2024

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

PROFIT AND LOSS ACCOUNT for the financial year ended 31 December 2023

	Notes	Financial year ended 31 December 2023 GBP	Financial year ended 31 December 2022 GBP
Income			
Operating income	2	501,299	341,582
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	3	22,693,789	(14,609,738)
Total investment income/(loss)		23,195,088	(14,268,156)
Operating expenses	4	(978,291)	(934,631)
Expense reimbursement from investment manager	7	255,465	187,920
Profit/(loss) for the year before tax		22,472,262	(15,014,867)
Non-reclaimable withholding tax		(84,542)	(75,641)
Increase/(decrease) in net assets from operations attributable to holders of redeemable participating shares		22,387,720	(15,090,508)

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

27 February 2024

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 2023

	Notes	As at 31 December 2023 GBP	As at 31 December 2022 GBP
ASSETS			
Financial assets at fair value through profit or loss	12 (d)	79,353,508	52,917,636
Cash and bank balances	8	5,077,879	8,323,754
Debtors	1 (g)	329,626	58,533
TOTAL ASSETS		84,761,013	61,299,923
LIABILITY			
Creditors - amounts falling due within one year	1 (f)	(2,134,585)	(172,421)
Net assets attributable to holders of redeemable participating shares		82,626,428	61,127,502

On behalf of the Board of Directors

Fergus Sheridan
Director

Paul Halley
Director

27 February 2024

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 2023

	Financial year ended 31 December 2023 GBP	Financial year ended 31 December 2022 GBP
Net assets attributable to holders of redeemable participating shares at beginning of year	61,127,502	70,763,616
Increase/(decrease) in net assets attributable to holders of redeemable participating shares resulting from operations	22,387,720	(15,090,508)
Amounts received on issue of redeemable participating shares	6,527,221	9,256,330
Amounts paid on redemption of redeemable participating shares	(7,416,015)	(3,801,936)
(Decrease)/increase in net assets resulting from share transactions	(888,794)	5,454,394
Net increase/(decrease) in shareholders' funds	21,498,926	(9,636,114)
Net assets attributable to holders of redeemable participating shares at end of year	82,626,428	61,127,502

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

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2023

1. Significant Accounting Policies

a) Basis of Preparation

In preparing the Annual Report and Audited Financial Statements for the financial year end 31 December 2023, 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 the Company's business as an investment company.

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, exchange traded investment funds and government bonds.

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 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.

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2023 *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 and investments dealt in a regulated 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 close of business 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 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.

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 2023	As at 31 December 2022
Euro	1.1540	1.1271
Korean Won	1,641.8151	1,521.0672
Norwegian Krone	12.9465	11.8498
Taiwan Dollar	39.1243	36.9717
US Dollars	1.2748	1.2029

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 7 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 2023 *continued*

2. Operating income

	Financial year ended 31 December 2023 GBP	Financial year ended 31 December 2022 GBP
Deposit interest	144,583	21,534
US government security interest	46,534	–
Dividend income	310,182	320,048
	501,299	341,582

3. Net gains/(losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss

	Financial year ended 31 December 2023 GBP	Financial year ended 31 December 2022 GBP
Realised gains on sale of investments	6,023,750	5,810,209
Net currency losses	(51,871)	(8,987)
Net change in unrealised gains/(losses) on investments	16,721,910	(20,410,960)
	22,693,789	(14,609,738)

4. Operating Expenses

	Financial year ended 31 December 2023 GBP	Financial year ended 31 December 2022 GBP
Administration fees	141,688	143,970
Auditors' fees	22,382	22,917
Banking fees	13,112	15,991
Company secretarial fees	11,314	11,364
Custody fees	6,291	8,039
Depository fees	39,891	39,891
Directors' fees	54,828	53,691
Investment management fees	598,812	538,164
Legal fees	3,500	3,831
Transfer agency fees	20,537	28,375
Management company fees	51,623	51,188
Other expenses	14,313	17,210
	978,291	934,631

5. 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 is 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 31 December 2023, the Company has 1 subscriber share in issue (2022: 1). Holders of subscriber shares are not entitled to a dividend or any surplus of assets over liabilities upon the winding-up of the Company.

The 1 subscriber share in issue is described in the financial statements by way of this note only.

