



Herald
LEADING-EDGE INVESTING

Herald Investment Fund plc The Herald Worldwide Technology Fund

2024

Condensed interim report & financial statements
for the six months ended 30 June 2024

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

CONDENSED INTERIM REPORT & FINANCIAL STATEMENTS

for the six months ended 30 June 2024

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HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

LEI: 2138AJ4QJJLY4VHI11

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Ireland

INVESTMENT MANAGER

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England
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ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

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

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
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DIRECTORS OF THE COMPANY

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

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London EC4A 1LT
England

Registered No: 280256

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:

A.J.Bell: www.youinvest.co.uk
Hargreaves Lansdown: www.hl.co.uk
Interactive Investor: www.ii.co.uk

Intermediaries can also access this Fund for clients on Aegon, AJ Bell, Aviva, Raymond James, Quilter and Transact.

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 2024 (April 2023: 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 six months ended 30 June 2024

The objective of the Herald Worldwide Technology Fund ("Fund") is to achieve capital growth while investing globally in information technology, communications and multimedia companies. The Investment Manager believes this area of the economy continues to offer growth greater than the world economy as a whole and presents attractive investment opportunities. In addition, the Investment Manager offers focused specialist management, with a 28-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. As at 30 June 2024, the net asset value per Class A share was £143.57. In June 2010, a Class B share was launched with an initial net asset value per share of £10.00. As at 30 June 2024, the net asset value per Class B share was £96.00.

Total return for the six months to 30 June 2024

Herald Worldwide Technology Fund NAV (Class A)	19.9%
Herald Worldwide Technology Fund NAV (Class B)	20.9%

Global

Dow Jones World Technology	26.9%
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United States

Russell 1000® (Large Cap Technology)	29.8%
Russell 2000® (Small Cap Technology)	10.8%
S&P 500	16.4%
Russell 2000® (Small Cap)	2.7%

United Kingdom

iShares Core FTSE 100 UCITS ETF	7.6%
Deutsche Numis Smaller Companies plus AIM (ex Investment companies)	4.2%

Europe

DAX	6.4%
Deutsche Bourse TECDEX	-2.5%
CAC 40	-0.4%

Asia Pacific

NIKKEI 225	5.5%
KOSDAQ IT Composite Index	-3.6%
Taiwan Electronics Index	33.3%

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 of future returns.

Summary

The Fund has had a strong start to the year, with returns of 20.9% (B share) net of fees and expenses in this reporting period. This compares with a return of 26.9% for the Dow Jones World Technology Index, 16.4% return for the S&P 500 and single digit returns for the broader DAX and the Nikkei 225. The CAC 40 had also been trending towards single digit returns mid-year but suffered a sharp downturn in June following the unexpected announcement of snap elections in France.

In H1-2024, as in H1-2023, the major US and global technology indices continued to benefit from the strong performance of the biggest technology companies, namely Apple, Microsoft, NVIDIA, Alphabet, Amazon, and Meta as well as the performance of companies in the AI supply chain more broadly. 62% of the S&P's return was due to the six tech mega caps.

During the period, economic data has generally remained resilient although there have been modest signs of some deterioration in May and June. Inflation levels remained significantly below 2021-2023 rates. However, in the US, they have remained above target levels and with the economy remaining robust, expectations of rate cuts by the Fed have been delayed. The ECB started cutting rates in June as European inflation levels had subsided significantly, but rate cuts will probably slow down until the Fed starts rate reductions. Signs of a slowing US economy include the uptick in the unemployment rate to 4% in May and deteriorations in consumer credit levels.

Summary continued

Within the technology sector, the main themes of H1 have been:

1. Continued enthusiasm for companies benefiting from AI opportunities and higher risk premiums attributed to those deemed to be potentially challenged by developments in AI.
2. Growing evidence that the semiconductor cycle has bottomed across diverse end-markets and a cyclical upturn, the strength of which varies by semiconductor sub-sector.
3. A focus on the energy needs of AI and electrification, from the micro level in chips, servers and datacentres to the macro level at the grid and power plants. Concerns about the growing power needs of datacentres have been discussed for years with recent added impetus due to the rapid growth of power-hungry AI datacentres. But in the battle to secure reliable cost-effective power, Amazon's announcement in March of the purchase of a nuclear-powered datacentre in Pennsylvania was noteworthy.

Looking out longer term, we are still in the early days of the move towards AI-centric platforms. All elements of the technology stack will evolve to become AI-centric. As with any platform shift (e.g. internet, mobile) hardware and infrastructure need to get built first before applications can be deployed. However, two key differences between the AI-centric transition and other recent platform evolutions are:

- (1) in the shifts to mobile and cloud, new entrants in the technology sector had an advantage over incumbents as they could leverage the flexibility of the cloud/mobile infrastructure and opensource systems to develop new products faster and economically. Whereas incumbents were shackled with having to manage existing customers, typically running highly customised software on legacy systems, while trying to modernise their products. In the shift to AI-centric products, incumbent vendors with large data assets and distribution capabilities have meaningful advantages over new entrants as their infrastructure is cloud-centric, with access to vast amounts of domain-specific data, and a relatively low cost means of offering AI-centric features as part of a bundle of services to customers.
- (2) in each of the platform shifts after the mainframes, the costs of developing and deploying new systems have been less than the cost in the prior generation. This has been especially true during the shift to cloud, when initial infrastructure costs have been virtually zero for developers. However, the move to AI-centric systems requires significant financial resources to cover training and inference* costs. For example, the estimated training cost of OpenAI's GPT4 in 2023 was \$78m compared to \$4m for training GPT3 in 2020.

The move towards AI-centric operations continues across industries. According to McKinsey, 50% of companies in their survey had adopted AI in at least one business function in 2020. This has now grown to over 72% in 2024, with the number of use cases of AI also increasing.

Spending on AI drives further growth in spending on IT. Moreover, IT spending, in large part, is non-discretionary, although with some cyclical elements.

During H1-2024, as usual, our team met with over 800 companies in the technology sector across the world. The majority of the Fund remains invested in North American companies, but we believe it is important to engage with management teams across the world and seek their insights into trends, be they political, economic, or technological, local or global.

