

HERALD INVESTMENT FUND plc
– The Herald Worldwide Fund

ANNUAL REPORT &
AUDITED FINANCIAL STATEMENTS

for the year ended 31 December 2013

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

ANNUAL REPORT for year ended 31 December 2013

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HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

ORGANISATION

REGISTERED OFFICE OF THE COMPANY

Chartered Corporate Services
Taney Hall
Eglinton Terrace
Dundrum
Dublin 14
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
Ireland

Registered Office

Georges Court
54-62 Townsend Street
Dublin 2
Ireland

CUSTODIAN

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

DIRECTORS OF THE COMPANY

Alan Jeffers (resigned 29 November 2013)(Irish) *
Adrian Waters, Chairman (Irish) *
William Backhouse LVO (British) *
Michael Boyce (appointed 29 November 2013)(Irish) *
David Boyle DL (British)

* Independent Directors

SECRETARY

Chartered Corporate Services
Taney Hall
Eglinton Terrace
Dundrum
Dublin 14
Ireland

SPONSORING BROKER

NCB Stockbrokers Limited
3 George's Dock
International Financial Services Centre
Dublin 1
Ireland

LEGAL ADVISOR

In Ireland
Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

LEGAL ADVISOR

In England
MacFarlanes
20 Cursitor Street
London EC4A 1LT
England

Registered No: 280256

HERALD INVESTMENT FUND PLC
- The Herald Worldwide 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, 1963 to 2013, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the “Regulations”). It was incorporated on 12 February 1998 and is listed on the Irish Stock Exchange.

The Company is organised in the form of an umbrella fund with segregated liability. The Articles of Association provide that the Company may offer separate classes of shares, each representing interests in a fund comprising a distinct portfolio of investments. The Company has obtained the approval of the Central Bank of Ireland for the establishment of the Herald Worldwide Fund (the “Fund”) and this Fund was launched on 3 April 1998.

INVESTMENT OBJECTIVE AND POLICY

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

MEETING INVESTMENT OBJECTIVE

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

- Equity shares, convertible shares, debt securities, ARIN’s, depository receipts and investment companies held in accordance with the Fund’s investment objective and policies;
- 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 per redeemable participating share. An initial charge of up to 3.5% of the net asset value per share may be payable directly to the Investment Manager.

A repurchase charge of 3% of the repurchase monies will 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.

DEALING

Subscriptions and repurchases of redeemable participating shares may be made on a dealing day. Unless otherwise determined by the Directors, every Thursday which is a business day, or the next succeeding business day if the foregoing is not a business day, shall be a dealing day.

The Administrator shall determine the net asset value per redeemable participating share of the Fund on each dealing day in accordance with the Articles 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.

Applications for redeemable participating shares and purchase orders must be received by the Administrator by 5.00pm (Irish time) on the business day preceding any dealing day. Applications received after 5.00pm (Irish time) will be dealt with on the next succeeding dealing day.

Applications should be made to the Administrator:

Northern Trust International Fund Administration Services (Ireland) Limited
Georges Court,
54-62 Townsend Street,
Dublin 2,
Ireland.
Tel +353 (0)1 542 2000
Fax +353 (0)1 542 2920
www.northerntrust.com

HERALD INVESTMENT FUND PLC
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BACKGROUND TO THE COMPANY *continued*

DIVIDENDS

The Fund may declare a distribution in April of each year in an amount not less than 85 per cent of the Fund's net income, where sufficient net income is available for distribution. No distribution was declared in April 2013.

MINIMUM SUBSCRIPTION

The minimum initial investment requirement of the Fund is GBP10,000 and each subsequent investment must be a minimum of GBP5,000.

INVESTMENT MANAGEMENT

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

NET ASSET VALUE

The net asset value per share of a class shall be calculated by dividing the net asset value 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 net asset value per share is being calculated.

PUBLISHED INFORMATION

Except where the determination of the net asset value has been suspended, the net asset value 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 and shall be notified immediately to the Irish Stock Exchange.

In addition, the net asset value 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 net asset value 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 net asset value.

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

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INVESTMENT MANAGER'S REPORT for the year ended 31 December 2013

The defined remit for the Fund is to invest globally in information technology, communications and multimedia. The Investment Manager believes this area of the economy offers growth greater than the world economy as a whole and presents attractive investment opportunities. In addition, the Investment Manager offers focused specialist management. The Fund was launched in April 1998 with an initial asset value per Class A share of £10.00. At the end of the period the net asset value per Class A share was £23.98. On the 9th June 2010, a Class B share was launched with an initial net asset value per share of £10.00. At the end of the period the net asset value per Class B share was £14.67.

Capital performance* for the twelve months to 31 December 2013

Herald Worldwide Fund NAV (Class A)	17.0%
Herald Worldwide Fund NAV (Class B)	17.6%

Global

MSCI World Information Technology	24.7%
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United States

Russell 1000 (Large Cap) Technology	23.2%
Russell 2000 (Small Cap) Technology	38.4%
S&P 500	27.2%
Russell 2000 Small Cap	34.5%

United Kingdom

FTSE Information Technology	30.2%
FTSE Techmark Focus 100	28.9%
FTSE 100	14.4%
FTSE Small Cap	29.6%

Europe

FTSE Eurotop 300	23.0%
Deutsche Bourse Technology All Share	43.0%
DAX	28.4%
CAC 40	20.7%

Asia Pacific

KOSDAQ	-0.1%
Nikkei 225	26.7%
Hang Seng	0.9%

*All returns are GBP adjusted.

Source: Herald Investment Management Limited, Bloomberg.

