

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

INTERIM UNAUDITED REPORT for the six months ended 30 June, 2000

General Information.....	2
Investment Manager's Report.....	5
Portfolio of Investments.....	7
Portfolio Changes	12
Balance Sheet.....	14
Notes to the Interim Unaudited Report.....	15
Other Information.....	18

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus.

Herald Investment Fund plc (the "Company") was incorporated on 12 February 1998 as an open ended, variable capital investment company under the laws of the Republic of Ireland and is listed on the Irish Stock Exchange. The Company is organised in the form of an umbrella fund under the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 1989 ("UCITS Regulations, 1989").

The Articles of Association provide for separate funds, each representing interests in defined portfolios of assets and liabilities which may be established from time to time with prior approval of the Central Bank of Ireland (the "Bank"). The Company has obtained approval from the Bank for the establishment of The Herald Worldwide Fund (the "Fund") and this Fund was launched on 3 April 1998.

INVESTMENT OBJECTIVE

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 objectives, 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; and
- * Forward exchange contracts. These are held in accordance with the Fund's investment objectives and policies.

RISKS ARISING FROM FINANCIAL INSTRUMENTS

The main risks arising from the Fund's financial instruments are set out below.

Political and/or Regulatory risks

The value of the Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, it should be noted that the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made do not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. In particular, the Fund may be exposed to risks of expropriation, nationalism and confiscation of assets and changes in legislation relating to the permitted level of foreign ownership.

Currency risk

The base currency of the Fund is Sterling, whereas investments may be acquired in a wide range of currencies, some of which may not be freely convertible currencies. It may not be practical or possible to hedge against the consequent currency risk and in certain instances the Investment Manager may not consider it desirable to hedge against such a risk. The Investment Manager will enter into hedging transactions at its sole discretion and solely for the purposes of efficient portfolio management.

Market risk

Some of the recognised exchanges on which the Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund 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 Fund 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 Fund. Where the Fund acquires or values securities on the over-the-counter market there is no guarantee that the Fund will be able to realise such securities at that valuation price due to the nature of the over-the-counter market.

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

GENERAL INFORMATION *continued*

PRICES

The price for buying and selling Shares in the Fund is represented by the Net Asset Value per 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 shares and 1% in respect of repurchases made within two years of subscription.

DEALING

Subscriptions and Repurchases of Shares may be made on a Dealing Day. Unless otherwise determined by the Directors, every second and fourth Thursday of each month 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 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 Shares and repurchase 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 on the next succeeding Dealing Day. Applications should be made to the Administrator:

Deutsche International Fund Services (Ireland) Limited
George's Dock House
International Financial Services Centre
Dublin 1
Ireland

Tel: + 353-1-6076300

Fax: + 353-1-6076489

SUBSCRIBER SHARES

As at 31 December 1999, 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.

DIVIDENDS AND DISTRIBUTOR STATUS

It is proposed that the Company will pay a dividend in respect of the Fund 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.

In respect of the year ended 31 December 1999, the Fund has obtained certification as a Distributing Fund as defined by the United Kingdom Income and Corporation Taxes Act 1988. It is intended that the Fund will apply for distributor status in respect of the year ended 31 December 2000.

MINIMUM SUBSCRIPTION

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

YEAR 2000

Deutsche Bank AG, the Administrator's ultimate holding company, set up a global Year 2000 Project in 1996 which covers all consolidated Group companies, including Deutsche International Fund Services (Ireland) Limited. The Project was successfully implemented and no material problems have arisen following the transition into the new millennium. The Project continues monitoring the Year 2000 conformity of the Group's IT-infrastructure to address any Year 2000 problems that may occur post January 1 2000.

The Administrator is aware of the continuing potential problem posed to computer systems by the Year 2000 subsequent to the date change, its potential impact on the Company's operations, and have considered the key risks arising. If expenditure in connection with the Year 2000 project becomes necessary subsequently, it will be borne by the Administrator.