Overall, we find valuations in the sector reasonable. Based on Bloomberg data, the estimated P/E (Price-to-earnings ratio) of the portfolio is 26x 2024E. This compares with 25x and 18x at the end of 2023 and 2022, respectively.

The Fund has a higher weighting towards midcap companies relative to most global technology indices as we often find more attractively valued companies in the midcap space. Our investment process remains anchored in fundamental analysis with an emphasis on governance and valuation.

In summary, H1-2024 has been less turbulent than the last 4 years. We remain confident that the innovation-driven, founder-led, heterogenous nature of the sector will continue to provide opportunities to invest in companies which can generate attractive, sustainable, long-term returns.

*Artificial intelligence (AI) inference is when a model's training is applied to new data, enabling predictions.

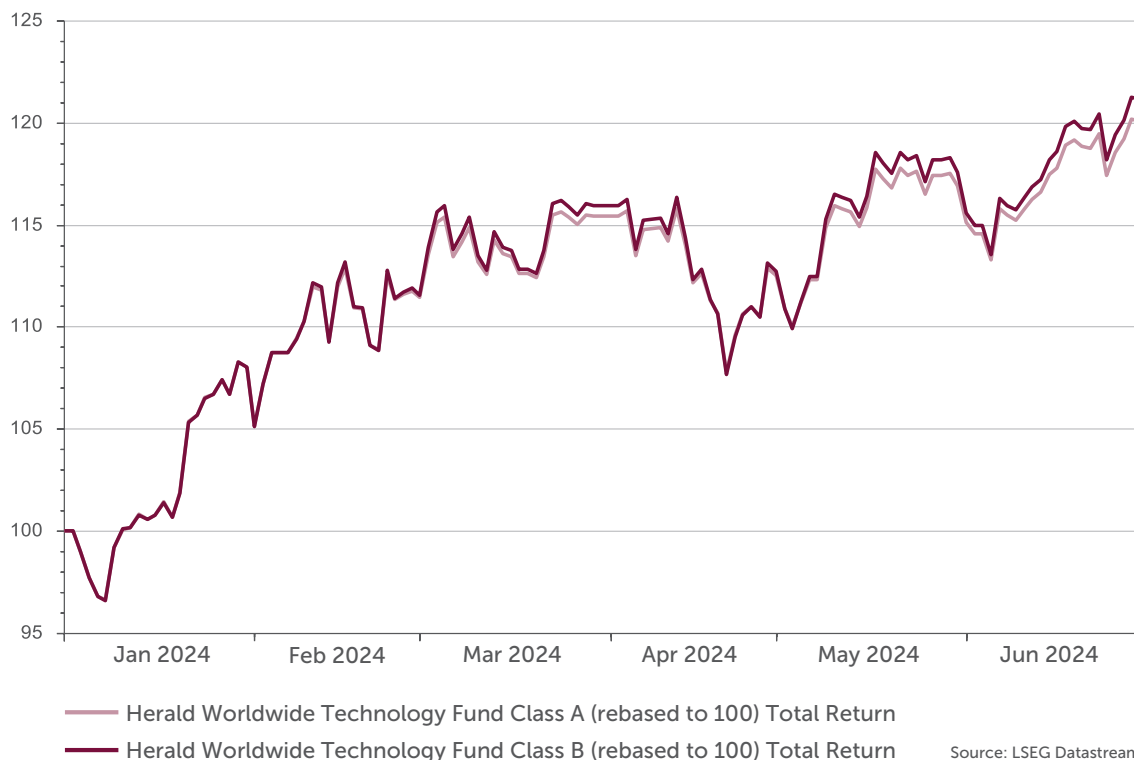
HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

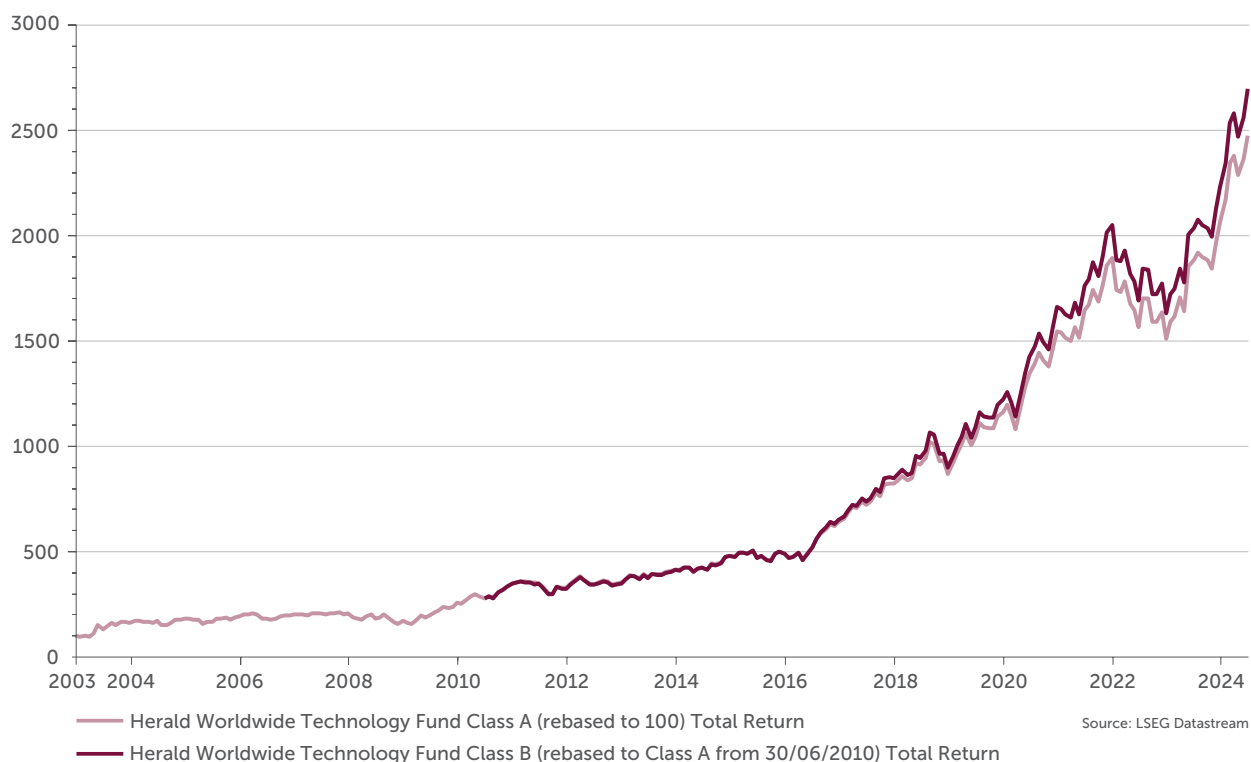
INVESTMENT MANAGER'S REPORT for the six months ended 30 June 2024 continued