Shares in Issue

	Financial year ended 31 December 2023	Financial year ended 31 December 2022
Number of Class A Shares issued and fully paid		
Balance at beginning of year	488,883	469,013
Issued during year	486	21,161
Redeemed during year	(3,536)	(1,291)
Total number of Class A Shares in issue at end of year	485,833	488,883
	Financial year ended 31 December 2023	Financial year ended 31 December 2022
Number of Class B Shares issued and fully paid		
Balance at beginning of year	314,925	263,172
Issued during year	89,895	108,711
Redeemed during year	(97,001)	(56,958)
Total number of Class B Shares in issue at end of year	307,819	314,925

As at 31 December 2023, one shareholder held 36.26% of the issued share capital of the Company (2022: 35.80%).

6. Net Asset Value

	As at 31 December 2023 GBP	As at 31 December 2022 GBP	As at 31 December 2021 GBP
Net Asset Value Class A share	58,186,535	42,815,780	51,535,771
Net Asset Value Class B share	24,439,893	18,311,722	19,227,845
Net Asset Value per Class A share	119.77	87.58	109.88
Net Asset Value per Class B share	79.40	58.15	73.06

7. Fees

Investment Management Fee

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 the Fund which may be subject to different fee structures. Fees of GBP 58,892 were payable at 31 December 2023 (2022: GBP 42,102).

From 1 January 2023, the Investment Manager has voluntarily undertaken to limit the aggregate annual ordinary expenses of each class of the Fund to be no more than 0.95% (2022: 1.10%) of the NAV of Class A shares and 1.10% (2022: 1.25%) of the NAV of Class B shares. The total reimbursement amounted to GBP 255,465 (2022: 187,920). The reimbursement on Class A shares is GBP 168,996 (2022: GBP 122,809) and on Class B shares is GBP 86,469 (2022: GBP 65,111).

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2023 continued

7. Fees continued

Performance Fee on Class A Shares

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 87.58 and the closing GBP 119.77. The previous highest NAV per Class A share at a financial year end was reached on 31 December 2021 when NAV was GBP 109.88 per Class A share. There was no performance fee earned on the Class A shares (2022: GBP Nil). 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). 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 8 per transaction. The Northern Trust International Banking Corporation will also receive a monthly fee of GBP 100 and GBP 8 for each shareholder payment or receipt and GBP 8 for each fund movement on the Fund's subscription and redemption accounts.

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 14,992 were payable at 31 December 2023 (2022: GBP 54,712).

Management Company Fee

The Management Company will receive a management fee out of the assets of the Fund of either up to 0.04% per annum of the Net Asset Value of the Fund or an annual minimum fee of €50,000 per annum, whichever is higher. The Management Company fee shall accrue on each dealing day and is payable monthly in arrears. The Management Company fee may be waived or reduced by the Management Company. The Management Company shall be entitled to be reimbursed by the Company for all reasonable out of pocket expenses properly incurred.

The Management Company are also employed as a consultant to the Company, providing MLRO and Tax services. The fees for these services are GBP 3,209 (2022: 3,177) and GBP 4,278 (2022: 4,247) respectively.

In total, the Management Company received fees of GBP 51,623 (2022: GBP 51,188) during the year with GBP 6,594 (2022: GBP nil) outstanding at year end.

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 3,661 were payable at 31 December 2023 (2022: GBP 13,743).

Transaction Costs

Transaction costs of the Fund were GBP 16,110 for year ended 31 December 2023 (2022: GBP 16,180) 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

8. Cash and Bank Balances

Cash at Bank	As at 31 December 2023 GBP	As at 31 December 2022 GBP
The Northern Trust Company	3,077,879	8,323,754
The Northern Trust International Banking Corporation	2,000,000	–
	<u>5,077,879</u>	<u>8,323,754</u>

9. 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.

Administrator

The Fund has entered into an agreement to open an investor umbrella bank account with The Northern Trust International Banking Corporation ("TNTIBC"). The Administrator has not been advised of any transactions (with the exception of the agreed fees) that have been executed with these persons. Amounts earned by TNTIBC are disclosed in note 4 (banking fees) and note 7.

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 4 and note 7.

Herald Investment Management Limited and HIML Holdings Limited both hold investments in Herald Investment Fund plc. At 31 December 2023, the number of shares held by Herald Investment Management Limited was 69,980 (2022: 69,980) and the number of shares held by HIML Holdings Limited was 100,475 (2022: 125,531).