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

GENERAL INFORMATION *continued*

SIGNIFICANT EVENTS DURING THE PERIOD

The Company issued a supplemental prospectus on 2 February 2000 which extended the Stock Exchanges and Regulated Markets on which the company may invest.

On 26 January 2000, William Backhouse and connected persons acquired a further 803.40 Shares in The Herald Worldwide Fund.

On 8 June 2000, David Boyle and connected persons acquired a further 1,358.08 shares in The Herald Worldwide Fund.

On 22 June 2000, William Backhouse and connected persons acquired a further 448.03 shares in The Herald Worldwide Fund.

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

INVESTMENT MANAGER'S REPORT for the six months ended 30 June, 2000

The defined remit for the fund is to invest globally in technology, communications and multi-media. The Investment Manager believes that this area of the economy offers growth greater than the world economy as a whole, and therefore offers attractive investment opportunities. In addition, the Investment Manager offers focused specialist management. The fund was launched in April 1998 with an initial net asset value of GBP13.0m. At the 30th June 2000 the net asset value was GBP34.2m.

Capital performance for the 6 months to 30/6/00

Herald Worldwide Fund NAV	+9.4%
FTSE-100	-8.9%
FTSE-All Share	-6.5%
FTSE-Smallcap	+8.3%
FTSE techMARK 100 Index	-10.3%
FTSE-Information Technology Index	-22.9%
S&P 500 (£STG adjusted)	+5.5%
NASDAQ Composite Index (£STG adjusted)	+3.9%
Russell 1000 Large Cap Technology (£STG adjusted)	+16.5%
Russell 2000 Small Cap Technology (£STG adjusted)	+17.6%

All markets within the remit have seen a similar pattern during the first half of 2000. After a small hiccup in January, the unrelenting re-rating continued during the first 10 weeks of the year. A significant correction of technology stocks was then seen, again on a global scale. The table below highlights the sheer extent of this (in local currency terms).

Index	Date	High (rel. to 31/12/99)	Date	Low (rel. to 31/12/99)	Low (rel. to High)	6 months to 30/6/00
Herald Worldwide Fund	8/3/00	+47.7%	24/5/00	+0.8%	-31.8%	+9.4%
Russell 1000 Technology	24/3/00	+31.4%	23/5/00	-9.8%	-31.4%	+9.3%
Russell 2000 Technology	10/3/00	+64.9%	25/5/00	-14.6%	-48.2%	+10.3%
NASDAQ Composite	10/3/00	+26.1%	23/5/00	-22.2%	-38.3%	-2.5%
FTSE techMARK 100	6/3/00	+52.2%	24/5/00	-24.2%	-50.2%	-10.3%
FTSE IT Index	6/3/00	+26.3%	22/5/00	-31.6%	-45.8%	-22.9%
ISDEX US Internet Index	10/3/00	+31.6%	26/5/00	-31.1%	-47.7%	-13.5%

Within the technology sub-sectors, a marked divergence was seen, with the Bloomberg Semiconductor Indices gaining significant ground during the period (+61.3% in the US, +13.5% in Europe). Conversely, the Bloomberg Internet Indices suffered a significant correction (-32.9% in the US, -4.3% in Europe). The software sub-sector endured a similar fate, with the Bloomberg Software Indices -21.0% in the US and -16.6% in Europe.

Within the portfolio, the strongest performance was seen from the communications, storage and semiconductor stocks, with some stock specific successes within software and services. As signalled in the table and paragraph above, the worst performers came from the Internet-related sub-sectors. The Investment Manager still believes that there are significant growth opportunities as a result of the Internet's ongoing persuasiveness, maturity and global acceptance by businesses and consumers alike. Having said that, the Investment Manager also believes that the business models of the consumer-focused 'dotcoms' are at best fragile and at worst fundamentally flawed due to the insatiable marketing demands. With the correction and instability of the technology and multimedia markets closing the door to capital raising, many of these companies face a reality-check. The Fund's exposure to the Internet has been and will remain restricted to infrastructure and business-focused companies.

