



Herald
LEADING-EDGE INVESTING

Herald Investment Trust plc 2024

Half-yearly financial report
For the six months ended 30 June 2024

INVESTMENT OBJECTIVE AND POLICY

Herald Investment Trust plc's (Herald or the Company) objective is to achieve capital appreciation through investments in smaller quoted companies in the areas of technology and communications. Investments may be made across the world. The business activities of investee companies will include information technology, broadcasting, printing and publishing and the supply of equipment and services to these companies. The Company's investment policy is set out in full on page 34 of the Company's annual report and financial statements for the year ended 31 December 2023 and remains unchanged.

INTERIM MANAGEMENT REPORT

The directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules (DTR). The directors consider that the Chairman's Statement on pages 3 and 4 of this half-yearly report, provides details of the important events which have occurred during the six months ended 30 June 2024 and their impact on the financial statements. The statement on Related Party Transactions, the Statement of Directors' Responsibilities and the Chairman's Statement together constitute the Interim Management Report of the Company for the six months period ended 30 June 2024. The outlook for the Company for the remaining six months of the year ending 31 December 2024 is discussed in the Chairman's Statement.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company, including the board's assessment thereof and mitigation factors, are detailed in the annual report and financial statements for the year ended 31 December 2023 on pages 35 to 37 of the Strategic Report. Market risk, liquidity risk and credit risk are discussed in detail in note 17 of the Company's annual report and financial statements for the year ended 31 December 2023. Principal risks facing the Company include the following: strategic risk (risk as an investor in smaller companies); market, economic and geopolitical risks (with these three risks covering currency risk, interest rate risk and other price risk including, but not limited to liquidity, price, valuation, technology and communications, small cap, and political developments); investment management risks (including liquidity of the portfolio and key person risks); third party service provider operational risks (failure of service providers and cyber risk); emerging/external risk (failure to in place procedures that assist in identifying new or familiar risks that become apparent in new or unfamiliar conditions). Other risks are also considered: gearing risk (the use of borrowings can magnify the impact of falling markets); discount volatility; operational risk; emerging/external risks (climate change and global pandemic risk); and regulatory risk (the loss of investment trust status or a breach of applicable legal and regulatory requirements).

In the view of the board, the principal risks and uncertainties facing the business are broadly the same as those in the published annual report and financial statements for the year ended 31 December 2023, and these risks and uncertainties remain applicable to the remaining six months of the year.

The annual report can be obtained free of charge from the Manager, Herald Investment Management Limited ("HIML") (see contact details on page 15) and is available on its website: www.heralduk.com.

RELATED PARTY TRANSACTIONS

Details of the related party transactions were provided in the annual report and financial statements for the year ended 31 December 2023. There have been no changes to the related party transactions described in the annual report that could have a material effect on the financial position or performance of the Company.

GOING CONCERN

The directors have undertaken a review of the Company's financial position and ability to continue as a going concern. This review took account of continuing global tensions (for example between China and the US over Taiwan, the war in Ukraine) and climate change. These uncertainties have created supply chain disruption and exacerbated inflationary pressures worldwide. The Company's principal risks are market-related and the current market conditions have demonstrated the resilience of the Company and its investment objective and policy. The board considers that there are no material uncertainties that call into question the Company's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements and the board is confident that the Company will be able to continue in operation and meet its liabilities as they fall due. Consequently, the financial statements continue to be prepared on a going concern basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the half-yearly financial report and interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R; and
- the half-yearly financial report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein). There have been no such transactions that have materially affected the financial position of the Company.

