

Key information

as of 28 April 2023

Total Net Assets (m)	£166.31
Total Net Asset Value per Share	147.15 p
Share Price	141.00p
Discount	-4.2%
Bloomberg Ticker	NAVF LN

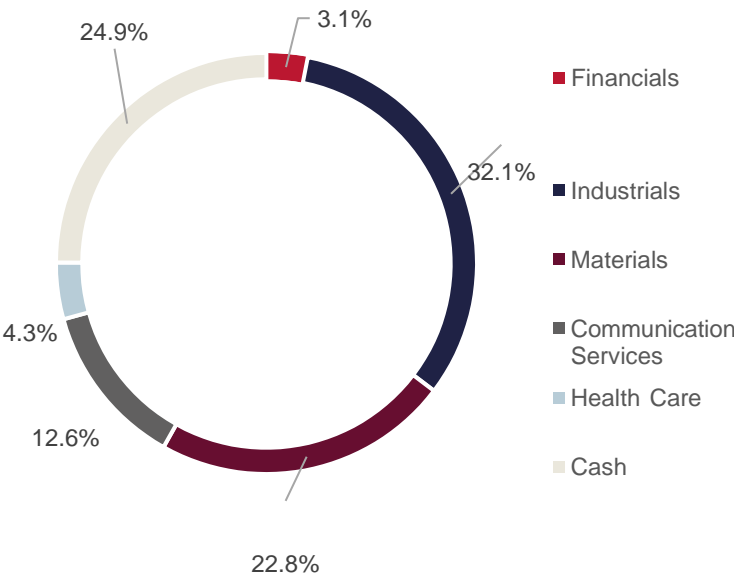
Performance

Performance	Since
Total Return	Month Inception
NAVF Share Price	+2.2% +41.0%
NAVF Net Asset Value	-2.4% +47.2%

Portfolio characteristics

Equity Investments	75.1%
Price / Book	134.5%
Price / Earnings	14.0x
EV / EBITDA	5.4x
Net Cash / Market Cap	21.6%
Adjusted Cash / Market Cap	32.3%
Net Working Capital / Market Cap	39.1%

Sector breakdown



About NAVF

Nippon Active Value Fund (“NAVF”) is an Investment Trust listed on the Specialist Fund Segment of the London Stock Exchange. The investment advisor of the Fund is Rising Sun Management Limited.

NAVF is targeting attractive levels of capital growth for shareholders from the active management of a focused portfolio of quoted small cap Japanese equity investments.

The investment advisor, Rising Sun Management Limited, targets companies which are attractive, undervalued and have a substantial proportion of their market capitalisation held in cash and/or listed securities and/or realisable assets.

Top 10 holdings as a percentage of net assets

as of 28 April 2023,

1	INTAGE HOLDINGS INC	(Communication Services)	12.3%
2	MITSUBOSHI BELTING	(Industrials)	9.6%
3	EBARA JITSUGYO CO	(Industrials)	9.2%
4	NIPPON FINE CHEM	(Materials)	8.2%
5	MEISEI INDUSTRIAL	(Industrials)	4.7%
6	VITAL KSK HOLDINGS	(Healthcare)	4.4%
7	ISHIHARA CHEMICAL	(Materials)	4.0%
8	BUNKA SHUTTER CO	(Industrials)	3.3%
9	KONISHI CO LTD	(Materials)	3.1%
10	STELLA CHEMIFA	(Materials)	2.8%

Monthly Market Commentary

Hiromi Yamaji became president of the Japan Exchange Group at the end of March. In an encouraging inaugural interview with the Nikkei, it is clear that Yamaji-san intends that the TSE adopts the role of Japan’s ultimate arbiter of corporate governance:

“We will more effectively implement Japan’s Corporate Governance Code... we will urge publically traded companies to update plans for improving return on equity at least once a year... We have laid the groundwork to incentivize improvement in corporate value, but some companies’ share prices are still sluggish, and we’re not satisfied with the current situation... Too many Tokyo listed companies have a P/B ratio below 1... Companies should engage in constructive dialogue with investors... it’s worth listening to shareholders... incorporating their thoughts into business strategies could result in interesting synergies” By the FT’s estimate 53% of all quoted Japanese companies trade at less than 1xPBR and amongst smaller companies, where NAVF operates, the percentage is even higher! The TSE’s policy of ‘naming and shaming’ is right out of our playbook.

The good news continues. Ihara Science’s President Nakano was able to announce the completion of the MBO that we had urged upon the Company. By publicly declaring our support for his tender offer, we believe NAVF and Michael 1925 were instrumental in ensuring the success of this operation. RSM tendered the group’s entire holding of 10% of outstanding, which, at the tender price of Y2980, produced a gain of 51% in the one and a half years of our engagement. The structure of Ihara Science’s future as a private company is still under consideration and we remain in dialogue to see if we can help further.

Important notice

Nippon Active Value Fund (“NAVF”) is an investment trust, listed on the London Stock Exchange in the United Kingdom, and advised by Rising Sun Management Limited. The value of its shares, and any income from them, can fall as well as rise and investors may not get back the amount invested.

The specific risks associated with the NAVF include:

NAVF invests in overseas securities. Changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

NAVF can borrow money to make further investments (sometimes known as “gearing” or “leverage”). The risk is that when this money is repaid by NAVF, the value of the investments may not be enough to cover the borrowing and interest costs, and NAVF will make a loss. If NAVF’s investments fall in value, any invested borrowings will increase the amount of this loss.

NAVF can buy back its own shares. The risks from borrowing, referred to above, are increased when a trust buys back its own shares.

Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price NAVF might receive upon their sale.

NAVF can make use of derivatives which may impact on its performance.

Investment in smaller companies is generally considered higher risk

as changes in their share prices may be greater and the shares may be harder to sell. Smaller companies may do less well in periods of unfavourable economic conditions.

NAVF’s exposure to a single market and currency may increase risk.

The aim of NAVF is to achieve capital growth. It does not target a specific yield and might not pay a dividend every year.

NAVF is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

The numbers used in this factsheet are provisional and taken from Rising Sun Management Ltd’s Bloomberg feed. They are liable to change at short notice.

This information has been issued and approved by Rising Sun Management Limited and does not in any way constitute investment advice. This factsheet does not constitute an offer or invitation to deal in securities.

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