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

INVESTMENT MANAGER'S REPORT for the six months ended 30 June, 2000 *continued*

The use of the Adjustable Rate Index Note (ARIN) instrument has proved effective in the first half of the year, both in terms of absolute return, but also by having a dampening effect, reducing volatility. The ARIN is an interest bearing debt security that enables profits to be made from declining share prices. As stated in the Report & Accounts for 1999, the position was increased at the end of the year, particularly in UK stocks. Although this call was early, experiencing some heavy losses at the beginning of the year, during the correction in March and April it has proved beneficial, contributing a modest positive absolute return for the period.

Performance in the second half of the year will likely prove difficult; however volatile markets, careful profit-taking, with reinvestment at lower levels, can provide opportunities to improve the long-term performance. Whilst the valuations of many of the companies in the remit remain very forward-looking (especially in the UK and Europe), the Investment Manager believes that the area has more potential for exciting growth situations. Some stocks still have excessive expectations and heady valuations whilst others have come back to more reasonable and attractive levels. The Investment Manager remains confident that in the long term the defined remit will outperform, as the world-wide demand for digital media, communications, e-commerce and information technology both from consumers and businesses, together with the continuing changes within the enterprise, remain strong.

Herald Investment Management Limited

Katie Potts
Investment Manager
Date: 12 July 2000

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

PORTFOLIO OF INVESTMENTS as at 30 June, 2000

NOMINAL	SECURITY	CLASSIFICATION	VALUE GBP	FUND%
AUSTRIA 0.84% (1999:NIL)				
<i>BUSINESS AND PUBLIC SERVICES</i>				
20,000	Plaut	NPV (a)	288,694	0.84
GERMANY 0.52% (1999:NIL)				
<i>ELECTRICAL AND ELECTRONICS</i>				
20,000	Teles	NPV (a)	178,534	0.52
FRANCE 0.34% (1999:0.84%)				
<i>BUSINESS AND PUBLIC SERVICES</i>				
12,600	Prologue Software	FRF4 (a)	116,864	0.34
POLAND 0.53% (1999:NIL)				
<i>TELECOMMUNICATIONS</i>				
10,000	Netia Holdings	SPONS LEVEL III ADR-EACH REPR 1 ORD PLN6 (a)	179,686	0.53
NETHERLANDS 0.37% (1999:NIL)				
<i>DATA PROCESSING AND REPRODUCTION</i>				
20,000	Lycos Europe	EUR0.01 (a)	125,987	0.37
UNITED KINGDOM 28.78% (1999:27.27%)				
ARIN 6.93% (1999:NIL)				
93,000	365 Corporation ARIN	(b)	392,460	1.15
100,000	Baltimore ARIN	(b)	665,000	1.94
13,000	Filtronic Plc ARIN	(b)	370,305	1.08
15,000	NXT Plc ARIN	(b)	445,500	1.30
60,000	QXL.Com ARIN	(b)	500,000	1.46
BONDS 2.96% (1999:NIL)				
<i>BRITISH FUNDS</i>				
1,000,000	UK Treasury	7% STK 2001	1,011,800	2.96
WARRANTS 2.23% (1999:1.72%)				
<i>INVESTMENT COMPANIES</i>				
160,000	Herald Investment Trust	WTS TO SUBSCRIBE FOR ORD	761,600	2.23
EQUITIES 16.66% (1999:25.55%)				
<i>DISTRIBUTORS</i>				
65,333	Acal	ORD 5P	336,465	0.98
500,000	Action Computer Supplies Holdings	ORD 10P	285,000	0.83
200,000	Northamber	ORD 5P	249,000	0.73
<i>ELECTRONIC AND ELECTRICAL EQUIPMENT</i>				
365,000	Telemetrix	ORD 5P	1,213,625	3.55
<i>MEDIA & PHOTOGRAPHY</i>				
100,000	Aegis	ORD 5P	194,500	0.57
30,000	Daily Mail & General Trust	'A'ORD NON VTG GBP0.125	343,500	1.00
525,000	Teamtalk.Com	ORD GBP0.01	217,875	0.64