On behalf of the board

ANDREW JOY
CHAIRMAN
23 July 2024

SUMMARY OF PERFORMANCE

NET ASSET VALUE (NAV)^A
PER SHARE 30 JUNE 2024

£24.73

CHANGE IN NAV^A
PER SHARE SINCE 31 DEC 2023

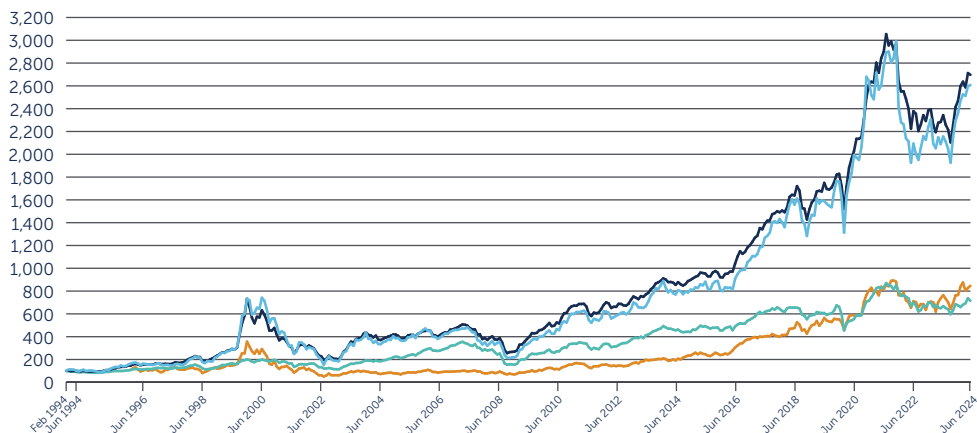
+11.4%

TOTAL NAV RETURN
SINCE INCEPTION

+2,597.0%

TOTAL RETURN SINCE INCEPTION

(FIGURES HAVE BEEN REBASED TO 100 AT 16 FEBRUARY 1994)



Source: LSEG Data & Analytics.

— Fully diluted NAV
— Share price

— Deutsche Numis Smaller Companies plus AIM
(excluding investment companies) Index
— Russell 2000[®] Technology Index (small cap)
(in sterling terms)

Capital return	At inception 16 February 1994	At 30 June 2024	At 31 December 2023	Performance since 31 December 2023	Performance since inception
Net asset value per ordinary share (including current year revenue) ^A	98.7p	2,472.8p	2,219.2p	11.4%	2,405.4%
Net asset value per ordinary share (excluding current year revenue) ^A	98.7p	2,470.6p	2,212.1p	11.3%	2,403.1%
Share price	90.9p	2,185.0p	1,922.0p	13.7%	2,303.7%
Deutsche Numis Smaller Companies plus AIM (ex. investment companies) Index	1,750.0	5,534.2	5,404.7	2.4%	216.2%
Russell 2000 [®] Technology Index (small cap) (in sterling terms) [†]	688.7*	5,099.1	4,605.3	10.7%	640.4%

^A Alternative Performance Measure (APM) – See page 14.

* At 9 April 1996 being the date funds were first available for international investment.

[†] The Russell 2000[®] Technology Index (small cap) was rebased during 2009 following some minor adjustments to its constituents. The rebased index is used from 31 December 2008 onwards.

Past performance is not a reliable indicator of future returns.

CHAIRMAN'S STATEMENT

I am pleased to report that in the first half of 2024 the Company's net asset value per share rose 11.4%. As in 2023 the companies that supply enabling technology for artificial intelligence accounted for the positive return. In particular, Super Micro Computer alone has contributed a gain of £74.0m and although the position has been materially reduced it has remained the largest holding in the Company. For context, the weighted average return of stocks within the US-focused Russell 2000 Technology Index excluding Super Micro has been only marginally positive, with the simple average just negative and the median -6.3%, so the Company's return from its North American portfolio of +30.9% is particularly pleasing. The return excluding Super Micro is still +7.6%.

The European (EMEA) portfolio returned +3.8%. France and Germany have been challenging with the French holdings derating following Macron's snap election call, but this has been more than offset by good returns in the Nordics, particularly Norway. Small growth technology companies can still perform, and BE Semiconductor Industries has again contributed positively. The Asian return was -0.3%. We include Australia in this region and a strong performance there (+28.3%) was offset by a disappointing Japanese return of -9.1% reflecting the exceptional weakness of the Yen.