Market Summary

2013 was a mixed year for the sector and the Fund. We witness stock market cycles and technology cycles. The stock market cycle was sympathetic with markets rising particularly in the developed world, which is the focus for this Fund. However the technology cycle was less decisively in an upswing, and profits growth was patchy. In stock market terms the Technology Media and Telecoms ("TMT") sector became over-fashionable at the start of the century when people became overexcited about the prospects for the internet. Ironically thirteen years on the internet has proved more pervasive than the most optimistic expectations, albeit not in terms of sector profitability. One thinks of Amara's law: "We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run." The stock market, amplified by the world of efficient communication, can enthuse to levels which cannot be justified. To use a crude analogy in 2000 every horse in the race had the odds of a favourite, but there could only be one winner. Investing in every horse was bound to yield a big negative return. At the trough of the cycle in 2002 and 2008-2009 every horse was valued as an outsider: You could win by backing every horse in the race. The current market is more mixed. The odds on the favourites are poor, but a close sector focus gives the opportunity to invest in some less-noticed stocks where the risk versus reward ratio still looks attractive. We have returned to a period when non sector specialists are investing in the TMT sector. It is challenging to perform in a momentum market. There are some holdings where the valuation seems stretched but fashion can take it further. We have deliberately been at the cautious end of the spectrum. In an uncertain world we do not want to hold stocks on valuations which are expecting meteoric growth to justify them, and believe that the portfolio is less vulnerable to a shock for this reason. Why have the generalists returned? In part the enthusiasm for bonds and gold has faded, and emerging markets have had a big shake out.

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INVESTMENT MANAGER'S REPORT for the year ended 31 December 2013 *continued*

Market Summary *continued*

We have consistently argued that the technology sector is a relatively low risk way to play the growth in emerging markets. Technology companies have global markets for their products and can harness this growth. They can often do this at lower risk than domestic emerging market companies, especially when they are subject to SEC reporting requirements and the auditing and legal standards of the US and UK. At the same time the sector benefits from the low cost manufacturing and services of Asia and other developing economies, which has led to much of the economic growth in these emerging markets, but profit margins are higher where the IP resides, which continues for now to be in the developed world. It also benefits from the demand growth of emerging markets. Eight of the top ten worldwide websites (measured by unique monthly visitors) are owned by US companies, but 80% of their traffic comes from outside the US. On balance the majority of stocks are nowhere near the heady valuations of 2000. Equally there remains the value trap of apparently low valuations on stocks where the product cycle is against them. This has been evidenced by the demise of stocks like Blackberry and Nokia which were out-innovated by Apple and Samsung, and the PC stocks cannibalised by tablets.

The performance of the Fund's holdings has diverged to an unusual extent. The disruptors such as Google performed well, and momentum stocks reached extraordinary valuations, which candidly we have not exploited as much as we might have, while some value stocks performed well too. Elsewhere companies were severely punished for missing expectations. Overall there was a lower rate of profits growth. In particular PC volumes, which declined 3.7% in 2012, declined 10% in 2013, which is the worst year on record. This does, however, reflect cannibalisation by the tablet market. In addition, although tablets grew 28.2% in the fourth quarter of 2013 (source IDC) this was also much slower than the growth seen in the fourth quarter of 2012 (+87.1%), and growth rates will fall further. The smartphone market continued to grow strongly up from 725.3m units in 2012 to 1.01bn in 2013 (IDC), but again the market is maturing and premium margins for the successful players are under pressure.

Important players such as Google and Amazon clearly want the commoditisation of hardware, because their revenues are derived from usage - content and advertisements. Usage is clearly growing exponentially. This has led to a challenging year for many hardware vendors, and in turn a challenging year for Asian technology companies.

United States

The return for the US portfolio was 30.5%, which compares favourably with the Russell 1000 Technology Index, which rose 25.1%, and the Russell 2000 Technology Index, which rose 38.6%. The US performance was solid and broadly based, with no shooting star. The six best performing holdings in £ terms were Google, Acxiom, Checkpoint, Yelp, Micron and Western Digital, which cover a range of activities- internet advertising, marketing, security, DRAM semiconductors and disk drives. The latter were small holdings which have rallied strongly because they have had a history of inadequate margins. There has now been so much consolidation in their industries that there appears to be more pricing power.

United Kingdom

The UK portfolio return in sterling was -1.5%. This return was disappointing with all the smaller holdings performing poorly. They do have a hardware bias, but the attractions which led to their purchase remain, and they appear to offer sound value in a world where the bigger growth stocks are now on exotic valuations.

Europe

The European return was 51.0%. United Internet has been a long term holding which performed well, but much of the return reflected a rerating, as market sentiment towards Europe has improved.

Far East

The Far East return was -2.0%. The compound return is flattered by the addition to Taiwan Semiconductor (TSMC) at a low point in June, but both TSMC and Samsung have had good years. It is reported that TSMC has benefited from the decision by Apple to migrate manufacturing of its processors from Samsung, its arch rival in the phone market.

Sector Background

Innovation continues apace. If the mainframe established the computer market, PCs drove growth in the 1980s with widespread adoption of word processing and spreadsheets. The 1990s saw the rise in the local area network and the sharing of data. The first decade of this century saw the explosion of the WAN (wide area network) on the back of the internet. The first killer application was the e-mail, as speeds grew web browsing followed, then social media (Facebook et al) and then the smartphone. It is clear that the next area of growth is networked devices, or the 'Internet of Things'.

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INVESTMENT MANAGER'S REPORT for the year ended 31 December 2013 *continued*

Sector Background *continued*

Network service providers are addressing capacity needs and as 4G comes on stream will offer 3G capacity at competitive prices. The cost of a SIM and a modem is low so a myriad of devices will be connected. The volume may well not be in glamorous gizmos, but for monitoring; maintenance, health and security purposes are the most obvious.

We believe that it is productive applications, rather than enabling technologies by themselves that drive mass adoption and sustainable profits. For example car manufacturers are putting SIMs into engines so that they can monitor them. The other most obvious hot area is the analysis of data captured by internet usage. In the past companies have described selling to the CIO (Chief Information officer), increasingly the target is now the CMO (Chief Marketing Officer). Gartner expects that by 2017 the CMO will spend more on IT than the CIO.