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

PORTFOLIO OF INVESTMENTS as at 30 June, 2000 *continued*

NOMINAL	SECURITY	CLASSIFICATION	VALUE GBP	FUND%
EQUITIES 16.66% (1999:25.55%) <i>continued</i>				
<i>SOFTWARE & COMPUTER SERVICES</i>				
350,000	Anite	GBP0.10	551,250	1.61
400,000	Azlan	ORD 5P	642,000	1.88
395,000	Bright Station	ORD GBP0.01	325,875	0.95
15,000	Misys	ORD GBP0.01	83,700	0.24
300,000	Patsystems	ORD GBP0.01	424,500	1.24
45,000	Rolfe & Nolan	ORD 10P	150,750	0.44
110,000	Superscape	GBP0.10	222,750	0.65
<i>SPECIALITY & OTHER FINANCE</i>				
131,100	Internetaction.Com	GBP0.01(EX-ENTITLEMENT) (a)	62,273	0.18
<i>TELECOMMUNICATIONS SERVICES</i>				
70,000	IMS	GBP0.01	134,750	0.39
74,020	PNC Tele.Com	ORD GBP0.05(EX-ENTITLEMENT) (a)	179,869	0.53
37,800	Telewest Communications	ORD GBP0.10	86,184	0.25
HONG KONG 2.34% (1999:3.83%)				
<i>BROADCASTING AND PUBLISHING</i>				
400,000	South China Morning Post Holdings	HKD0.10	205,180	0.60
<i>ELECTRICAL AND ELECTRONICS</i>				
350,000	QPL International Holdings	HKD0.08	332,358	0.97
<i>FINANCIAL SERVICES</i>				
80,000	Li & Fung	HKD0.05	264,530	0.77
JAPAN 0.97% (1999:1.14%)				
<i>DATA PROCESSING AND REPRODUCTION</i>				
23,000	Ricoh	JPY50	322,366	0.94
<i>TELECOMMUNICATIONS</i>				
400	Hikari Tsushin	JPY50 (a)	10,863	0.03
INDONESIA NIL (1999:0.63%)				
MALAYSIA 1.21% (1999:4.25%)				
<i>BROADCASTING AND PUBLISHING</i>				
185,000	Star Publications (Malaysia) Berhad	MYR1	414,856	1.21
TAIWAN 2.32% (1999:1.44%)				
<i>ELECTRONIC COMPONENTS AND INSTRUMENTS</i>				
63,000	Sunplus Technology	TWD10 (b)	202,704	0.59
22,050	Sunplus Technology	TWD10 (New 06/00) (b)	70,946	0.21
231,000	Universal Scientific Industrial	TWD10	371,624	1.09
92,400	Universal Scientific Industrial	TWD (S/D 00)	148,649	0.43
SINGAPORE NIL (1999:2.43%)				