Directors' Interests in Shares and Contracts

Charles Ekins held 1,166 Class B Shares as at 31 December 2023 (2022: 1,166).

None of the other Directors 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 2023 the number of shares held was 80,000 and the fair value of this investment was GBP 1,537,600 (2022 the number of shares held was 80,000 and the fair value of this investment was GBP 1,425,600).

Directors' Fees

The total Directors' fees are disclosed in note 4.

Management Company Fees

The Management Company, Bridge Fund Management Limited provide supervision of the Company's investment management, administration and distribution functions so as to comply fully with the requirements as laid out by the Central Bank of Ireland in its Fund Management Companies Guidance report. The Management company is also employed as consultant to the company, providing MLRO and Tax services. Amounts earned by the company are disclosed in note 4 and note 7.

In 2023, the Fund contracted to use a number of the Management Company's platform agreements. This provides access to fund platforms through the Management Company who acts as global distributor in such arrangements, with responsibility for distribution oversight and regulatory compliance.

10. 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.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2023 continued

10. Taxation continued

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 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.

11. Auditor's Remuneration

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

	31 December 2023 EUR	31 December 2022 EUR
Statutory audit of company accounts	21,000	21,000

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 22,382 (2022: GBP 22,917).

12. 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, bonds 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 and the Management Company. Risk management issues are reported separately to the Directors by the Administrator and Depositary monthly and quarterly by the Management Company.

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.

The Herald Worldwide Technology Fund

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 40 and 41. 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.

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 2023 Share Class A returned 36.8% (2022: -20.3%) while the USD denominated Dow Jones World Technology Index returned 48.9% in sterling terms (2022: -23.4%). Based on the NAV of the Fund as at 31 December 2023, and a historic one-year sensitivity analysis, if the Dow Jones World Technology Index increased by 10.0% in sterling terms, the Fund would increase by 8.3% (2022: increase by 7.4%), resulting in a gain of GBP 6,857,994. (gain of GBP 4,517,313 based on 31 December 2022 NAV and sensitivity of the Fund). If the Dow Jones World Technology Index decreased by 10.0% 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 2023 or 31 December 2022. 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 NAV 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 2023 continued

a) Market 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 2023

Financial Assets Non-monetary assets	EUR	KRW	NOK	TWD	USD
Cash	851	–	–	21,005	–
Financial assets held at fair value through profit or loss	1,389,928	1,224,011	311,436	–	74,468,673
	1,390,779	1,224,011	311,436	21,005	74,468,673

31 December 2022

Financial Assets Non-monetary assets	EUR	KRW	NOK	TWD	USD
Cash	–	–	–	22,228	(229)
Financial assets held at fair value through profit or loss	983,482	930,715	442,608	–	49,135,231
	983,482	930,715	442,608	22,228	49,135,002

Foreign Currency Risk – Sensitivity Analysis

At 31 December 2023 and 31 December 2022, had the exchange rate between the functional currency of the Fund and the base currencies to which the Fund is exposed to increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of redeemable participating units would amount to approximately GBP 3,870,795 (2022: GBP 2,575,702).

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 2023 and 31 December 2022, 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.

As at 31 December 2023, the Fund had a holding in United States Treasury Stock 0.375% 15 April 2024 which had a Moodys rating of Aaa.

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 2023 NTC had a long term credit rating from Standard & Poor’s of (A+) (2022: (A+)).

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

The Herald Worldwide Technology Fund

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.

TNTC, in the discharge of its delegated depositary 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.

The Fund has entered into an agreement to open an investor umbrella bank account with The Northern Trust International Banking Corporation ("TNTIBC"). In the event of insolvency of TNTIBC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTIBC 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 Management Company) manages risk by monitoring the credit quality and financial position of the Depositary and such risk is further managed by the Depositary 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 2023 or 31 December 2022.