Summary continued

Total Return: 31/12/2023 – 30/06/2024



Total Return 31/12/2002* – 30/06/2024



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

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

North America

The total return for the US portfolio was 23.1%. Although we are pleased with the strong returns, this lags the Russell 1000 (Large Cap) Technology Index total return of 29.8%. The US portfolio comprises the majority of the Fund (85.1%).

During H1-2024, the strong performers in sterling terms were Super Micro Computer (SMCI), Micron Technologies and Arista Networks, which appreciated 190.6%, 55.6%, and 50.1% respectively. SMCI, Arista Networks, and Alphabet were also the largest contributors to positive returns. The key negative contributors to returns were Freshworks (-45.5%), Ui Path (-45.2%), and Five9 (-43.5%).

We reduced our positions in Microsoft, SMCI, and Arista Networks. The reduction in Microsoft was largely due to UCITS rules, which restrict the Fund's maximum holding in one security to 10%. We continue to believe that Microsoft remains well positioned to generate long-term sustainable top and bottom-line growth. The reductions in SMCI and Arista were a reflection of the significant re-ratings in the shares of both companies.

We believe both SMCI and Arista remain extremely well positioned to benefit from the on-going investments in cloud and AI infrastructure.

We reduced the Fund's position in SMCI as the valuation grew to reflect its opportunities more fairly. We had added SMCI to the Fund in March 2022 and have favoured holding SMCI over NVIDIA as we believed the shares were significantly undervalued and at the same time, SMCI was exposed to many of the same drivers as NVIDIA. NVIDIA is a company we have been very familiar with but had sold in 2021 on valuation concerns. The investment in SMCI has worked well for the Fund as the return of SMCI over the holding period has been 19.9x vs NVIDIA's return of 4.8x, during the same period. In hindsight, we should have invested in both.

Arista has been a long-term holding in the portfolio and consistently among the Fund's top ten holdings. We remain convinced of Arista's growing opportunities in the networking market and continue to see upside potential, from both revenue growth and on-going margin expansion. Near-term, we expect Arista's share price to be sensitive to hyperscaler's (Amazon, Alphabet, Microsoft) comments about further capital expenditures. Given the already large increases in capex announced at the end of Q1, for 2024, we believe short-term upside to capex spending may be limited. We would consider any substantial pullback in the shares as an opportunity to increase the Fund's position.

During H1-2024 we increased the Fund's position in a number of software holdings. These included CyberArk Software, Dynatrace, Five9, Freshworks, and Pegasystems. We also increased the Fund's positions in Teradyne and Cogent Communications. The market's rush to crown AI winners and punish companies deemed to be "AI losers" has resulted in sharp deratings in some companies. This has given us opportunities to adjust some of the Fund's holdings. For example, in the case of Teradyne, it was inappropriately deemed "a loser" as their main competitor, Advantest had a strong relationship with NVIDIA whereas Teradyne's main customer is Apple. However, Teradyne also has a very strong relationship with Hynix, which is one of the key enablers of NVIDIA's AI solutions. The sell-off in the shares of Teradyne gave us an opportunity to add to the Fund's position, especially as the decline in Teradyne's Apple business was also largely cyclical following Covid pull-forwards of demand.

In the period, two additions to the portfolio were Celestica and Kyndryl. We see opportunities for sustainable earnings and free cash flow growth for both companies as they have strong management teams with differentiated businesses and solid customer relationships.

The P/E of the North American portfolio on Bloomberg forecasts was 26x 2024E compared with 24x on 30th June 2023, and 25x, 18x, and 39x at the end of 2023, 2022, and 2021 respectively. The changes in P/Es have been mostly due to the rating changes in the Fund's holdings as opposed to any substantial changes in the holdings.

To quantify how concentrated the returns in North America have been in the period, based on Bloomberg data, the weighted average return of stocks in the Technology and Communications sectors with market capitalisations below \$100bn was 4.4% and the median return -4.0%. A stark contrast to the Russell 1000® Index return of 29.8%.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the six months ended 30 June 2024 *continued*

Summary *continued*

Europe

The European portfolio comprises 2.2% of the Fund. The total return for the European portfolio was 29.9%. There are only two European holdings in the Fund, namely SAP and Nordic Semiconductor, with weightings of 1.9% and 0.4% respectively. SAP shares appreciated 34.6% in the first half of 2024 and Nordic Semiconductor shares appreciated 8.8%.

Our investment case for SAP remains intact. SAP's competitive position in its core ERP (enterprise resource planning) market remains virtually unassailable. At the same time, SAP continues to progress with its strategy to become more cloud-centric, with a growing mix of recurring revenues. In 2023, cloud revenues grew to 44% of revenues compared to just 25% at the end of 2019. As the mix to cloud increases, the headwinds to revenues and margins from the migration turns into a tailwind, creating opportunities for sustainable revenue growth, margin expansion, and free cashflow growth.

Nordic Semiconductor remains well-placed to benefit from the long-term growth in the IoT (internet of things) market, as intelligent edge devices are key enablers for many AI applications. Nordic's revenues were under severe pressure in 2023 falling 30% after strong growth of 169% between 2019 and 2022. Although a large part of the growth was due to the success of the underlying business, as evidenced by persistent design wins for their products, some was driven by customers stock-piling components during the Covid crunch and by passing on price increases from foundry partners. The sharp decline in revenues has been a result of customers digesting inventories in a period of weaker than expected demand. We remain positive on the outlook for Nordic as the extremes of Covid are now largely behind us and the company is poised to return to sustainable growth, with a management team focused on profitability.