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

PORTFOLIO OF INVESTMENTS as at 30 June, 2000 *continued*

NOMINAL	SECURITY	CLASSIFICATION	VALUE GBP	FUND%
UNITED STATES 55.05% (1999:54.85%)				
ARIN 1.13% (1999:2.45%)				
	7,500 SCM Micro Systems ARIN	(b)	386,090	1.13
EQUITIES 53.92% (1999:52.40%)				
<i>BROADCASTING AND PUBLISHING</i>				
9,258	Clear Channel Communications	COM STK USD0.10	458,695	1.35
10,000	Comcast	CLASS'A' SPECIAL COM STK USD1(a)	267,547	0.79
20,000	Getty Images	COM STK USD0.01 (a)	489,678	1.44
2,000	Time Warner	COM STK USD0.01	100,413	0.30
10,000	True North Communications	COM STK USD0.33 1/3	290,669	0.85
<i>BUSINESS AND PUBLIC SERVICES</i>				
2,382	Akamai Technologies	COM STK USD0.01 (a)	186,838	0.55
15,000	At Home	COM STK SER 'A' USD0.01 (a)	205,615	0.60
5,000	BMC Software	COM STK USD0.01 (a)	120,510	0.35
3,000	CMGI	COM STK USD0.01 (a)	90,793	0.27
30,000	Computer Horizons Corp	COM STK USD0.10 (a)	266,309	0.78
5,000	Doubleclick	COM STK USD0.001 (a)	125,929	0.37
30,000	Eloquent	COM STK USD0.001 (a)	178,365	0.52
30,000	Engage	COM STK USD0.01 (a)	256,400	0.75
3,500	Inktomi	COM STK USD0.001 (a)	273,410	0.80
4,000	Internet Capital Group	COM STK USD0.001 (a)	97,812	0.29
6,000	Keynote Systems	COM STK USD0.001 (a)	279,686	0.82
4,500	Microsoft	COM STK USD0.0000125 (a)	237,820	0.70
20,000	Modem Media Poppe Tyson	COM STK USD0.001 (a)	164,327	0.48
<i>BROADCASTING AND PUBLISHING</i>				
11,000	Multex.Com	COM STK USD0.01 (a)	183,031	0.54
10,000	Nova Corp Of Georgia	COM STK USD0.01	184,558	0.54
60,000	Onesource Information Service	COM STK USD0.01 (a)	297,275	0.87
9,000	Oracle Corp	COM STK USD0.01 (a)	499,794	1.46
24,000	Pinnacle Holdings	COM STK USD0.001 (a)	856,152	2.50
2,000	S1 Corp.	COM STK NPV (a)	30,801	0.09
100	Webmethods	COM STK USD0.01 (a)	10,384	0.03
<i>DATA PROCESSING AND REPRODUCTION</i>				
6,000	Advanced Digital Information	COM STK NPV (a)	63,171	0.18
15,000	Axent Technologies	COM STK USD0.02 (a)	245,871	0.72
18,000	Citrix Systems	COM STK USD0.001 (a)	225,186	0.66
100	Lante	COM STK USD0.01	1,350	0.00
25,000	Mail-Well	COM STK USD0.01	142,444	0.42
10,000	MTI Technology	COM STK USD0.001 (a)	52,849	0.15
13,000	RSA Security	COM STK USD0.01 (a)	594,715	1.74
9,000	Sandisk	COM STK USD0.001 (a)	363,790	1.06
11,250	Serena Software	COM STK USD0.001 (a)	337,454	0.99
65,000	Walker Interactive Systems	COM STK USD0.001 (a)	155,656	0.46
18,000	Wind River System	COM STK USD0.001 (a)	450,372	1.32
7,000	Xircom	COM STK USD0.001 (a)	219,653	0.64