Regional Market Values and IRR* H1 - 30 June 2024

	Market Value (€m)		IRR*
	31/12/2023	30/06/2024	
Asia	144.0	151.1	-0.3%
EMEA	150.3	151.6	3.8%
North America	341.6	415.4	30.9%
UK	504.0	516.5	7.0%
Total	1,139.9	1,234.6	11.0%
Net liquid assets and government bonds	105.9	102.1	
Total net assets	1,245.8	1,336.7	

* IRR-Internal Rate of Return

NAV movements	30/06/2023	31/12/2023	30/06/2024
Total net assets (€m)	1,253.0	1,245.8	1,336.7
NAV per share (p)	2,094.4	2,219.2 ⁽¹⁾	2,472.8 ⁽²⁾
Shares in issue (number)	59,825,770	56,134,670	54,054,247

(1) Including share buybacks of €63.9m during H2 2023

(2) Including share buybacks of €43.3m during H1 2024

The UK proportion of the Company's net assets has fallen to 38.7%, which is the lowest reported level since inception. The return of +7.0% compares favourably to the Deutsche Numis Smaller Companies plus AIM (ex Investment companies) Index total return of +4.2%. YouGov in which the Company has a sizeable position, notwithstanding previously realised gains of £12.4m has performed poorly following disappointing announcements. However, in general trading in investee companies has been satisfactory and it is pleasing to see some early-stage companies bearing fruit. It is of note that the Company's UK return (and the general UK small cap indices returns) is significantly ahead of the median return in North America. The success of the Magnificent Seven US technology leaders, and Super Micro, masks the indifferent performance among US smaller technology companies more generally as I mention above.

The UK market has faced heavy cash outflows from UK collective vehicles, which are predominantly used by domestic investors. However, perhaps because of these outflows, there has been a high level of takeovers which has relieved the selling pressure. For the Company, IQGeo, Spirent Communications and Gresham Technologies are the material takeovers in progress at the period end date. All the takeovers of companies in which the Company has been invested have been made by overseas entities.

CHAIRMAN'S STATEMENT CONTINUED

In my last statement I mentioned the effect of rising interest rates, but more recently it seems that in some cases domestic investors are realising capital gains for fear of an increase in the tax rate, and the inflows are from overseas corporates, private equity, and more recently direct investing from US investors in some of the larger names held by the Company. We hope that the pessimism from UK investors is misplaced. Now that overseas investors own the majority of the value in the UK market, a change of sentiment would be damaging. This explains the Manager's progressive reduction in weighting in spite of the relatively attractive valuations in the UK, where the headwinds to earnings growth from the rise in corporation tax and the costs of implementing ESG policies, are now partially reflected in results.

In the UK the Company's historic co-investors have either disappeared from the market or are similarly cash constrained by redemptions. The primary markets are not going to function without a functioning secondary market, which requires many players. Successful active fund management is not scalable, and this is particularly the case for investing in smaller companies. Meanwhile the costs of active fund management have risen materially. Markets will wither and die if new capital is not provided to fund the next generation of growth companies, and some of these companies will not attract funding elsewhere. Passive funds do not provide primary capital, nor efficient stock market valuations. Should attractive investment opportunities in the UK market continue to decline, the Manager has demonstrated its ability to generate strong returns in overseas markets and is confident that many existing UK holdings can be realised with patience at materially higher prices through takeovers, in part because so many of them have a global presence.

During the period buy-backs continued at a relatively high rate. In aggregate 3.7% of the outstanding capital was bought back for £43.3m. This follows share repurchases of £107.4m last year. The aggregate value of over £150m bought back in 18 months far exceeds the outside capital ever raised by the Company (£95m). In fact, net outside capital cumulatively is now an outflow of £292m. Nevertheless, due to a strong performance over a long period, the Company remains a substantial FTSE 250 investment company.

It is pleasing that overall net assets per share have increased 18.1% over the last twelve months as well as 11.4% in the period, and the average p/e in each region is trading at a similar level to the start of the year.