Defence has been a driver of technological innovation and demand over the years. There is a current lull as the US withdraws from action in the Middle East and Afghanistan, and governments everywhere attempt to contain fiscal deficits. Cybercrime is becoming more sophisticated, however, and we are aware that much of this goes unreported in the private sector. In the UK in particular management seem inappropriately sheepish to admit to attacks, presumably shy of publicising their failure to have adequate security, but if they are attacked they certainly increase expenditure. The Edward Snowden affair highlights another issue. There is a wave of concern that US technology cannot be trusted. IBM's mainframe revenues declined 37% in Q4 2013. Cisco, HP and Microsoft all reported soft sales figures in China in the second half of 2013, and we hear of Chinese customers feeling increased pressure to 'buy Chinese' across the sector. An element of this relates to product cycles but it could denote the start of a more significant trend.

Governments face issues too. Apple, Google, Microsoft and others allied to ask the US Government to change its laws on surveillance. This certainly reflects commercial concerns, and is significant. The internet has grown like a weed because it is unregulated. There is now the task of controlling the wild west, which will be expensive. An additional concern is evidenced by uprisings across the globe starting with the Arab Spring. Technology now enables populations to communicate in a way hitherto only developed world governments could. Governments will have to learn how to cope with this, which is likely to involve substantial investment. There is a big unresolved political issue about how much shareholders should pay to protect the national interest in certain sectors. Will governments compel them to do so or will governments pay? Obvious examples are telephone operators and utilities, but this extends to all manner of infrastructure. In this environment troops seem quaint, and the government is left with the difficult task of protecting the population, maintaining personal privacy, and providing the potential for returns attractive enough to encourage private investment.

Energy costs and global warming is a daily topic. This is driving investment in solutions to create and store renewable energy, and to reduce power consumption. This sector had a bubble and bust as subsidies drove demand initially, and have generally been reduced. The need remains, however, and valuations are now more realistic. LED lighting is becoming a mass-market product and power efficiency is driving innovation in semiconductors.

The automotive sector is in a disruptive phase. All the major manufacturers are now developing or even producing electric cars. It is impractical to have to refuel by plugging a car into an electricity supply for several hours, and a driving range of 100 miles between charges will be insufficient for many. There is significant momentum behind hydrogen fuel generating electricity. This will cause disruption and opportunity in the supply chain. There is structural growth in the use of sensors and devices in the modern car for fuel efficiency, passenger comfort and safety. Driverless cars are also appearing.

Longer term performance

	1year	5years	10years
HWF A shares CAGR	17.0%	19.5%	9.7%
MSCI World IT Total return	26.8%	16.5%	7.4%
Russell 2000 Technology Total return	38.6%	22.4%	8.2%
HWF A Percentage return	17.0%	144.2%	153.5%

Summary

The performance has built on previous years. There remains no shortage of innovation and opportunity, so we remain evangelists for the sector. We are cautious about structural flaws in the world economy, which remain although investors seem less preoccupied with these issues at the moment. In contrast we remain confident about opportunities in the TMT remit. The sector has sound balance sheets, and constant innovation is driving demand.

Herald Investment Management Limited
January 2014

HERALD INVESTMENT FUND PLC
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DIRECTORS' REPORT for the year ended 31 December 2013

The Directors present herewith the Annual Report and audited Financial Statements for the year ended 31 December 2013.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with Irish Law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Irish company law requires the Directors to prepare Financial Statements for each financial year which 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 judgements and estimates that are reasonable and prudent; 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 proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Acts, 1963 to 2013, and the European Communities (Undertakings for Collective Investments in Transferable Securities) ("UCITS") Regulations, 2011 (as amended). As a UCITS requirement 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 custody of the Company's assets to the Custodian Northern Trust Fiduciary Services (Ireland) Limited.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2013.

Corporate Governance Statement

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

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

Statutory Instrument ("SI") 450 of 2009 (SI 450) was published on 18 November 2009 and this transposed the European Communities ("EU") Directive 2006/46. This Directive applies to EU domiciled companies and requires certain disclosures to be included in the financial statements/directors' report of listed companies, including a reference to the corporate governance code to which these companies are subject to or voluntarily adopt. These requirements, through the transposing regulations (SI 450 of 2009) and amended transposing regulations (SI 83 of 2010), apply to Irish listed companies for accounting years beginning on or after 18 November 2009.

Although there is no specific statutory corporate governance code applicable to Irish collective investment schemes whose shares are admitted to trading on the Irish Stock Exchange, the Company is subject to corporate governance practices imposed by:

- (i) The Irish Companies Acts, 1963 to 2013, which are available for inspection at the registered office of the Company, and may also be obtained at www.irishstatutebook.ie
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company at Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland and at the Companies Registration Office in Ireland;
- (iii) The Central Bank of Ireland in their UCITS Notices and Guidance Notes which can be obtained from the Central Bank of Ireland's website at www.centralbank.ie and are available for inspection at the registered office of the Company; and,
- (iv) The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at www.ise.ie.

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DIRECTORS' REPORT for the year ended 31 December 2013 *continued*

Internal Control and Risk Management Systems

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

The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including 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 directors of the Company and filed with the Central Bank of Ireland and the Irish Stock Exchange. The statutory 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 that the 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 Articles of Association of the Company and the Irish Companies Acts 1963 to 2013. 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 and 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 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 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 fund or class requires a majority of not less than 75% of the shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

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 general meeting, the number of Directors may not be less than two nor more than twelve. Currently, the Board of Directors of the Company is composed of four Directors, being those listed in the directory of these financial statements.

The business of the Company is managed by the directors, who exercise all such powers of the Company as are not by the Companies Acts or by the Articles of Association of the Company required to be exercised by the Company in general meeting.

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DIRECTORS' REPORT for the year ended 31 December 2013 *continued*

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

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

There are no sub-committees of the Board.