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

PORTFOLIO OF INVESTMENTS as at 30 June, 2000 *continued*

NOMINAL	SECURITY	CLASSIFICATION	VALUE GBP	FUND%
EQUITIES 53.92% (1999:52.40%) <i>continued</i>				
<i>ELECTRICAL AND ELECTRONICS</i>				
10,000	American Power Conversion	COM STK USD0.01 (a)	269,612	0.79
15,000	Applied Power	CLASS'A'COM STK USD0.20	331,957	0.97
5,000	Cadence Design Systems	COM STK USD0.01	67,300	0.20
10,000	Credence Systems	COM STK USD0.001 (a)	364,575	1.07
70,000	S3	COM STK USD0.0001 (a)	682,081	1.99
<i>ELECTRONIC COMPONENTS AND INSTRUMENTS</i>				
21,000	Analog Devices	COM STK USD0.16 2/3	1,054,335	3.08
10,000	Applied Microcircuits	COM STK USD0.01 (a)	652,353	1.91
23,000	EMC Corp Massachusetts	COM STK USD0.01	1,168,993	3.42
3,500	Intel	COM STK USD0.001 (a)	309,104	0.90
5,000	Mips Technologies	CLASS A COM STK USD0.001 (a)	140,380	0.41
3,000	Motorola	COM STK USD3	57,597	0.17
8,000	Texas Instruments	COM STK USD1	363,006	1.06
20,000	Xicor	COM STK NPV (a)	88,357	0.26
<i>INDUSTRIAL COMPONENTS</i>				
4,000	Ciena	COM STK USD0.01 (a)	440,462	1.29
<i>MACHINERY AND ENGINEERING</i>				
5,000	Transwitch	COM STK USD0.001 (a)	254,955	0.75
<i>MISCELLANEOUS MATERIALS</i>				
14,000	Novellus Systems	COM STK NPV (a)	523,121	1.53
<i>TELECOMMUNICATIONS</i>				
10,000	Antec	COM STK USD0.01 (a)	274,566	0.80
5,000	Black Box	COM STK USD0.001 (a)	261,509	0.76
50,000	Datacraft Asia	SGD0.10	290,669	0.85
20,500	Global Crossing	COM STK USD0.01 (a)	356,338	1.04
15,000	MRV Communications	COM STK USD0.0034 (a)	666,391	1.95
<i>WHOLESALE,INTERNATIONAL TRADE</i>				
18,000	Arrow Electronics	COM STK USD1	368,621	1.08
15,000	Tech Data	COM STK USD0.0015 (a)	431,668	1.26
CANADA 1.60% (1999:0.85%)				
<i>DATA PROCESSING AND REPRODUCTION</i>				
20,000	Cognos	COM STK NPV (a)	546,656	1.60
TOTAL INVESTMENTS			32,440,389	94.87
Current assets (1999: 6.24%)			2,471,147	7.23
Total assets			34,911,536	102.09
Current liabilities (1999: 1.34%)			(715,888)	(2.09)
NET ASSETS			34,195,648	100.00

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

PORTFOLIO OF INVESTMENTS as at 30 June, 2000 *continued*

	2000	1999
Net Asset Value	GBP 34,195,648	GBP 16,372,102
Number of Shares in issue	1,575,733	1,274,024
Net Asset Value per Share	GBP 21.70	GBP 12.85

Classification

(a) Securities dealt in on another regulated market.

(b) Securities other than those admitted to official stock exchange listing or dealt in on another regulated market.

All other Transferable securities are admitted to an official stock exchange listing.

Analysis of Total Assets

% of Total Assets

Securities admitted to official stock exchange listing	41.15
Securities as described in classification (a) above	44.13
Securities as described in classification (b) above	7.58
Other assets (cash/debtors)	7.14
	<u>100.00</u>

Abbreviations used:

ADR	- American Depositary Receipt
COM STK	- Common Stock
NON VTG	- Non Voting
NPV	- No Par Value
ORD	- Ordinary
STK	- Stock
WTS	- Warrants
ARIN	- Adjustable Rate Index Note

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

PORTFOLIO CHANGES since 1 January, 2000

MAJOR PURCHASES	GPB VALUE
Baltimore ARIN	3,032,020
UK Treasury 7% 2001	1,552,704
NXT Plc ARIN	1,129,508
S3	888,110
Psion Plc ARIN	796,128
SCM Micro Systems ARIN	741,540
Engage	553,392
Novellus Systems	519,471
Universal Scientific Industrial	518,926
Action Computer Supplies Holdings	480,473
RSA Security	468,543
QXL.Com	467,600
QPL International Holdings	444,962
K Laser Tech	430,338
Thus	429,912
Teles	408,528
Filtronic	399,030
365 Corporation	383,616
Credence Systems	368,949
Patsystems	326,436
Onesource Information Service	325,195
At Home	323,064
MRV Communications	310,640
Lycos Europe	295,704
Eloquent	293,900
Transwitch	281,733
Wind River System	272,086
Keynote Systems	271,578
Ricoh	250,954
Applied Power	245,592
Dataflex Holdings	243,750
Hikari Tsushin	213,224
Teamtalk.Com	210,125
MTI Technology	210,085