UK

The UK portfolio comprises 2.4% of the Fund, with two key holdings, namely, Herald Investment Trust (HIT) and Boku which are 1.8% and 0.6% of the Fund respectively. The total return for the UK portfolio was 18.5%. The shares of HIT appreciated 13.7% in the period while Boku's share price appreciated 36.0%.

We continue to find the valuation of both HIT and Boku attractive but are reluctant to add to the Fund's holdings in them due to liquidity concerns. The two are among the least liquid holdings in the Fund.

Asia

The Asian portfolio comprises 3.6% of the Fund and the total return was 13.8%. The Asian holdings consist of three companies, Taiwan Semiconductor Manufacturing Company (TSMC), Samsung Electronics and Kulicke & Soffa Industries (KLIC).

During the period, we sold the Fund's holding in Alibaba which was the Fund's only Chinese holding. We remain concerned about investing in domestic Chinese companies due to corporate governance issues and the lack of protection for shareholders.

TSMC (+69.7%) was a positive contributor to performance while Samsung Electronics (-1.0%) and KLIC (-8.6%) were negative contributors. Once again and despite some near-term market share losses, we believe the market has incorrectly written off Samsung and KLIC. Both have strong competitive positions in their respective markets, strong balance sheets, and attractive valuations. The semiconductor sector is recovering from the post-covid downturn. Samsung Electronics will benefit as memory prices recover in the next few quarters. KLIC has had to write-off investments associated with a project for Apple. Despite this set-back, KLIC too will benefit as semiconductor unit growth recovers.

Market Outlook

The global macroeconomic and geopolitical backdrop remains challenging. Recent and impending government changes across the world add a further degree of uncertainty to markets as governments grapple with balancing large fiscal deficits while facing demographic headwinds, low growth, and disaffected electorates nearly everywhere.

Although we do not endeavour to make macro-economic predictions, we continue to believe that most of the disinflationary forces of the past three decades have largely reversed and we expect inflation to remain sticky. We also continue to believe that technological solutions will be core elements of all solutions targeted at addressing growth, productivity, efficiency and security challenges for governments and companies alike.

Therefore, despite macroeconomic and geopolitical strains we believe investing in the broader technology sector can continue to generate long-term capital appreciation. Short-term exuberance and "hype cycles" are an inherent part of the dynamics of the sector. We continue to rely on a framework of fundamental bottom-up analysis with a disciplined focus on valuation to drive our investment decisions.

Sector Outlook

Overall, the outlook for the sector remains healthy. In June 2024, Gartner increased its IT spending outlook for 2024 to \$3.7trn from \$3.5trn at the beginning of the year. This implies a growth rate of 9.5% vs 9.0% previously. Moreover, Gartner estimates a CAGR of 10.5% in IT spending between 2023-2028, compared to historical averages of mid-single digit growth.

The digitalisation of economies continues across geographies and will support the continued increase in IT spending as a percentage of GDP. Reshoring of supply chains and decarbonisation are further long-term drivers of demand in the sector.

Although the sector undoubtedly remains well positioned for sustainable growth, the following is our perspective on questions about the risks of short-term over-investment in AI.

Firstly, looking back, the release of Chat GPT in November 2022 led to a torrent of reports estimating the productivity benefits that generative AI and large language models were likely to produce in the next decade. Estimates ranged from Accenture's predictions of \$1trn boost to the global economy to McKinsey's \$2.6-\$4.4tn and Goldman Sach's \$7tn. Bill Gates calling OpenAI's ChatGPT "the most important advance in technology since the graphical user interface" further heightened the business world's focus on trying to leverage the technology while protecting against its risks.

Analysts started counting how often management teams reference AI on quarterly calls and penalised companies like Apple which initially refrained from making comments. To appease markets, every management team had to show they had their strategy and projects lined up.

During the last 18 months, management teams, across all sectors, have initiated projects to assess opportunities and risks posed by GenAI.

As time has passed, the technology has progressed much faster than initially expected in some segments. Computer code generation and testing have been among the early use cases of the technology, with studies showing up to 40% efficiency gains. And IT surveys persistently show that tech-savvy companies derive efficiencies from deploying GenAI within diverse operating units including HR, Sales and Marketing, R&D, and customer support. The release of new generations of multimodal models, such as OpenAI's Sora, Google's Gemini, Meta's Llama3 and Anthropic's Claude 3 have also demonstrated leaps in the quality of audio and video which the technology can create and/or analyse.

However, in other areas, most notably enterprise applications where accuracy is important, the shortcomings of the technology have become more apparent. It has become clear that companies need to clean and consolidate their data assets, e.g. using a data lake before they can reap the benefits of GenAI. Otherwise, it can add further costs and complexities to their businesses.

INVESTMENT MANAGER'S REPORT for the six months ended 30 June 2024 *continued*

Summary *continued*

According to Gartner, GenAI pilot projects in companies typically go over budget by 500%-1000%, leading to more than half of enterprises abandoning projects because of costs. Obviously, companies will not be giving up on investing in AI. They are reassessing their business cases and this impacts different areas of their IT budgets. Based on our meetings with management teams, one area which remains resilient is spending on security. This is confirmed by Morgan Stanley's H1-2024 CIO survey which identified GenAI and security as the two areas of the IT budgets with the greatest increases in H1-2024 compared to expectations at the end of 2023 and security spending as the segment least likely to be cut. At the same time, discretionary projects are facing greater scrutiny.

Despite somewhat abating enthusiasm by corporates about the promises of early productivity gains from GenAI, the hyperscalers have continued to invest aggressively in infrastructure and technology to support AI applications. During H1, the three hyperscalers and Meta all increased capex spending expectations for 2024 to \$215bn, an increase of 40% YoY vs earlier expectations of 25% growth.

AI has also catalysed governments across the world to consider building their own sovereign clouds. Many countries had been expressing discomfort with the dominance of the US-based cloud vendors and the growing dependence of their security and economies on these companies. IDC (International Data Corporation) estimates the investments in sovereign clouds to exceed \$250bn by 2027. The build-out of sovereign clouds will be another long-term driver for the companies in the AI/cloud supply chains. Although some of these clouds are being built with the support of the hyperscalers.