Principal Activities and Future Developments

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

The Investment Manager's Report contains a review of the factors which contributed to the performance for the year. The Directors do not anticipate any changes in the structure or investment objective of the Company.

Risk Management Objectives and Policies

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

Significant Events during the year

Alan Jeffers resigned as Director and Chairman on 29 November 2013.

Michael Boyce was appointed as Director on 29 November 2013.

Adrian Waters took over as Chairman on 29 November 2013.

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 year ended 31 December 2013.

Events Since the 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 2013.

Results and Dividends

The results and dividends for the year are set out in the Profit and Loss Account on page 15.

Directors and Secretary

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

Alan Jeffers (resigned 29 November 2013) (Irish)

Adrian Waters, Chairman (Irish)

William Backhouse LVO (British)

Michael Boyce (appointed 29 November 2013) (Irish)

David Boyle DL (British)

Directors' Interest in Shares and Contracts

The Directors' interests in shares and contracts are detailed in note 10 on page 27.

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DIRECTORS' REPORT for the year ended 31 December 2013 *continued*

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, 1990, at any time during the financial year.

Books of Account

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990, with regard to the books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at:

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

Independent Auditors

In accordance with Section 160 (2) of the Companies Act, 1963, PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, have signified their willingness to continue in office.

On behalf of the Board of Directors

Director

Director

21 February 2014

HERALD INVESTMENT FUND PLC

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CUSTODIAN'S REPORT to the Shareholders of Herald Investment Fund plc (the "Company")

We have enquired into the conduct of Herald Investment Fund plc (the "Company") for the year ended 31 December 2013, in our capacity as Custodian to the Company.

This report, including the opinion, has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Herald Investment Fund plc has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) ("the Regulations"); and,
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.



For and on behalf of
Northern Trust Fiduciary Services (Ireland) Limited
21 February 2014

HERALD INVESTMENT FUND PLC
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INDEPENDENT AUDITORS' REPORT to the Members of Herald Investment Fund plc

We have audited the financial statements of Herald Investment Fund plc for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and the related notes for the Company. The financial reporting framework that has been applied in its preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

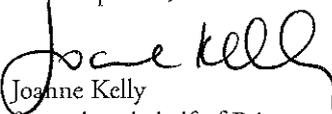
- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2013 and of its results for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.


Joanne Kelly
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

21 February 2014

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund
PROFIT AND LOSS ACCOUNT for the year ended 31 December 2013

	Note	Year ended 31 December 2013 GBP	Year ended 31 December 2012 GBP
Income			
Operating income	3	177,338	176,068
Net gains on financial assets and liabilities at fair value through profit or loss	4	3,118,628	1,372,879
Total investment income		<u>3,295,966</u>	<u>1,548,947</u>
Operating expenses	5	(430,350)	(327,772)
Expense reimbursement from investment manager	9	10,213	42,659
Profit for the year before tax		<u>2,875,829</u>	<u>1,263,834</u>
Non-reclaimable withholding tax		(41,884)	(48,332)
Increase in net assets attributable to holders of redeemable participating shares at bid prices		<u>2,833,945</u>	<u>1,215,502</u>
Adjustment from bid to last traded prices		(2,806)	(8,545)
Increase in net assets attributable to holders of redeemable participating shares from operations at last traded prices		<u><u>2,831,139</u></u>	<u><u>1,206,957</u></u>

There are no recognised gains or losses arising in the 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.

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

On behalf of the Board of Directors

Director

Director

21 February 2014

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund
BALANCE SHEET as at 31 December 2013

	Note	As at 31 December 2013 GBP	As at 31 December 2012 GBP
ASSETS			
Cash and bank balances	6	550,714	1,500,889
Debtors		13,254	56,936
Financial assets at fair value through profit or loss		18,679,535	15,337,487
TOTAL ASSETS		<u>19,243,503</u>	<u>16,895,312</u>
LIABILITIES			
Creditors - amounts falling due within one year		(230,706)	(80,330)
Net assets attributable to holders of redeemable participating shares at bid prices		19,012,797	16,814,982
Adjustment from bid to last traded prices		9,186	11,992
Net assets attributable to holders of redeemable participating shares at last traded prices		<u>19,021,983</u>	<u>16,826,974</u>

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

On behalf of the Board of Directors

Director

Director

21 February 2014

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

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares
for the year ended 31 December 2013**

	Year ended 31 December 2013 GBP	Year ended 31 December 2012 GBP
Net assets attributable to holders of redeemable participating shares at beginning of year	16,826,974	14,357,840
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	2,831,139	1,206,957
Amounts received on issue of redeemable participating shares	324,280	2,277,673
Amounts paid on redemption of redeemable participating shares	(960,410)	(1,015,496)
(Decrease)/increase in net assets resulting from share transactions	(636,130)	1,262,177
Net increase in shareholders' funds	2,195,009	2,469,134
	_____	_____
Net assets attributable to holders of redeemable participating shares at end of year	19,021,983	16,826,974

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

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

1. Significant Accounting Policies

a) Basis of preparation

These Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended). Accounting standards generally accepted in Ireland in preparing Financial Statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council ("FRC").

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 the profit or loss.

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The accounting policies have been applied consistently by the Company and are consistent with those in the previous year.

The information required by Financial Reporting Standard (FRS) No. 3 "Reporting Financial Performance", to be included in a Statement of Total Recognised Gains and Losses, and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the Directors, contained in the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

The Company has availed of the exemption available to open-ended investment companies under FRS 1 not to prepare a Cash Flow Statement.

b) Investments

(i) Classification and Recognition

The category of financial assets and financial liabilities at fair value through profit or loss comprises:

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Board of Directors 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.

A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses, arising from changes in fair value of the financial assets or financial liabilities, are recorded.

(ii) Measurement

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.