The Company is an open-ended investment company and shareholders may redeem their investment without notice on any dealing day. 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 the fund, the Directors may elect to restrict the total number of shares repurchased to ten per cent of the outstanding shares in the 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 NAV 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;

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2023 continued

- (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;
- (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 2023 and 31 December 2022 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

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

31 December 2023

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets designated at fair value through profit or loss				
Equity securities	73,947,600	–	–	73,947,600
Exchange traded investment funds	1,537,600	–	–	1,537,600
US Treasury Stock	3,868,308	–	–	3,868,308
Total Assets	79,353,508	–	–	79,353,508

31 December 2022

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets designated at fair value through profit or loss				
Equity securities	51,492,036	–	–	51,492,036
Exchange traded investment funds	1,425,600	–	–	1,425,600
Total Assets	52,917,636	–	–	52,917,636

13. Distributions

There were no distributions declared during the financial year ended 31 December 2023 (2022: Nil).

14. Significant Events During the Year

From 1 January 2023, the Investment Manager has voluntarily undertaken to limit the aggregate annual ordinary expenses of each class of the Fund to be no more than 0.95% of the NAV of Class A shares and 1.10% of the NAV of Class B shares of the Fund's NAV.

The Board is monitoring the escalation of the war in Ukraine. This uncertainty has created supply chain disruption and exacerbated inflationary pressures worldwide. The Fund's principal risks are market-related and the current extreme market conditions have demonstrated the resilience of the Fund and its investment objective and policy.

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 2023.

15. Events after the Balance Sheet Date

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 year ended 31 December 2023.

16. Approval of Financial Statements

The financial statements were approved by the Board on 27 February 2024.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

SCHEDULE OF INVESTMENTS as at 31 December 2023

Holdings	Security name		Industry Sector ⁺	Value GBP	% of Fund Net Assets
EQUITIES					
United Kingdom					
80,000	Herald Investment Trust		Investment Fund	1,537,600	1.9
316,000	Boku		Software	421,860	0.5
Total United Kingdom				1,959,460	2.4
Europe					
32,000	Nordic Semiconductor	Norway	Semiconductors	311,436	0.4
11,500	SAP	Germany	Software	1,389,928	1.7
Total Europe				1,701,364	2.1
Asia					
5,800	Alibaba ADR	China	E-Commerce Discretionary	352,650	0.4
26,100	Kulicke & Soffa Industries	Singapore	Semiconductors	1,120,326	1.4
25,600	Samsung Electronics	South Korea	Technology Hardware	1,224,011	1.5
9,500	Taiwan Semiconductor Manufacturing ADR	Taiwan	Semiconductors	775,024	0.9
Total Asia				3,472,011	4.2
United States					
46,905	Advanced Micro Devices		Semiconductors	5,423,804	6.6
15,200	Akamai Technologies		Software	1,411,139	1.7
46,900	Alphabet		Internet Media & Services	5,139,206	6.2
40,700	Amazon		E-Commerce Discretionary	4,850,924	5.9
25,000	Apple		Technology Hardware	3,775,690	4.6
18,400	Arista Networks		Technology Hardware	3,399,265	4.1
177,000	Arlo Technologies		Technology Hardware	1,321,807	1.6
15,200	Arrow Electronics		Technology Hardware	1,457,640	1.7
5,000	Cadence Design Systems		Software	1,068,285	1.3
9,200	Check Point Software Technologies		Software	1,102,658	1.3
29,000	Cogent Communications		Telecommunications	1,730,263	2.1
3,300	CyberArk Software		Software	567,042	0.7
45,000	Dynatrace		Software	1,930,538	2.3
27,000	Fabrinet		Technology Hardware	4,031,150	4.9
13,200	Five9		Software	814,801	1.0
43,300	FormFactor		Semiconductors	1,416,726	1.7
61,000	Freshworks		Software	1,124,012	1.3
19,000	Intel		Semiconductors	748,941	0.9
9,800	iRobot		Home & Office Products	297,505	0.4
36,000	Micron Technology		Semiconductors	2,409,978	2.9