Arguably, the hyperscalers are in an arms race amongst themselves and against new entrants such as CoreWeave, backed by NVIDIA in prior funding rounds. If any of them does not provide efficient AI infrastructure and associated services to the market, their competitors will. Once an application has been tuned to run on one hyperscaler's stack, the gravity of that stack grows. This attracts more workloads and allows that stack to get increasingly efficient along multiple dimensions.

Each hyperscaler realises the dangers of falling behind so they continue to invest aggressively across the stack, including infrastructure, models, applications, and expertise. The longer-term risk of over investment is not significant for the hyperscalers as they are often bundling AI services as part of broader cloud offerings. Over time, more applications will migrate to the cloud regardless of fits and starts associated with AI adoption and so the capacity will get absorbed. Especially as less than 30% of workloads have been migrated to the cloud. The near-term risk is greater for the supply chain, i.e. (1) those providing semiconductors and communication equipment to the hyperscalers and (2) software infrastructure companies which compete directly with products which cloud providers are bundling. A pause in investment by the hyperscalers will lead to another inventory digestion cycle for the hardware supply chain. Again, this is normal.

For most companies, timing inventory corrections and mitigating against them is always hard, especially if the company is exposed to narrow end-markets or has a large concentration of customers. Within the Fund's portfolio, our objective is to invest in companies which we believe will generate sustainable long-term growth regardless of short-term inventory corrections. To successfully navigate through inventory cycles, it is critical that the management teams (1) ensure they have a strong balance sheet with enough cash to cover expenses in case of a prolonged downturn (2) have sufficient inventory at hand to dissuade customers from over-ordering when supply is tight, (3) commitment to R&D spending so customers have confidence to design new systems based on their products. Companies often cannot avoid inventory cycles but can be prepared to operate through such cycles. The ensuing volatility associated with short-term cyclicity often gives us opportunities to adjust weights in the Fund's holdings, e.g. additions to FormFactor and Micron Technology last year and profit taking on SMCI and Arista this year.

In summary, we are cognisant of the risks of over-building by the hyperscalers, but we believe there will be sustainable long-term demand for many of the companies in the supply chain. We have been seeking, and will continue to seek, companies which are positioned to benefit from the growth of AI and meet our fundamental investment framework. As of the end of H1-2024, over 75% of the investments in the Fund could be categorised as either enablers or beneficiaries of AI. These include consensus beneficiaries such as Microsoft and Alphabet as well as lesser-known companies, such as Varonis Systems and Fabrinet.

Conclusion

The technology sector, as a whole, seems to be finally stabilising after absorbing the unprecedented multiplicity of supply chain, social, macroeconomic, and geopolitical shocks of recent years.

Given the fragility of government balance sheets across economies, we expect global macroeconomic headwinds to remain with inevitable further perturbations.

AI's potential for meaningful productivity enhancements will continue to drive demand for diverse hardware and software, ranging from semiconductors and cloud infrastructure to sensors, IoT devices as well as growing categories of optimisation and automation software. The key for the infrastructure providers is to drive optimisation in the entire infrastructure stack and thereby reduce the cost of adoption and enable the virtual cycle of lower costs driving more demand. We are already seeing this dynamic in the pricing and bundling of some services.

As we are still in the early days of the shift towards AI-centric platforms, inevitably competition will be fierce with companies across sub-sectors striving to create their moats. The enthusiasm with which VC's (venture capital) have poured over \$150bn into the sector since 2021 is also positive for driving innovation. Even though naturally, there will be a significant shakeout and consolidation over time.

It is worth remembering that the shift to cloud is still ongoing after 25 years. In the last 8 years, as the cloud has evolved, it has enabled leaps in AI and is now leading to the emergence of entirely new AI-centric systems architectures. This is a repeating pattern; client-server enabled internet architectures 40 years ago, and mobile enabled cloud architectures 20 years ago. Each of these technology cycles lasts multiple decades.

In summary, technology spending is largely non-discretionary and spending on technology as a percentage of GDP will continue to increase. The on-going cloud and AI cycles will continue to present opportunities for investing in companies which can generate long-term sustainable capital appreciation for shareholders. We remain confident that our investment process, philosophy, and sector focus will continue to allow us to navigate through uncertainties in the market.

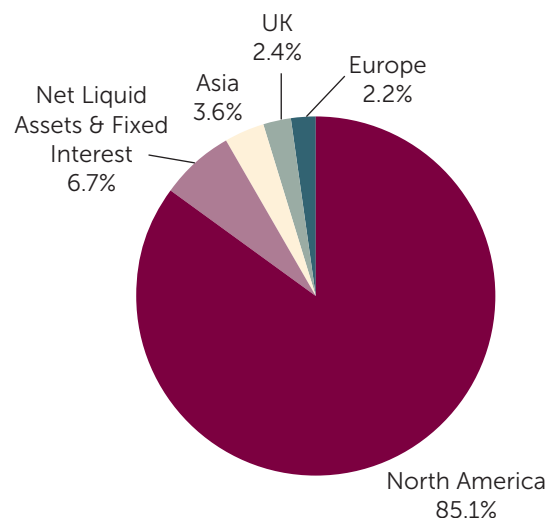
HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

INVESTMENT MANAGER'S REPORT for the six months ended 30 June 2024 continued

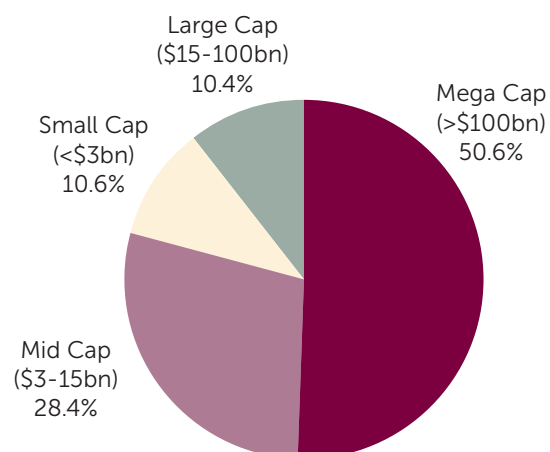
GEOGRAPHICAL BREAKDOWN

	30/06/2024	31/12/2023
North America	85.1%	82.7%
Net Liquid Assets & Fixed Interest	6.7%	8.6%
Asia	3.6%	4.2%
UK	2.4%	2.4%
Europe	2.2%	2.1%
	<u>100.0%</u>	<u>100.0%</u>