(iii) Fair value measurement principles

Investments listed on a recognised exchange or traded on any other organised active market are valued at fair value. The close of business price on the principal exchange or market for such instruments, being a quoted bid price, is taken as the best evidence of fair value. For investments acquired or traded at a premium or discount outside or off the relevant exchange, or on an over the counter market, these may be valued taking into account such a premium or discount as at the date of valuation of the investment.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

1. Significant Accounting Policies *continued*

b) Investments *continued*

(iii) Fair value measurement principles *continued*

If for specific investments the close of business bid 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.

c) Cash & cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

d) 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. Franked investment income (which comprises the most part of UK sourced dividend income) is shown net of the notional tax credit.

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

e) 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 are recognised over the year of the payable using the effective interest method.

f) 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.

g) 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.

h) 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 put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable share is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the share back to the Company.

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

All issued redeemable shares are fully paid and have been admitted to the official listing of the Irish Stock Exchange. 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 net asset value on the redemption date.

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

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

1. Significant Accounting Policies *continued*

i) Foreign Exchange

(i) Functional and presentation currency

The Company's investors are mainly from the UK, with the subscriptions and redemptions of the redeemable 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 of Directors considers the GBP as 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 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 2013	As at 31 December 2012
Euro	1.2020	1.2329
Korean Won	1,747.9234	1,740.2197
US Dollars	1.6562	1.6255
Taiwan Dollars	49.3620	47.2029

j) 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 net asset value per share for subscriptions and redemptions and for various fee calculations. However, as stated in Note 1 the accounting policy of the Company for the purpose of compliance with FRS 26 and for reporting purposes is to value its investments at the relevant bid/ask market prices on the balance sheet date. As at 31 December 2013, the difference between the valuation of investments stated in the Financial Statements and the valuation methodology indicated in the offering memorandum, results in an adjustment in the value of investments as noted in the Balance Sheet.

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 shareholder exercised the right to redeem shares in the Fund. Consequently, the difference described above adjusts the carrying amount of the net assets attributable to redeemable shareholders. The cumulative differences are included as "Adjustment from bid to last traded prices" in the Balance Sheet. The movement in the adjustment year on year is included in the Profit and Loss Account.

k) 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 9 to the financial statements for further information.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

2. Financial Risk Management

In accordance with the corporate objective of maximising capital appreciation, the Company invests in securities on a worldwide basis. The Company's financial instruments consist of cash, equities 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 or future cash flows of a financial instrument will fluctuate because of changes in market interest rates; and,
- (iii) Foreign currency risk, being the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

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

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

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

These policies for managing risk have been applied throughout the year.

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 pursuance of the corporate objective.

A full list of the Company's investments is given in the Schedule of Investments, on pages 29 to 31. 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 net asset value (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 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, for illustrative purposes, in 2013 the Fund returned 17.0% (2012: 8.4%) while the USD denominated MSCI World IT Index, a global technology index, returned 24.7% in sterling terms (2012: 6.9%). Based on the NAV of the Fund as at 31 December 2013, and this historic one-year sensitivity analysis, if the MSCI World IT Index increased by 10% in sterling terms, the Fund would increase by 8.5% (2012: increase by 11.9%), resulting in a gain of GBP1,616,869 (gain of GBP2,002,410 based on 31 December 2012 NAV and sensitivity of the Fund). If the MSCI World IT index decreased by 10% in sterling terms then the reverse would apply.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

2. Financial Risk Management *continued*

A. Market Risk *continued*

Market Price Risk – Sensitivity Analysis *continued*

This sensitivity analysis assumes a significantly correlated relationship between movements in the index. It also assumes a change in the market price of the funds 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 significantly from the movements disclosed above.

(ii) Interest Rate Risk

The Company did not employ leverage and did not borrow for liquidity purposes in the year ended 31 December 2013 or 31 December 2012. 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 significantly exposed to interest rate risk from unfavourable fluctuations in interest rates.

(iii) Foreign Currency Risk

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

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

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

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

31 December 2013

Financial Assets	EUR	KRW	USD	TWD
Non-monetary assets				
Financial assets held at fair value through profit or loss	1,035,220	517,111	14,068,095	585,733
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

31 December 2012

Financial Assets	EUR	KRW	USD	TWD
Non-monetary assets				
Financial assets held at fair value through profit or loss	264,572	1,011,378	11,682,299	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Foreign Currency Risk – Sensitivity Analysis

Companies whose cost base diverges in currency terms from its 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 2013, the Company did not use financial instruments to protect against currency movements.

Sensitivity to Foreign Currency Risk on non-monetary assets is included in Market Price Risk. Exposure to Foreign Currency Risk on monetary assets is not considered significant at 31 December 2013 or 31 December 2012.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

2. Financial Risk Management *continued*

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.

Financial assets which potentially expose the Company to credit risk consist principally of equities, bonds, cash balances and deposits with and receivables from the Custodian.

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.

The Company's Custodian is Northern Trust Fiduciary Services (Ireland) Limited (the "Custodian") with whom all the Company's cash and investments in equities are held at year end. The Company is exposed to credit risk through the use of a custodian and bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to its assets held by the Custodian to be delayed or, in the case of the cash balances, limited. The cash amounts and the investments exposed to this risk are disclosed in the Fund's Schedule of Investments.

The financial assets are held with the Custodian, Northern Trust Fiduciary Services (Ireland) Limited. These assets are held distinct and separately from the proprietary assets of the Custodian. The Fund's cash balances are held by the Custodian in its account together with its own cash balances and with those cash balances held on behalf of other clients. The Fund's cash balances are segregated at a book level within the records of the Custodian although, as noted, are not held in a segregated account. Northern Trust Fiduciary Services (Ireland) Limited is a wholly owned subsidiaries of Northern Trust Corporation. As at 31 December 2013 Northern Trust Corporation had a long term rating from Standard & Poor's of AA- (2012: A+).

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 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 2013 or 31 December 2012.

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

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.

In practice, liquidity in investee companies is imperfect, particularly those with a market value of less than £100 million. To reduce this liquidity risk, it is 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 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 particularly to each investment.