Regional Price to Earnings	YE 31/12/2022	YE 31/12/2023	PE 30/06/2024
Asia	16.9	21.5	21.2
EMEA	24.1	30.4	29.7
North America	17.9	22.3	23.9
UK	16.7	16.0	16.4

All investors everywhere must be concerned that fiscal deficits are unsustainably high in so many major economies and that geopolitical tensions are at dangerous levels, which provides a challenging investment environment. The Company is fortunate in having a mandate to invest in a sector that demonstrates growth, and innovation continues at an extraordinary pace. This is opening up new markets, providing cost benefits to traditional businesses and small players can disrupt large ones. Artificial intelligence, the drive to Net Zero, security (both cyber and defence) and the need for efficiencies are all powerful drivers. The Board remains excited to be investing in the sector, and with a Manager who has provided proven long-term performance.

As announced on 24 April 2024, the Board is pleased to welcome Christopher Metcalfe to the Board as an independent non-executive director of the Company. He brings extensive and relevant experience both in Investment Trusts and as an institutional investor.

ANDREW JOY
CHAIRMAN
23 July 2024

TOP TWENTY EQUITY HOLDINGS

At 30 June 2024

Ordinary or common shares unless otherwise stated.

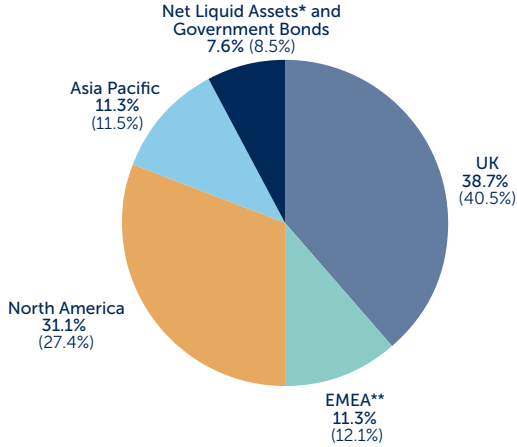
Company (region)	Business	Value £'000	% of total assets
Super Micro Computer (NA)	Leading server and storage vendor	51,656	3.9
BE Semiconductor Industries (EMEA)	Supplier of semiconductor assembly equipment	34,308	2.6
Fabrinet (NA)	Advanced optical, electro-mechanical, and electronic manufacturing services	30,466	2.3
Diploma (UK)	Distributor of components and systems	24,864	1.9
Silicon Motion Technology ADR* (NA)	Develops controllers used with flash memory	22,858	1.7
Trustpilot (UK)	Digital platform to independently record customer experiences and rating	22,381	1.7
Next 15 (UK)	Digital media communications provider	21,922	1.6
Celestica (NA)	Leader in design, manufacturing, hardware platform and supply chain solutions	20,391	1.5
Volex (UK)	Leading global supplier of power and connectivity-related solutions	18,743	1.4
Descartes Systems (NA)	Cloud-based logistics and supply chain management solutions	17,596	1.3
GB Group (UK)	Global specialists in digital identity and fraud prevention	16,168	1.2
Varonis Systems (NA)	Data security and data protection software provider	15,934	1.2
Esker (EMEA)	Developer of process automation software	14,877	1.1
Nordic Semiconductor (EMEA)	Wireless semiconductor technology	14,807	1.1
Idox (UK)	Developer of information management software	14,747	1.1
Pegasystems (NA)	Develops applications for sales, marketing and operations	14,392	1.1
Telecom Plus (UK)	Provider of telecommunications and other utilities	14,385	1.1
Craneware (UK)	Developer of revenue integrity, cost management and decision enablement software	12,458	0.9
IQGeo (UK)	Network design, planning and deployment software provider	12,384	0.9
Wilmington (UK)	Offers intelligence, training and education covering governance, risk and compliance	12,116	0.9
		407,453	30.5

* American Depositary Receipt.

