

Key information

as of 31 August, 2022

Total Net Assets (mm)	£152.51
Total Net Asset Value per Share	134.94 p
Share Price	113 p
Discount of Share Price of NAV	-16.26%
Bloomberg Ticker	NAVF LN

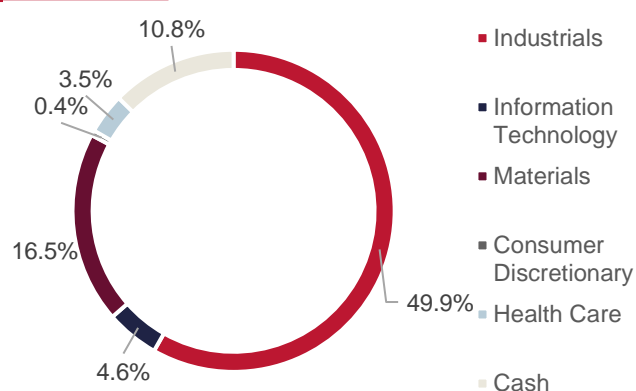
Performance

Performance	Month	Since Inception
Total Return		
NAVF Share Price	-3.42%	+13%
NAVF Net Asset Value	3.65%	+34.9%

Portfolio characteristics

Equity Investments	89.17%
Price / Book	122.94%
Price / Earnings	12.4x
EV / EBITDA	4.6x
Net Cash / Market Cap	26.96%
Adjusted Cash / Market Cap	40.58%
Net Working Capital / Market Cap	54.80%

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 31 August, 2022

1	MITSUBOSHI BELTING LTD	(Industrials)	15.1%
2	INTAGE HOLDINGS	(Communication Service)	14.4%
3	IHARA SCIENCE CORP	(Industrials)	9.1%
4	EBARA JITSUGYO	(Industrials)	7.8%
5	NIPPON FINE CHEM	(Materials)	6.4%
6	TEIKOKU ELECTRIC	(Industrials)	5.0%
7	MEISEI INDUSTRIAL CO LTD	(Industrials)	4.6%
8	ISHIHARA CHEMICAL	(Materials)	4.1%
9	BUNKA SHUTTER CO	(Industrials)	3.5%
10	VITAL KSK HD	(Health Care)	3.5%

Monthly Market Commentary

The two most obvious themes of the last month are, unfortunately, beyond RSM's power to influence. The underlying performance of the portfolio has remained strong: gratifyingly Intage Holdings was up over 10%, while Meisei Industrial, Ihara Science and Teikoku Electric all posted 5+% gains.

Against this good news, we must set the continued and very marked decline in the value of the Yen against sterling (itself at 20 year lows against the US\$). The currency has cost us roughly 20% in performance this year. Although we might feel that this will have to reverse at some point, that point may not be soon - unlike just about every other major economy, Japan does not have an inflation problem begging the monetary authorities to hike interest rates!

Similarly, the discount between the Fund's respectable NAV and the actual share price has continued to widen and now stands around 16%. RSM finds this both disappointing and a little mystifying - but, as the traders at our broker might say, 'that's what makes a market'.

Important notice

Nippon Active Value Fund (“NAV”) 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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