

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

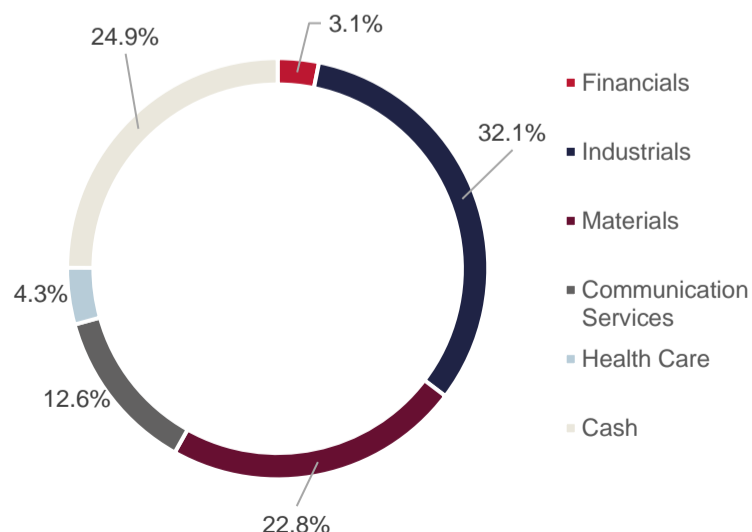
Performance

Performance	Month	Since Inception
NAV Share Price	+2.2%	+41.0%
NAV 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

It is Golden Week season again, and, like last year, we have sent letters recommending various actions to improve capital allocation and better corporate governance to thirteen portfolio companies. Our suggested measures include: higher awards of restricted stock to management, the appointment of a majority of independent directors to Boards, and, as ever, strategic buybacks. I am pleased to say we have made considerable progress in our engagement with the companies we own and, already, we have agreed to remove three sets of proposals where the targets have either implemented or agreed to do so imminently some or all of our requests.

Our biggest challenge at the moment (partly the result of success with the Ihara Science MBO and the proceeds received), is to deploy our higher than average cash pile (currently around 25% of the Fund). It does not appear seemly to berate our targets for holding too much cash and then following suit ourselves! So, as our AUM has grown, a number of new positions are being opened. Currently, the portfolio consists of 25 counters, and there are several more approved and waiting to join them. We are also considering short-term methods to get money to work in more liquid instruments, while individual holdings are built over time.

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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