GEOGRAPHICAL SPREAD OF INVESTMENTS

(Distribution of total assets)

30 June 2024 (31 December 2023)

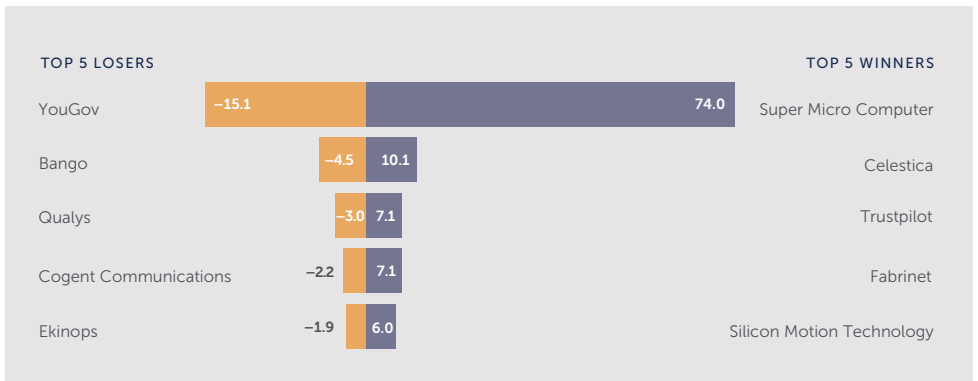


* Cash, current assets and liabilities.

** EMEA: Europe, Middle East and Africa.

TOP FIVE WINNERS AND LOSERS

For the six months ended 30 June 2024 in sterling terms (millions)



CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

	For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	–	80,211	80,211	–	14,003	14,003
Movements in unrealised gains on investments	–	53,254	53,254	–	(22,325)	(22,325)
Losses on foreign exchange	–	(507)	(507)	–	(1,815)	(1,815)
Income	8,560	–	8,560	8,715	–	8,715
Investment management fee – note 3	(6,532)	–	(6,532)	(6,390)	–	(6,390)
Other administrative expenses	(591)	(4)	(595)	(482)	(5)	(487)
Profit/(loss) before taxation	1,437	132,954	134,391	1,843	(10,142)	(8,299)
Taxation	(225)	–	(225)	(293)	–	(293)
Profit/(loss) after taxation	1,212	132,954	134,166	1,550	(10,142)	(8,592)
Profit/(loss) per ordinary share – note 4	2.21p	241.89p	244.10p	2.54p	(16.63)p	(14.09)p
Weighted average number of ordinary shares in issue during the period			54,964,006			60,963,329

The total column of this statement is the profit and loss account of the Company, prepared in accordance with UK Accounting Standards.

The profit/(loss) after taxation is the total comprehensive income and therefore no additional statement of comprehensive income is presented. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

CONDENSED STATEMENT OF FINANCIAL POSITION

(Unaudited)

	As at 30 June 2024 (unaudited) £'000	As at 31 December 2023 (audited) £'000
Fixed assets		
Investments held at fair value through profit or loss	1,295,956	1,200,639
Current assets		
Cash and cash equivalents	39,844	42,285
Other receivables	2,667	4,022
	42,511	46,307
Current liabilities		
Other payables	(1,804)	(1,189)
	(1,804)	(1,189)
Net current assets	40,707	45,118
TOTAL NET ASSETS	1,336,663	1,245,757
Capital and reserves		
Called up share capital	13,514	14,034
Share premium	73,738	73,738
Capital redemption reserve	8,438	7,918
Capital reserve	1,243,756	1,154,062
Revenue reserve	(2,783)	(3,995)
TOTAL SHAREHOLDERS' FUNDS	1,336,663	1,245,757
NET ASSET VALUE PER ORDINARY SHARE (including current year revenue)	2,472.8p	2,219.2p
NET ASSET VALUE PER ORDINARY SHARE (excluding current year revenue)	2,470.6p	2,212.1p
Ordinary shares in issue (number)	54,054,247	56,134,670

CONDENSED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

For the six months ended 30 June 2024

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
Shareholders' funds at 1 January 2024	14,034	73,738	7,918	1,154,062	(3,995)	1,245,757
Profit after taxation	–	–	–	132,954	1,212	134,166
Shares purchased for cancellation – note 7	(520)	–	520	(43,260)	–	(43,260)
Shareholders' funds at 30 June 2024	13,514	73,738	8,438	1,243,756	(2,783)	1,336,663