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

PORTFOLIO CHANGES since 1 January, 2000 *continued*

MAJOR SALES	GPB VALUE
Baltimore ARIN	2,269,278
NXT Plc ARIN	844,465
Chartered Semi Conductor	752,582
SCM Micro Systems ARIN	658,343
Premier Farnell	637,083
Psion Plc ARIN	627,708
Unisem (M) Bhd	614,144
Prologue Software	581,641
MRV Communications	549,918
K Laser Tech	521,159
UK Treasury 7% 2001	515,800
Admiral	493,377
Thus	467,593
Anite Group	390,474
Rolfe & Nolan	380,953
Dataflex Holdings	380,953
Transwitch	330,483
TCL International Holdings	326,187
Venture Manufacturing(Singapore)	315,693
Star Publications(Malaysia)Berhad	307,481
Korea Thrunet	294,415
Columbus	284,642
Compal Electronics Manufactures	282,704
Alcatel Alsthom Cie Gen D'ei	281,304
Emap	270,187
Dell ARIN	265,260
EMC Corp Massachusetts	255,069
Freeserve	253,554
Plaut	247,034
Varitronix International	240,848
Recognition Systems	234,104
South China Morning Post Holdings	227,812
SAP-ADR ARIN	215,974
ST Assembly Test Services	199,632
Chime Communications	196,409
Network Associates	190,440
QXL.Com	187,600
QPL International Holdings	185,184
IMS	183,946
Softworks	177,502

Note: Copies of all portfolio changes are available, free of charge, from the Administrator

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

BALANCE SHEET as at 30 June, 2000

	Note	30/06/00 GBP	30/06/99 GBP
Portfolio of Investments	1 (e)	32,440,389	15,569,446
Net current assets			
Debtors	7	82,449	172,886
Cash and bank balances	8	2,388,698	849,802
		<u>2,471,147</u>	<u>1,022,688</u>
Less			
Creditors	9	<u>(715,888)</u>	<u>(220,032)</u>
Net current assets		<u>1,755,259</u>	<u>802,656</u>
Net assets		<u>34,195,648</u>	<u>16,372,102</u>
Shareholders' funds		<u>34,195,648</u>	<u>16,372,102</u>
Net Asset Value per Share		21.70	12.85

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

NOTES TO THE INTERIM UNAUDITED REPORT for the six months ended 30 June, 2000

1. Significant accounting policies

a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the inclusion of securities at valuation and in accordance with the provisions of the UCITS Regulations, 1989. The financial statements are prepared in GBP (Sterling).

b) Income recognition

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. Bank deposit interest and other income are accounted for on an accruals basis. Income from investments is shown gross of withholding tax, with withholding tax suffered shown separately. The policy followed in prior periods was to show such income net of withholding tax. Franked investment income is shown net of the notional tax credit.

c) Realised gains and losses on investments

Realised gains and losses on sales of investments are calculated based on the average book cost of the investment in local currency. The foreign exchange gain or loss based on the translation of the original cost of the transferable securities is included in the net gains or losses on investments. The foreign exchange gain or loss arising on the translation of other assets is included in other gains or losses.

d) Unrealised gains and losses on investments

Unrealised gains and losses on investments arising during the period are included in net gains or losses on investments.

e) Valuation of securities

Equities - Investments in equities are valued at last quoted trade prices at the period end.

Adjustable Rate Index Notes - Investments in adjustable rate index notes are valued using broker quoted closing market prices.

Bonds - Investments in Bonds are valued at last quoted trade prices at the period end.

f) Foreign exchange

Foreign currency assets and liabilities, including investments, are translated into GBP at the exchange rate prevailing at the period end.

Foreign exchange gains and losses arising between transaction and settlement dates on purchases or sales of investments are included in other gains or losses.

g) Organisational costs

Organisational costs comprise of the expenses of forming and launching the Fund and are being amortised over a period of five years.

h) Dividend policy

It is proposed that the Company will declare and pay a dividend in respect of the Fund 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.

2. Taxation

The Company is not liable to any Irish taxes on income or on realised and unrealised capital gains, nor to any Irish withholding tax on dividends distributed by the Fund. Capital gains, dividends and interest received by the Company may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its Shareholders.