All of the Company's liabilities at 31 December 2013 and 31 December 2012 are repayable within one month.

Fair Value Disclosure

FRS 29 'Financial Instruments: Disclosures' requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities in the Balance Sheet.

The disclosures are based on a three-level fair value hierarchy for the inputs used in the valuation techniques to measure fair value.

The fair value of financial assets and liabilities traded in an active market (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

2. Financial Risk Management *continued*

Fair Value Disclosure *continued*

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the year end date.

FRS 29 requires the Fund 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following is a summary of the fair valuations according to the inputs as at 31 December 2013 and 31 December 2012 in valuing the Fund's assets and liabilities.

31 December 2013

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial Assets designated at fair value through profit and loss at inception				
Equity securities	17,823,285	-	-	17,823,285
Exchange traded investment funds	856,250	-	-	856,250
TOTAL ASSETS	18,679,535	-	-	18,679,535

31 December 2012

Assets	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial Assets designated at fair value through profit and loss at inception				
Equity securities	14,696,237	-	-	14,696,237
Exchange traded investment funds	641,250	-	-	641,250
TOTAL ASSETS	15,337,487	-	-	15,337,487

There were no significant transfers between Level 1 and Level 2 during the year.

There were no Level 2 or 3 securities held at year end 31 December 2013 (31 December 2012: Nil)

HERALD INVESTMENT FUND PLC
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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

3. Operating Income

	31 December 2013	31 December 2012
	GBP	GBP
Interest income	-	3
Dividend income	177,338	176,065
	177,338	176,065
	177,338	176,065

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

	Year ended	Year ended
	31 December 2013	31 December 2012
	GBP	GBP
Realised gains/(losses) on sale of investments	64,364	(127,852)
Net currency gains/(losses)	11,282	(11,648)
Net change in unrealised appreciation on investments	3,042,982	1,512,379
	3,118,628	1,372,879
	3,118,628	1,372,879

5. Operating Expenses

	Note	Year ended	Year ended
		31 December 2013	31 December 2012
		GBP	GBP
Administration fees		67,193	66,181
Auditors' fees	12	16,372	15,106
Custody fees		3,224	3,020
Directors' fees		27,000	27,319
Investment management fees		136,835	139,494
Performance fees	9	115,207	-
Other expenses		64,519	76,652
		430,350	327,772
		430,350	327,772

6. Cash and Bank Balances

	As at	As at
	31 December 2013	31 December 2012
	GBP	GBP
Northern Trust Fiduciary Services (Ireland) Limited	550,714	1,500,889
	550,714	1,500,889
	550,714	1,500,889

7. Share Capital

The share capital of the Company shall at all times equal the net asset value. 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 books of the Company to the Fund and shall be used in the acquisition on behalf of the Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately. Each of the shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those shares.

Subscriber Shares

As at 31 December 2013, the Company has issued 7 subscriber shares. The holders of these shares are not entitled to dividends or any surplus of assets over liabilities upon the winding-up of the Company. They are thus described in the Financial Statements by way of this note only.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

7. Share Capital *continued*

Shares in Issue	Year ended 31 December 2013	Year ended 31 December 2012
Number of Class A shares issued and fully paid		
Balance at beginning of year	733,695	673,897
Issued during year	9,873	98,075
Redeemed during year	(31,383)	(38,277)
	<u>712,185</u>	<u>733,695</u>
Total number of Class A shares in issue at end of year	<u>712,185</u>	<u>733,695</u>
	Year ended 31 December 2013	Year ended 31 December 2012
Number of Class B shares issued and fully paid		
Balance at beginning of year	142,975	140,401
Issued during year	7,025	18,072
Redeemed during year	(17,616)	(15,498)
	<u>132,384</u>	<u>142,975</u>
Total number of Class B shares in issue at end of year	<u>132,384</u>	<u>142,975</u>

As at 31 December 2013, one shareholder held 34.08% of the issued share capital of the Company (31 December 2012: 32.83%).

8. Net Asset Value

	As at 31 December 2013 GBP	As at 31 December 2012 GBP	As at 31 December 2011 GBP
Net asset value Class A share	17,079,423	15,044,302	12,744,122
Net asset value Class B share	1,942,560	1,782,672	1,613,718
Net asset value per Class A share	23.98	20.50	18.91
Net asset value per Class B share	14.67	12.47	11.49

9. Fees

Investment Management

The Investment Manager will receive an investment management fee (expressed as a percentage of the Fund's net asset value attributable to the relevant Class) of 0.75 per cent for Class A Shares and 1.25 per cent 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 GBP13,155 were payable at 31 December 2013 (31 December 2012: GBP21,841).

The Investment Manager has voluntarily undertaken to limit the aggregate annual ordinary expenses of each class of the Fund to be no more than 1.70% for the financial year end 31 December 2013. The expense reimbursement at 31 December 2013 is GBP10,213 (31 December 2012: GBP42,659).

Performance Fee

In addition, the Investment Manager is paid a performance fee annually in respect of each accounting period of the Fund at a rate of 10% per annum of the amount, if any, by which the NAV of the Class A Shares, excluding performance fees at the end of the accounting period exceeds the target net asset value (110% of the previous highest NAV adjusted to take account of new subscriptions, repurchases or distributions) of the Class A shares over the relevant period. The opening NAV per class A share this financial year was GBP20.50 and the closing GBP23.98. To date the previous highest NAV per class A share at a financial year end was reached on 31 December 1999 when the NAV was GBP19.83 per Share. Therefore, a performance fee on the Class A Shares of GBP115,207 (31 December 2012: NIL) was earned for the year end 31 December 2013. There is no performance fee charged on the Class B Shares.