For the six months ended 30 June 2023

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
Shareholders' funds at 1 January 2023	15,543	73,738	6,409	1,217,387	(8,029)	1,305,048
(Loss)/profit after taxation	–	–	–	(10,142)	1,550	(8,592)
Shares purchased for cancellation – note 7	(587)	–	587	(43,492)	–	(43,492)
Shareholders' funds at 30 June 2023	14,956	73,738	6,996	1,163,753	(6,479)	1,252,964

CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

	For the six months ended 30 June 2024 £'000	For the six months ended 30 June 2023 £'000
Cash flow from operating activities		
Profit/(loss) before finance costs and taxation	134,391	(8,299)
Adjustments for (gains)/losses on investments	(133,465)	8,322
Purchase of investments	(127,771)	(95,624)
Sale of investments	168,074	113,878
Return of capital	223	–
Increase in receivables	(34)	(523)
Increase in payables	64	2
Amortisation of fixed income book cost	(874)	(736)
Effect of foreign exchange rate changes	507	1,815
Overseas tax on overseas income	(234)	(301)
Net cash inflow from operating activities	40,881	18,534
Cash flow from financing activities		
Shares purchased for cancellation	(42,815)	(42,683)
Net cash outflow from financing activities	(42,815)	(42,683)
Net decrease in cash and cash equivalents	(1,934)	(24,149)
Cash and cash equivalents at start of the period	42,285	80,442
Effect of foreign exchange rate changes	(507)	(1,815)
Cash and cash equivalents at the end of the period	39,844	54,478
Comprised of:		
Cash and cash equivalents	39,844	54,478

Cash flow from operating activities includes interest received of £2,065,000 (2023 – £1,232,000) and dividends received of £5,463,000 (2023 – £5,851,000).

As the Company did not have any long-term debt at both the current and prior six month period end, no reconciliation of the net debt position is presented.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Unaudited)

1 FINANCIAL STATEMENTS

The condensed financial statements for the six months to 30 June 2024 within the Half Yearly Financial Report comprise the statements set out on pages 7 to 10 together with the related notes on pages 11 to 13. The condensed financial statements do not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006 and have been neither audited nor reviewed by the Company's auditor. Financial information in relation to the year ended 31 December 2023 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The Company's assets, which largely consist of investments in quoted securities, exceed its liabilities significantly. All borrowings require the prior approval of the board. Gearing levels are reviewed by the board on a regular basis. In accordance with the Company's articles of association, shareholders have the right to vote on the continuation of the Company every three years with the next vote being in April 2025. The Board continues to monitor the impact of the Covid pandemic and the war in Ukraine on the Company as it evolves. No material events have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date this half-yearly financial report is published. The condensed financial statements have been prepared on a going concern basis and it is the directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future.

2 ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 104 Interim Financial Reporting and the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the Association of Investment Companies in July 2022.

The accounting policies applied for the condensed financial statements are as set out in the Company's annual report for the year ended 31 December 2023.

3 INVESTMENT MANAGEMENT FEE

Herald Investment Management Limited is appointed investment manager under a management agreement which is terminable on twelve months' notice. The management fee is 1.0% per annum of the Company's net asset value (excluding current year net revenue) based on middle market prices up to £1.25bn and 0.8% per annum on amounts beyond this level. The management fee is levied on all assets.

4 NET RETURN PER ORDINARY SHARE

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000
Revenue profit after taxation	1,212	1,550
Capital profit/(loss) after taxation	132,954	(10,142)
Total net return	134,166	(8,592)
Weighted average number of ordinary shares	54,964,006	60,963,329

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

5 DIVIDENDS

In accordance with FRS 102 Section 32 'Events After the End of the Reporting Period', the final dividend payable on ordinary shares is recognised as a liability when approved by shareholders. Interim dividends are recognised only when paid.

No dividends were paid for the year ended 31 December 2023 (2022: same), nor declared for the interim (2023: same).

6 FINANCIAL INSTRUMENTS

The Company's investments as disclosed in the Company's balance sheet, are valued at fair value.

Nearly all of the Company's portfolio of investments are in the Level 1 category as defined in FRS 102.