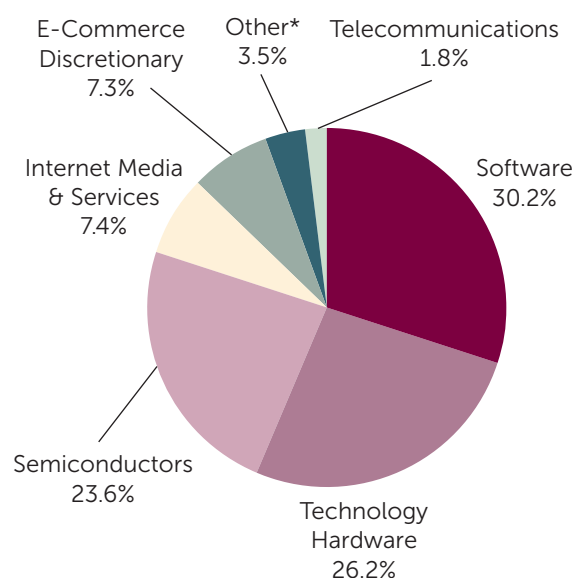
BREAKDOWN OF EQUITY INVESTMENTS BY MARKET CAP

	30/06/2024	31/12/2023
Mega Cap (>\$100bn)	50.6%	42.0%
Mid Cap (\$3-15bn)	28.4%	25.6%
Small Cap (<\$3bn)	10.6%	7.8%
Large Cap (\$15-100bn)	10.4%	24.6%
	<u>100.0%</u>	<u>100.0%</u>



SECTOR BREAKDOWN

	30/06/2024	31/12/2023
Software	30.2%	32.3%
Technology Hardware	26.2%	25.8%
Semiconductors	23.6%	23.1%
Internet Media & Services	7.4%	6.8%
E-Commerce Discretionary	7.3%	6.9%
Other*	3.5%	2.8%
Telecommunications	1.8%	2.3%
	<u>100.0%</u>	<u>100.0%</u>



* Consists of Investment Funds, IT Services and Renewable Energy

Source: Bloomberg and Herald Investment Management Limited

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

PROFIT AND LOSS ACCOUNT for the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 GBP	Six months ended 30 June 2023 GBP
Income			
Operating income	5	355,940	211,273
Net gains on financial assets and liabilities at fair value through profit or loss	6	17,382,986	15,165,300
Total investment income		17,738,926	15,376,573
Operating expenses	7	(1,228,771)	(471,188)
Expense reimbursement from investment manager	9	134,390	133,915
Profit for the period before tax		16,644,545	15,039,300
Non-reclaimable withholding tax		(40,742)	(40,437)
Increase in net assets from operations attributable to holders of redeemable participating shares		16,603,803	14,998,863

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

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

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

BALANCE SHEET as at 30 June 2024

	Note	As at 30 June 2024 GBP	As at 31 December 2023 GBP
ASSETS			
Financial assets at fair value through profit or loss	12	93,190,871	79,353,508
Cash and bank balances	8	5,163,499	5,077,879
Debtors		368,378	329,626
TOTAL ASSETS		98,722,748	84,761,013
LIABILITIES			
Creditors - amounts falling due within one year		(982,416)	(2,134,585)
Net assets attributable to holders of redeemable participating shares		97,740,332	82,626,428

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

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES for the six months ended 30 June 2024

	Six months ended 30 June 2024 GBP	Six months ended 30 June 2023 GBP
Net assets attributable to holders of redeemable participating shares at beginning of period	82,626,428	61,127,502
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	16,603,803	14,998,863
Amounts received on issue of redeemable participating shares	9,933,351	2,029,541
Amounts paid on redemption of redeemable participating shares	(11,423,250)	(2,269,912)
Decrease in net assets resulting from share transactions	(1,489,899)	(240,371)
Net increase in shareholders' funds	15,113,904	14,758,492
Net assets attributable to holders of redeemable participating shares at end of period	97,740,332	75,885,994

The opening net assets attributable to holders of redeemable participating shares for 2024 differs to the closing position in 2023 by the change in net assets attributable to holders of redeemable participating shares for the second half of the comparative financial period.

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

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the six months ended 30 June 2024

1. Significant Accounting Policies

Basis of Preparation

In preparing the Condensed Interim Report and Unaudited Financial Statements for the six months ended 30 June 2024, the Directors have applied Financial Reporting Standard 102 (FRS 102) and Interim Financial Reporting Standard 104 (FRS 104), applicable in the UK and Republic of Ireland and Irish statute comprising of Companies Act 2014, the Companies (Accounting) Act 2017 and UCITS Regulation and the Central Bank UCITS regulation and these financial statements comply with that standard.

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Irish law and accounting standards issued by the Financial Reporting Council "The Financial Reporting standards applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Principles in Ireland).

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

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

The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

2. 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 at Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland.

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

Subscriber Shares

As at 30 June 2024, the Company has 1 subscriber share in issue (31 December 2023: 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.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

2. Share Capital *continued*

Shares in Issue

	Six months ended 30 June 2024	Six months ended 30 June 2023
Number of Class A Shares issued and fully paid		
Balance at beginning of period*	485,833	488,883
Issued during period	–	207
Redeemed during period	(27,797)	(2,601)
Total number of Class A Shares in issue at end of period	458,036	486,489
	Six months ended 30 June 2024	Six months ended 30 June 2023
Number of Class B Shares issued and fully paid		
Balance at beginning of period*	307,819	314,925
Issued during period	111,850	29,846
Redeemed during period	(86,537)	(30,254)
Total number of Class B Shares in issue at end of period	333,132	314,517

* The opening shares for 2024 differs to the closing position in 2023 by the number of issued and redeemed shares in the second half of the comparative financial year.