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

Holdings	Security name	Industry Sector ⁺	Value GBP	% of Fund Net Assets
EQUITIES				
United States (continued)				
25,442	Microsoft	Software	7,504,870	9.1
63,000	N-able	Software	654,809	0.8
12,200	NetApp	Technology Hardware	843,702	1.0
25,500	Pegasystems	Software	977,353	1.2
27,700	Silicon Motion Technology ADR	Semiconductors	1,331,329	1.6
4,400	SolarEdge Technologies	Renewable Energy	323,062	0.4
15,300	Super Micro Computer	Technology Hardware	3,411,655	4.1
55,000	Teradata	Software	1,877,196	2.3
17,900	Teradyne	Semiconductors	1,523,775	1.8
4,100	Texas Instruments	Semiconductors	548,232	0.7
75,000	Tower Semiconductor	Semiconductors	1,795,576	2.2
58,500	Varonis Systems	Software	2,077,879	2.5
25,910	Zoom Video Communications	Software	1,461,553	1.8
Total United States			68,352,365	82.7
Total Equities			75,485,200	91.4
FIXED INTEREST				
5,000,000	United States Treasury Stock 0.375% 15/04/2024	Government Security	3,868,308	4.6
Total Fixed Interest			3,868,308	4.6
Total Value of Investments			79,353,508	96.0
Cash at bank			5,077,879	6.2
Other net liabilities			(1,804,959)	(2.2)
Net assets Attributable to holders of Redeemable Participating Shares at Last Traded Prices			82,626,428	100.0
			31 December 2023	31 December 2022
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			93.6	86.3
Other net assets			6.4	13.7
			100.0	100.0

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

+Bloomberg Industry Classification System

APPENDIX 1 Other Disclosures (Unaudited) for the financial year ended 31 December 2023

Remuneration Policy

Bridge Fund Management Limited (“The Management Company”)

The below disclosure is made in respect of the remuneration policies of Bridge Fund Management Limited (“The Management Company”) in accordance with the European Union Directive 2014/91/EU as implemented in Ireland by European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016. This requires UCITS management companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

The Management Company has designated the following persons as Identified Staff:

1. Executive and Non-Executive members of the management body of the Management Company e.g. CEO, Directors, Executive and Non-Executive partners
2. Senior management
3. Risk takers – staff who can exert material influence on the Management Company or on the UCITS or AIFs it manages
4. Those in control functions: Operations, HR, Compliance, Finance where applicable
5. Staff whose total remuneration takes them into the bracket of senior management and risk takers, whose professional activities have a material impact on the Management Company’s risk position or those of the UCITS and/or AIFs it manages and
6. Categories of staff of the entities to which portfolio management or risk management activities have been delegated whose professional activities have a material impact on the Management Company’s risk position or those of the UCITS and/or AIFs it manages.

The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the UCITS and the Management Company is not incentivised or rewarded for taking excessive risk.

The Management Company is required under UCITS regulations to make quantitative disclosures of remuneration. Disclosures are provided in relation to Identified Staff who are employed directly by the Management Company and Identified Staff who have the ability to materially impact the risk profile of the UCITS including individuals who, although not directly employed by the Management Company, are assigned by their employer to carry out services directly by the Management Company.

All remuneration paid to Identified Staff can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria) which is not based on the performance of the UCITS.

Remuneration details for the Management Company are disclosed below:

Description	Number of beneficiaries	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
Total Staff Remuneration	45	€3,948,284	€3,503,284	€445,000
Senior Management (including executives), risk takers and other identified staff	8	€1,194,440	€952,440	€242,000

Details of the Remuneration Policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at the following website: <https://bridgefundserves.com/media/ceupd4jd/remuneration-policy.pdf>

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the financial year (2022: 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 2023, the Fund did not enter into any SFTs.

Article 6 Funds as Defined Under the Sustainable Finance Disclosures Regulation (unaudited)

Whilst the Fund believes in the importance of fundamental analysis incorporating consideration of environmental, social and governance ("ESG") factors, investors in the Fund should be aware that as an Article 6 Fund, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

APPENDIX 2 SCHEDULE OF PORTFOLIO MOVEMENTS (Unaudited)

for the financial year ended 31 December 2023

PURCHASES	GBP
US Treasury Stock 0.375% 15/4/2024	3,975,398
Teradata	2,157,727
Cogent Communications	1,517,374
Five9	787,484
Dynatrace	741,888
Micron Technology	500,878
Kulicke & Softa Industries	500,726
Boku	457,677
FormFactor	446,468
CyberArk Software	448,048
iRobot	382,812
TOTAL PURCHASES	11,916,480

SALES	GBP
Cadence Design Systems	2,562,075
Super Micro Computer	1,949,033
NetApp	1,448,898
Apple	1,441,313
Microsoft	523,440
Radware	343,957
TOTAL SALES	8,268,716

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