The three levels set out in FRS 102 are as follows:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The investment manager considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The analysis of the valuation basis for the financial instruments based on the hierarchy is as follows:

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Level 1	1,279,686	1,185,554
Level 3	16,270	15,085
Total fixed assets	1,295,956	1,200,639

The fair value of listed security investments is bid value. Investments on the Alternative Investment Market are included at their bid value. The fair value of unlisted investments uses valuation techniques determined by the directors on the basis of latest information in line with the relevant principles of the International Private Equity and Venture Capital Valuation Guidelines.

7 SHARE CAPITAL

At the AGM held on 23 April 2024 the Company's authority to buy back up to 14.99% of its issued share capital at that date was renewed. In the six months to 30 June 2024 a total of 2,080,423 (30 June 2023 – 2,347,453) ordinary shares of 25p each were bought back and cancelled at a total cost of £43,259,825 (30 June 2023 – £43,492,156). At 30 June 2024 the Company had authority to buy back a further 7,679,896 ordinary shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS CONTINUED

(Unaudited)

8 FIXED ASSET INVESTMENTS

During the period, cost of purchases amounted to £127,877,000 (30 June 2023 – £96,651,000) and proceeds of sales amounted to £166,899,000 (30 June 2023 – £114,858,000).

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000
Transaction costs		
Commission costs:		
Purchases	262	109
Sales	339	138
Total commission costs	601	247
Custody transaction costs	4	5
Other transaction costs	16	40
Total transaction costs	621	292

ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURE ('APM')

An APM is a numerical measure of the Company's current, historical or future performance, financial position or cash flows other than a financial measure defined or specified in the applicable financial framework. The following APMs are typically used within the investment trust sector to provide additional useful information to shareholders and others and to help assess an investment trust's performance and position against its peers and the market generally. The Company's directors have therefore chosen the following APMs as useful measures. However, shareholders should make the important distinction for the discount APM that the Company does not target or attempt to control the discount (or premium) given that this is a function of the stock market's view of the Company's share price.

NET ASSET VALUE ('NAV') PER ORDINARY SHARE

The value of the Company's assets less any liabilities for which the Company is responsible, divided by the number of shares in issue. The NAV per ordinary share is published daily.

The NAV per ordinary share is shown both including and excluding current year revenue.

The change in NAV per share (see total return below) during the period ended 30 June 2024, as shown on page 2, is calculated by taking 30 June 2024 total return and dividing by the opening NAV for the period (that is, the NAV disclosed for 31 December 2023).

	PAGE		30 June 2024 per share (pence)	30 June 2024 £'000
Net asset value (including current period revenue)	2	A	2,472.8	1,336,663
Less net revenue profit after taxation		B	(2.2)	(1,212)
Net asset value (excluding current period revenue)	2	A+B	2,470.6	1,335,451

Net asset value per ordinary share is based on net assets as shown above and on 54,054,247 ordinary shares, being the number of ordinary shares in issue at the balance sheet date.

TOTAL RETURN

Share price and NAV total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both the movement in share price/NAV and any dividends paid to shareholders.

	PAGE		Share Price	NAV (incl revenue)	NAV (excl revenue)
Opening at 1 January 2024	2	A	1,922.0p	2,219.2p	2,219.2p
Closing at 30 June 2024	2	B	2,185.0p	2,472.8p	2,470.6p
Price movements		$C=(B-A)/A$	13.7%	11.4%	11.3%
Dividend reinvestment*		D	–	–	–
Total return		C+D	13.7%	11.4%	11.3%

* No dividend has been declared for the period (2023–nil).

DISCOUNT OR PREMIUM

The amount by which the share price of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

	PAGE		30 June 2024	31 December 2023
Share Price (p)	2	A	2,185.0	1,922.0
Net Asset Value per share(p)	2	B	2,472.8	2,219.2
Discount	2	$(A-B)/B$	11.6%	13.4%

FURTHER SHAREHOLDER INFORMATION

DIRECTORS

Andrew Joy (Chairman)
Stephanie Eastment
Priya Guha MBE
Henrietta Marsh
Christopher Metcalfe (appointed 24 April 2024)
Karl Sternberg (retired 23 April 2024)
James Will

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COMPANY NUMBER

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