HERALD INVESTMENT FUND PLC
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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

9. Fees *continued*

Administration Fee

In addition, the Investment Manager is paid a performance fee annually in respect of each accounting period of the Fund at a rate of 0.15 per cent per annum on the first GBP20 million of the net asset value of the Fund, 0.125 per cent per annum on the next GBP30 million and 0.01 per cent per annum on that portion of the net asset value of the Fund which exceeds GBP50 million, subject to a minimum fee of GBP6,000 per month per fund (plus value added tax, if any, thereon). The Administrator's fee shall be paid monthly in arrears and shall accrue on each dealing day based on the net asset value of the Fund on each dealing day. The Administrator shall be reimbursed any reasonable out-of-pocket expenses incurred. Fees of GBP11,030 were payable at 31 December 2013 (31 December 2012: GBP9,807).

Transaction costs

Transaction costs of the Fund were GBP26,838 for year ended 31 December 2013 (31 December 2012: GBP51,998) and are included in Net gains/(losses) on financial assets and liabilities at fair value through profit or loss.

Custodian Fee

The Custodian will be entitled to receive out of the assets of each Fund an annual fee, accrued daily and payable monthly in arrears, based on the number of transactions and the net asset value of the Fund, of up to 0.015 per cent per annum of the net asset value of the Fund. In addition, the Custodian will be reimbursed any reasonable out of pocket expenses and shall be reimbursed all sub-custodial and transactional fees and expenses which will be charged at normal commercial rates. Fees of GBP534 were payable at 31 December 2013 (31 December 2012: GBP328).

10. Related Party Transactions

Financial Reporting Standard 8 "Related Party Transactions" (FRS 8) requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

Investment Manager

Related parties include the Investment Manager and its holding company, HIML Holdings Limited. Amounts earned by the Investment Manager are disclosed in Note 5 and Note 9.

Herald Investment Management Limited and HIML Holdings Limited both hold investments in Herald Investment Fund plc. At 31 December 2013, the number of shares held was 91,530 (31 December 2012: 91,530).

Directors' Interests in Shares and Contracts

	31 December 2013 Shares	31 December 2012 Shares
William Backhouse and connected persons	12,597.47	12,597.47
David Boyle and connected persons	12,182.21	12,182.21

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

The Company invests in another fund which has the same Investment Manager, the Herald Investment Trust Plc. At 31 December 2013 the fair value of this investment was GBP 856,250 (2012: GBP 641,250).

Directors' Fee

The total Directors' fees are disclosed in Note 5. David Boyle has agreed to waive his fees.

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, any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013 *continued*

11. Taxation *continued*

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (a) 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 or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- (b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory 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. Auditor's Remuneration

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

	Year ending 31 December 2013	Year ending 31 December 2012
	€	€
Statutory audit of Company accounts	16,000	16,000
Other Assurance Services	-	-
Tax Advisory Services	-	-
Other non-audit services	-	-
	16,000	16,000
	16,000	16,000

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 accounts amount is GBP16,372 (2012: GBP15,962).

13. Soft Commission Arrangements

There are no soft commission arrangements affecting the Company during the year.

14. Distributions

There were no distributions declared during the years ended 31 December 2013 or 31 December 2012.

15. Significant events during the year

Alan Jeffers resigned as Director and Chairman on 29 November 2013.

Michael Boyce was appointed as Director on 29 November 2013.

Adrian Waters took over as Chairman on 29 November 2013.

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 year ended 31 December 2013.

16. 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 2013.

17. Approval of Financial Statements

The Financial Statements were approved by the board on 21 February 2014.

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund
SCHEDULE OF INVESTMENTS as at 31 December 2013

NOMINAL	SECURITY NAME	VALUE GBP	FUND%
EQUITIES: 98.20% (2012: 91.15%)			
GERMANY: 5.44% (2012: 1.57%)			
<i>INTERNET : 2.71% (2012: 1.57%)</i>			
20,000	United Internet AG Com NPV	514,989	2.71
<i>SOFTWARE: 2.73% (2012: 0.00%)</i>			
10,000	SAP AG Class A Com NPV	520,231	2.73
TOTAL GERMANY		1,035,220	5.44
REPUBLIC OF SOUTH KOREA: 2.72% (2012: 6.01%)			
<i>ELECTRICAL COMPONENTS & EQUIPMENT: 0.45% (2012: 0.55%)</i>			
2,200	LG Electronics Inc Com KRW5000.00	85,713	0.45
<i>SEMICONDUCTORS: 2.27% (2012: 5.46%)</i>			
550	Samsung Electronics Co Ltd Com KRW5000.00	431,398	2.27
TOTAL REPUBLIC OF SOUTH KOREA		517,111	2.72
TAIWAN: 5.74% (2012: 3.01%)			
<i>SEMICONDUCTORS: 5.74% (2012: 3.01%)</i>			
195,000	Epistar Corp Com TWD10.00	226,753	1.19
40,000	MediaTek Inc Com TWD10.00	358,980	1.89
48,000	Taiwan Semiconductor Manufacturing Co Ltd ADR NPV	505,141	2.66
TOTAL TAIWAN		1,090,874	5.74
UNITED KINGDOM: 13.00% (2012: 14.15%)			
<i>INVESTMENT FUNDS: 4.50% (2012: 3.81%)</i>			
125,000	Herald Investment Trust PLC NPV	856,250	4.50
<i>COMPUTERS: 0.88% (2012: 1.33%)</i>			
125,000	Phoenix IT Group Ltd Com GBP0.01	166,563	0.88
<i>SEMICONDUCTORS: 6.91% (2012: 7.90%)</i>			
55,000	ARM Holdings PLC Com GBP0.0005	603,350	3.17
110,655	Imagination Technologies Group PLC Com GBP0.10	196,413	1.03
1,230,000	IQE PLC Com GBP0.01	289,050	1.52
2,000,000	Toumaz Ltd Com GBP0.0025	80,000	0.42
100,000	Wolfson Microelectronics PLC Com GBP0.001	145,750	0.77
<i>TELECOMMUNICATIONS: 0.71% (2012: 1.11%)</i>			
100,000	Bango PLC Com GBP0.20	136,000	0.71
TOTAL UNITED KINGDOM		2,473,376	13.00
UNITED STATES: 71.30% (2012: 57.98%)			
<i>COMMERCIAL SERVICES: 0.86% (2012: 0.68%)</i>			
4,112	Leidos Holdings Inc Com USD0.0001	115,446	0.61
2,350	Science Applications International Corp Com USD0.0001	46,936	0.25
<i>COMPUTERS: 12.71% (2012: 12.42%)</i>			
3,845	Apple Inc Com NPV	1,301,950	6.84
50,000	Cadence Design Systems Inc Com USD0.01	423,245	2.22
15,700	EMC Corp/MA Com USD0.01	238,403	1.25
9,000	Western Digital Corp Com USD0.01	455,909	2.40

