

## Key information

as of 31 January 2024

<b>Total Net Assets (m)</b>	£321.54
<b>Total Net Asset Value per Share</b>	170.00p
<b>Share Price</b>	165.00p
<b>Discount</b>	-2.9%
<b>Bloomberg Ticker</b>	NAVF LN

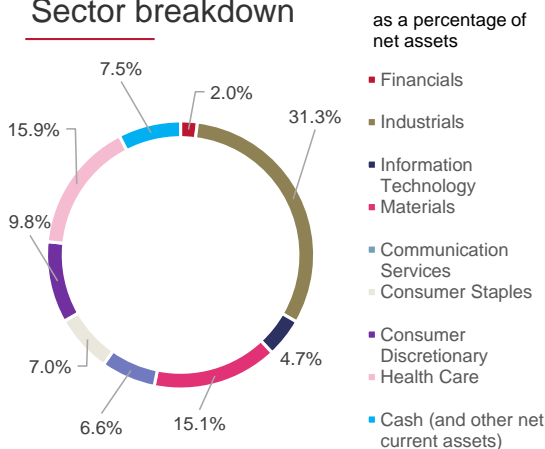
## Performance

Performance	Month	Since Inception
<b>Total Return</b>		
NAVF Share Price	+1.9%	+65.0%
NAVF Net Asset Value	+0.4%	+70.0%

## Portfolio characteristics

<b>Equity Investments</b>	92.5%
<b>Price / Book</b>	119.7%
<b>Price / Earnings</b>	18.1x
<b>EV / EBITDA</b>	5.5x
<b>*Adjusted Cash / Market Cap</b>	31.9%
<b>**Net Working Capital / Market Cap</b>	38.7%

## Sector breakdown



\*Adjusted Cash / Market Cap = (Cash + Cross Shareholdings - Debt) / Market Cap

\*\*Net Working Capital / Market Cap = (Cross Shareholdings + Total Current Assets - Total Liabilities) / Market Cap



## About NAVF

Nippon Active Value Fund ("NAVF" or the "Fund") is an Investment Trust admitted to Trading on the Premium Segment of the Main Market of the London Stock Exchange and to the Premium Listing Segment of the Official List. The Investment Adviser 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 and mid cap Japanese equity investments.

The Investment Adviser targets companies which are perceived by the Investment Adviser to be 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 31 January 2024

<b>1</b>	<b>FUJI MEDIA HOLDINGS INC</b>	(Communication Services)	6.6%
<b>2</b>	<b>BUNKA SHUTTER CO</b>	(Industrials)	6.0%
<b>3</b>	<b>EIKEN CHEMICAL CO</b>	(Healthcare)	5.6%
<b>4</b>	<b>RINNAI CORP</b>	(Consumer Discretionary)	5.6%
<b>5</b>	<b>NIPPON FINE CHEM</b>	(Materials)	4.8%
<b>6</b>	<b>MEISEI INDUSTRIAL</b>	(Industrials)	4.6%
<b>7</b>	<b>EBARA JITSUGYO CO</b>	(Industrials)	4.4%
<b>8</b>	<b>MITSUBOSHI BELTING</b>	(Industrials)	4.1%
<b>9</b>	<b>MURAKAMI CORP</b>	(Consumer Discretionary)	4.0%
<b>10</b>	<b>ASKA PHARMACEUTICAL</b>	(Healthcare)	3.7%

## Monthly Market Commentary

The big news in January was the launch, on 22nd, by Bain & Co of its tender offer for all of T&K Toka. NAVF and its concert party of co-investors had owned approximately 25% of the company's equity for some time. Indeed, RSM had previously spearheaded a failed TOB, which had had the positive effect of causing the CEO to resign and for the Board to throw themselves upon the tender mercies of Bain & Co as a 'white knight'. Leveraging the concert party's outsize position, RSM has agreed to offer all the shares under its control into the tender, in return for 15% of the voting equity in the eventual private successor vehicle and a Board seat for Kazutaka Mizuochi, RSM's President, in the holding entity. The tender appears to be heading for success and we expect NAVF to take-up at least its pro rata share of Bain's private vehicle when the deal completes. The precise terms will be determined when the TOB closes.

It has always been NAVF's strategy to retain pieces of private equity resulting from liquidity events in portfolio companies. The fund was structured to do this, up to 10% of AUM, and we are delighted, following the failure to achieve ongoing participation in Sakai Ovex and Ihara Science, to be moving forward with a transaction we hope will become a precedent for the future. We believe in upside potential of T&K Toka when it is either eventually relisted or its component parts sold off.

Performance over the month was reasonable. Fuji Media, another company where we believe something must happen (if only to address its trading at only 0.5x of PBR!), is now the fund's largest holding.

## 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.

## Contact

### Joint Brokers

Shore Capital  
Cassini House  
57 St James’s Street London  
SW1A 1LD

T: +44 (0) 207 408 4090

Berenberg  
60 Threadneedle Street  
London  
EC2R 8HP

T: +44 (0) 203 753 3000

Further information can be found at:  
[www.nipponactivevaluefund.com](http://www.nipponactivevaluefund.com)