As at 30 June 2024, one shareholder held 36.38% of the issued share capital of the Company (31 December 2023: 36.26%).

3. Net Asset Value

	As at 30 June 2024 GBP	As at 31 December 2023 GBP	As at 31 December 2022 GBP
Net Asset Value Class A share	65,759,021	58,186,535	42,815,780
Net Asset Value Class B share	31,981,311	24,439,893	18,311,722
Net Asset Value per Class A share	143.57	119.77	87.58
Net Asset Value per Class B share	96.00	79.40	58.15

4. 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 7 (banking fees) and note 9.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the six months ended 30 June 2024 *continued*

4. Related Party Transactions *continued*

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 7 and note 9.

Herald Investment Management Limited and HIML Holdings Limited both hold investments in Herald Investment Fund plc. At 30 June 2024, the number of shares held by Herald Investment Management Limited was 45,572 (31 December 2023: 69,980) and the number of shares held by HIML Holdings Limited was 85,353 (31 December 2023: 100,475).

Directors' Interests in Shares and Contracts

Charles Ekins held 1,166 Class B Shares as at 30 June 2024 (31 December 2023: 1,166).

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

Related Investments

The Company invests in another fund which has the same Investment Manager, the Herald Investment Trust plc. As at 30 June 2024, the number of shares held was 80,000 and the fair value of this investment was GBP 1,748,000 (31 December 2023: the number of shares held was 80,000 and the fair value of this investment was GBP 1,537,600).

Directors' Fees

The total Directors' fees are disclosed in Note 7.

Management Company Fees

The Management Company, Bridge Fund Management Limited provide supervision of the Company's investment management, administration and distribution functions and 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 a consultant to the company, providing MLRO and Tax services. Amounts earned by the Management Company are disclosed in note 7 and note 9.

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.

5. Operating Income

	Six months ended 30 June 2024 GBP	Six months ended 30 June 2023 GBP
Deposit Interest	83,981	68,936
US Government security interest	73,150	–
Dividend income	198,809	142,337
	355,940	211,273

6. Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss

	Six months ended 30 June 2024 GBP	Six months ended 30 June 2023 GBP
Realised gains on sale of investments	6,057,718	3,245,624
Net currency losses	(117,475)	(2,466)
Net change in unrealised gains on investments	11,442,743	11,922,142
	17,382,986	15,165,300

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

7. Operating Expenses

	Six months ended 30 June 2024 GBP	Six months ended 30 June 2023 GBP
Administration fees	67,777	69,798
Auditors' fee	10,950	11,223
Banking fees	11,470	5,843
Company secretarial fee	5,592	5,687
Custody fees	5,058	2,116
Depositary fee	19,891	19,945
Directors' fees	27,201	27,414
Investment management fee	378,154	279,208
Legal fees	6,230	7,018
Management company fees	25,420	25,762
Platform access fees	7,246	–
Performance fee	637,057	–
Transfer agency fee	12,043	7,873
Other expenses	14,682	9,301
	1,228,771	471,188

8. Cash and Bank Balances

	As at 30 June 2024 GBP	As at 31 December 2023 GBP
The Northern Trust Company	5,163,499	3,077,879
The Northern Trust International Banking Corporation	–	2,000,000
	5,163,499	5,077,879

9. 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 a Fund which may be subject to different fee structures. Fees of GBP 59,937 were payable at 30 June 2024 (30 June 2023: GBP 50,722).

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% (2023: 0.95%) of the NAV of Class A shares and 1.10% (2023: 1.10%) of the NAV of Class B shares. The total reimbursement amounted to GBP 134,390 (30 June 2023: GBP 133,915). The reimbursement on Class A Shares is GBP 86,811 (30 June 2023: GBP 89,179) and on Class B Shares is GBP 47,579 (30 June 2023: GBP 44,736).

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 period was GBP 119.77 and the closing GBP 143.57. The previous highest NAV per Class A share at a financial year end was reached on 31 December 2023 when NAV was GBP 119.77 per Class A share. The performance fee earned on the Class A Shares at the end of the period was GBP 637,057 (30 June 2023: GBP Nil). There is no performance fee charged on the Class B Shares.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the six months ended 30 June 2024 *continued*

9. Fees *continued*

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 31,240 were payable at 30 June 2024 (30 June 2023: GBP 40,485).

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 provides access to a number of the Management Company's platform agreements. The fees for these platform services are GBP 7,246 (30 June 2023: GBP Nil).

The Management Company are also employed as a consultant to the Company, providing MLRO and Tax services. The fees for these services are GBP 2,080 (30 June 2023: GBP 2,075) and GBP 1,559 (30 June 2023: GBP 1,556) respectively.

In total, the Management Company received fees of GBP 32,666 (30 June 2023: GBP 25,762) during the period with GBP 17,770 (30 June 2023: GBP 9,735) outstanding at period end.

Depository Fee

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

Fees of GBP 6,931 were payable at 30 June 2024 (30 June 2023: GBP 10,455).

Transaction Costs

Transaction costs of the Fund were GBP 19,397 for period ended 30 June 2024 (30 June 2023: GBP 8,574) and are included in net gains on financial assets and liabilities at fair value through profit or loss.

10. Exchange Rates

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

	As at 30 June 2024	As at 31 December 2023
Euro	1.1795	1.1540
Korean Won	1,740.0338	1,641.8151
Norwegian krone	13.4595	12.9465
Taiwan Dollar	41.0093	39.1243
US Dollars	1.2641	1.2748

11. Taxation

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

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

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

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

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

12. Fair Value Measurement

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

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

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

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

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

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

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

NOTES TO THE FINANCIAL STATEMENTS for the six months ended 30 June 2024 continued

12. Fair Value Measurement continued

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

30 June 2024

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets designated at fair value through profit or loss				
Equity securities	89,484,469	–	–	89,484,469
Exchange traded investment funds	1,748,000	–	–	1,748,000
Fixed Interest	1,958,402	–	–	1,958,402
Total Assets	93,190,871	–	–	93,190,871

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
Fixed interest	3,868,308	–	–	3,868,308
Total Assets	79,353,508	–	–	79,353,508

13. Transactions with connected persons

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

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

14. Distributions

There were no distributions declared during the period ended 30 June 2024 (30 June 2023: Nil).