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund
SCHEDULE OF INVESTMENTS as at 31 December 2013 *continued*

NOMINAL	SECURITY NAME	VALUE GBP	FUND%
EQUITIES <i>continued</i>			
UNITED STATES: 71.30% (2012: 57.98%) <i>continued</i>			
<i>ELECTRONICS: 1.11% (2012: 1.41%)</i>			
20,000	Jabil Circuit Inc Com USD0.001	210,355	1.11
<i>INTERNET: 13.43% (2012: 11.59%)</i>			
2,000	Amazon.com Inc Com USD0.01	480,942	2.53
7,500	F5 Networks Inc Com NPV	411,396	2.16
1,620	Google Inc Class A Com USD0.001	1,095,449	5.76
1,000	Splunk Inc Com USD0.001	41,443	0.22
47,100	support.com Inc Com USD0.0001	107,495	0.57
10,000	Yelp Inc Com USD0.000001	416,181	2.19
<i>SEMICONDUCTORS: 24.09% (2012: 18.52%)</i>			
7,000	Altera Corp Com USD0.001	137,443	0.72
84,000	Atmel Corp Com USD0.001	397,114	2.09
7,500	Cavium Inc Com USD0.001	156,136	0.82
38,000	Intel Corp Com USD0.001	595,381	3.13
60,000	LSI Corp Com USD0.01	399,577	2.10
43,000	Micron Technology Inc Com USD0.10	564,679	2.97
80,000	PMC - Sierra Inc Com USD0.001	310,581	1.63
20,200	QUALCOMM Inc Com USD0.0001	905,326	4.76
11,000	Skyworks Solutions Inc Com USD0.25	189,615	1.00
28,000	Teradyne Inc Com USD0.13	297,878	1.56
8,613	Tessera Technologies Inc Com USD0.001	102,394	0.54
19,000	Xilinx Inc Com USD0.01	526,666	2.77
<i>SOFTWARE: 19.10% (2012: 10.57%)</i>			
24,000	Acxiom Corp Com USD0.10	535,571	2.82
20,200	Akamai Technologies Inc Com USD0.01	575,418	3.03
30,000	AVG Technologies NV Com EUR0.01	311,547	1.65
24,750	Check Point Software Technologies Ltd Com USD0.01	964,148	5.06
21,000	Microsoft Corp Com USD0.00000625	474,457	2.49
5,600	Pegasystems Inc Com USD0.01	166,284	0.87
56,000	RADWARE Ltd Com ILS0.05	607,589	3.18
<i>TELECOMMUNICATIONS: 0.00% (2012: 2.79%)</i>			
TOTAL UNITED STATES		13,562,954	71.30
TOTAL EQUITIES		18,679,535	98.20

HERALD INVESTMENT FUND PLC
- The Herald Worldwide Fund
SCHEDULE OF INVESTMENTS as at 31 December 2013 *continued*

	Value GBP	Fund %
Financial assets at fair value through profit or loss		
Total Value of Investments	18,679,535	98.20
Cash	550,714	2.90
Other Net Liabilities	(217,452)	(1.15)
	<hr/>	<hr/>
Net Assets Attributable to Holders of Redeemable Participating Shares at bid prices	19,012,797	99.95
Adjustment from bid to last traded prices	9,186	0.05
	<hr/>	<hr/>
Net Assets Attributable to Holders of Redeemable Participating Shares at last traded prices	<u>19,021,983</u>	<u>100.00</u>
Analysis of Total Net Assets		% of Fund
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market.		97.07
Other Net Assets.		2.93
		<hr/>
		100.0
		<hr/> <hr/>

Percentages in brackets represent the prior year comparative amounts.

The industry groups are based on the Bloomberg Level II classification.

HERALD INVESTMENT FUND PLC

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SCHEDULE OF PORTFOLIO CHANGES (Unaudited) for the year ended 31 December 2013

MAJOR PURCHASES		VALUE GBP
10,000	SAP AG Com NPV	501,741
30,000	AVG Technologies NV Com EUR0.01	433,887
28,000	Teradyne Inc Com USD0.13	333,351
43,000	Micron Technology Inc Com USD0.10	324,522
40,000	MediaTek Inc Com TWD10.00	286,389
195,000	Epistar Corp TWD10.00	253,383
7,000	Xilinx Inc Com USD0.01	163,023
10,000	Yelp Inc Com USD0.000001	144,098
2,000,000	Toumaz Ltd Com GBP0.0025	95,950
330,000	IQE PLC Com GBP0.01	69,870
200	Apple Inc Com NPV	60,424

MAJOR SALES		VALUE GBP
30,000	Symantec Corp Com USD0.01	474,652
34,000	Cisco Systems Inc Com USD0.001	453,136
500	Samsung Electronics Co Ltd Com KRW5000.00	369,026
24,000	Parametric Technology Corp Com USD0.01	353,577
24,000	Axiom Corp Com USD0.10	323,183
4,250	Check Point Software Technologies Ltd Com USD0.01	158,715
5,600	Altera Corp Com USD0.001	124,831
36,100	Mindspeed Technologies Inc Com USD0.01	111,403
9,500	MRV Communications Inc Com USD0.0017	54,607