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

NOTES TO THE INTERIM UNAUDITED REPORT for the six months ended 30 June, 2000 *continued*

3. Equalisation

Income equalisation arrangements are applied in the case of shares in the Fund. These arrangements are intended to ensure that the income per share which is distributed in respect of the distribution period is not affected by changes in the number of shares in issue during that period. The calculation of equalisation is based on net income and represents the income portion of the price of subscriptions/redemptions of shares.

4. Performance Fees

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 increase is the NAV of the Fund over the relevant period exceeds 10% of the previous highest NAV as at the end of an accounting period or the NAV of the Fund is at the close of the Initial Offer Period is the case of the first period or where this is greater than the previous highest NAV of the Fund. This fee is calculated and accrued at each valuation point.

5. Net Asset Value per Share

The Net Asset Value per Share is determined by dividing the net assets by the total number of shares in issue.

6. Dividends

The distributions take account of income received on the sale of shares and income deducted on the repurchase of Shares (see Note 3).

The Company paid the dividend on 6 April, 1999 of 6.25p per share based on net income of GBP 88,558.

7. Debtors	30/6/00 GBP	30/6/99 GBP
Accrued income	51,415	40,696
Unamortised organisational costs	19,639	27,505
Sale of securities awaiting settlement	-	104,685
Gain on forward contracts	1,587	-
Other Debtors	9,808	-
	<u>82,449</u>	<u>172,886</u>

8. Cash and bank balances

	30/6/00 GBP	30/6/99 GBP
Cash and bank balances	<u>2,388,698</u>	<u>849,802</u>

All cash and bank balances are held with Deutsche Bank A.G., London.

9. Creditors

	30/6/00 GBP	30/6/99 GBP
Purchase of securities awaiting settlement	(545,939)	-
Performance fee	(109,254)	-
Accrued expenses	(60,695)	(220,032)
	<u>(715,888)</u>	<u>(220,032)</u>

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

NOTES TO THE INTERIM UNAUDITED REPORT for the six months ended 30 June, 2000 *continued*

10. Exchange rate

The following GBP exchange rates as at 30 June, 2000 have been used in this report:

EUR	1.5795
HKD	11.7945
JPY	160.1750
MYR	5.7526
TWD	46.6198
US\$	1.5138

11. Soft commission arrangements

There were no soft commission arrangements during the period under review.

12. Adjustable rate index notes (ARINs)

The Fund may invest up to 10% of Net Asset Value in ARINs. An ARIN is a form of promissory note issued by a brokerage firm or other counterparty which provides that the amount of principal will vary inversely to changes in the value of a specified security or basket of securities.

The effect of the such an instrument is equivalent to a short sale of the specified security or basket of securities, except that the potential loss to the Fund is limited to the amount invested in the ARIN.

13. Approval of interim unaudited report

The interim unaudited report was approved by the Board of Directors on 11 August, 2000.

HERALD INVESTMENT FUND PLC

- The Herald Worldwide Fund

Other information

INVESTMENT MANAGER

Herald Investment Management Limited
12 Charterhouse Square
London EC1M 6AX
England

ADMINISTRATOR AND REGISTRAR

Deutsche International Fund Services (Ireland) Limited
George's Dock House
International Financial Services Centre
Dublin 1
Ireland

CUSTODIAN

Deutsche International Custodial Services (Ireland)
Limited
George's Dock House
International Financial Services Centre
Dublin 1
Ireland

AUDITORS

PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
George's Quay
Dublin 2
Ireland

COMPANY SECRETARY

Deutsche International Fund Services (Ireland) Limited
George's Dock House
International Financial Services Centre
Dublin 1
Ireland

LEGAL ADVISERS

In Ireland

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

In England

Macfarlanes
10 Norwich Street
London EC4A 1BD
England

SPONSORING BROKER

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

DIRECTORS

Alan Jeffers, Chairman
William Backhouse
David Boyle
Paul McNaughton

REGISTERED OFFICE

George's Dock House
International Financial Services Centre
Dublin 1
Ireland