15. Significant events during the period

There were no significant events during the period, which, in the opinion of the Directors, may have had an impact on the financial statements for the period ended 30 June 2024.

16. Events After the Balance Sheet Date

There were no significant events after the Balance Sheet date, which, in the opinion of the Directors, may have had an impact on the financial statements for the period ended 30 June 2024.

17. Approval of Financial Statements

The financial statements were approved by the Board on 20 August 2024.

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

SCHEDULE OF INVESTMENTS as at 30 June 2024

Holding	Security name		Industry Sector ⁺	Value GBP	% of Fund Net Assets
EQUITIES					
United Kingdom					
316,000	Boku		Software	573,540	0.6
80,000	Herald Investment Trust		Investment Funds	1,748,000	1.8
Total United Kingdom				2,321,540	2.4
Europe					
32,000	Nordic Semiconductor	Norway	Semiconductors	339,032	0.3
11,500	SAP	Germany	Software	1,847,842	1.9
Total Europe				2,186,874	2.2
Asia					
26,100	Kulicke & Soffa Industries	Singapore	Semiconductors	1,015,631	1.0
25,600	Samsung Electronics	South Korea	Technology Hardware	1,199,057	1.2
9,500	Taiwan Semiconductor Manufacturing ADR	Taiwan	Semiconductors	1,306,222	1.4
Total Asia				3,520,910	3.6
United States					
42,350	Advanced Micro Devices		Semiconductors	5,434,375	5.6
15,200	Akamai Technologies		Software	1,083,155	1.1
46,900	Alphabet		Internet Media & Services	6,758,037	6.9
43,700	Amazon		E-Commerce Discretionary	6,680,662	6.8
25,000	Apple		Technology Hardware	4,165,414	4.3
17,000	Arista Networks		Technology Hardware	4,713,361	4.8
177,000	Arlo Technologies		Technology Hardware	1,825,868	1.9
15,200	Arrow Electronics		Technology Hardware	1,452,062	1.5
5,000	Cadence Design Systems		Software	1,217,269	1.2
45,700	Celestica		Technology Hardware	2,072,606	2.1
9,200	Check Point Software Technologies		Software	1,200,854	1.2
35,600	Cogent Communications		Telecommunications	1,589,482	1.6
7,300	CyberArk Software		Software	1,578,962	1.6
50,000	Dynatrace		Software	1,769,638	1.8
26,050	Fabrinet		Technology Hardware	5,044,521	5.2
25,000	Five9		Software	872,162	0.9
43,300	FormFactor		Semiconductors	2,073,371	2.1
90,000	Freshworks		Software	903,489	0.9
19,000	Intel		Semiconductors	465,493	0.5
67,000	Kyndryl		IT Services	1,394,486	1.4
36,000	Micron Technology		Semiconductors	3,745,811	3.8
26,000	Microsoft		Software	9,192,864	9.4
63,000	N-able		Software	759,030	0.8
46,500	Pegasystems		Software	2,226,600	2.3
27,700	Silicon Motion Technology ADR		Semiconductors	1,774,719	1.8
4,400	SolarEdge Technologies		Renewable Energy	87,923	0.1

HERALD INVESTMENT FUND PLC

The Herald Worldwide Technology Fund

SCHEDULE OF INVESTMENTS as at 30 June 2024 *continued*

Holdings	Security name	Industry Sector ⁺	Value GBP	% of Fund Net Assets
EQUITIES (continued)				
United States: (continued)				
5,300	Super Micro Computer	Technology Hardware	3,435,294	3.5
20,600	Teradyne	Semiconductors	2,416,560	2.5
4,100	Texas Instruments	Semiconductors	630,941	0.7
75,000	Tower Semiconductor	Semiconductors	2,332,292	2.4
87,000	UiPath	Software	872,684	0.9
58,500	Varonis Systems	Software	2,219,955	2.3
25,910	Zoom Video Communications	Software	1,213,205	1.2
Total United States			83,203,145	85.1
Total Equities			91,232,469	93.3
FIXED INTEREST				
2,500,000	United States Treasury Stock 1.50% 30/09/2024	Government Security	1,958,402	2.0
Total North America			1,958,402	2.0
Total Fixed Interest			1,958,402	2.0
Total Financial Assets at fair value through profit or loss			93,190,871	95.3
Cash at bank			5,163,499	5.3
Other net liabilities			(614,038)	(0.6)
Net assets Attributable to holders of Redeemable Participating Shares at Last Traded Prices			97,740,332	100.0
Analysis of Portfolio (Unaudited)			30 June 2024 % of Total Assets*	31 December 2023 % of Total Assets*
Transferable securities admitted to an official stock exchange listing or traded on a regular market			94.4	93.6
Other assets			5.6	6.4
			100.0	100.0

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

+Bloomberg Industry Classification System

APPENDIX 1 Other Disclosures for the six months ended 30 June 2024

Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the financial period (31 December 2023: 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 period ended 30 June 2024, the Fund did not enter into any SFTs.

Article 6 Funds as Defined Under the Sustainable Finance Disclosures Regulation

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

for the six months ended 30 June 2024

PURCHASES	VALUE GBP
US Treasury Stock 1.5% 30/9/2024	1,941,974
UiPath	1,589,475
Celestica	1,522,354
Kyndryl	1,114,694
Pegasystems	1,038,653
CyberArk Software	758,408
Five9	644,842
Microsoft	505,492
Freshworks	494,931
Amazon	403,556
Cogent Communications	403,527
Dynatrace	222,352
Teradyne	201,563
TOTAL	10,841,821

SALES	VALUE GBP
Super Micro Computer	6,095,407
US Treasury Stock 0.375% 15/4/2024 *	4,015,903
Teradata	1,632,815
NetApp	840,520
Advanced Micro Devices	650,540
Alibaba ADR	346,665
Microsoft	345,758
Arista Networks	306,824
Fabrinet	157,175
iRobot	118,642
TOTAL	14,510,249

* Maturity date 15 Apr 2024

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

