



**NAV**

**HALF-YEARLY REPORT  
FOR THE SIX MONTH PERIOD ENDED  
30 JUNE 2022**

**RIISING SUN MANAGEMENT LTD**

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# INVESTMENT OBJECTIVE, FINANCIAL INFORMATION AND PERFORMANCE SUMMARY

## INVESTMENT OBJECTIVE

The investment objective of Nippon Active Value Fund Plc (the “Company” or “NAVF”) is to provide Shareholders with attractive capital growth through the active management of a focussed portfolio of quoted companies which have the majority of their operations in, or revenue derived from, Japan and that have been identified by the Investment Adviser as being undervalued.

## FINANCIAL INFORMATION

	As at 30 June 2022	As at 31 December 2021
Net assets	£136.8m	£156.0m
Net asset value (“NAV”) per Ordinary Share (“Share”) <sup>1</sup>	121.03p	137.90p
Share price	104.50p	134.00p
Share price discount to NAV (%) <sup>2</sup>	13.66%	2.83%
Ongoing charges <sup>2</sup>	1.36%	1.37%

## PERFORMANCE SUMMARY

	For the Six month period to 30 June 2022 % change <sup>3</sup>	For the Six month period to 30 June 2021 % change <sup>3</sup>
NAV total return per Share <sup>2</sup>	-10.9	+10.1
Share price total return per Share <sup>2</sup>	-20.7	+17.5
MSCI Japan Small Cap index (sterling terms) total return	-8.7	+1.4

<sup>1</sup> This is measured on a cum income basis.

<sup>2</sup> These are Alternative Performance Measures (“APM”). Definition of these and other APMs used in this report, together with how these APMs have been calculated are disclosed on page 26 of this report.

<sup>3</sup> Total returns are stated in GBP sterling, including dividend reinvested.

Source: Bloomberg

# CHAIR'S STATEMENT

## Performance

I am pleased to present the third half-yearly report ("Half-yearly Report") for Nippon Active Value Fund plc ("NAVF" or the "Company"), covering the period from 1 January 2022 to 30 June 2022.

This was an exceptionally difficult period for all markets, which corrected in the face of increased geopolitical risk, the disruption to commodity supplies, largely related to the war in Ukraine, as well as a sharp rise in inflation forecasts. The US dollar strengthened against most currencies and the yen was particularly weak, falling by 17.9% against the US dollar and 6.1% against sterling over the reporting period. Between the end of 2021 and 30<sup>th</sup> June 2022 the total return of the Company's net asset value in sterling terms was -10.9%, while the share price total return fell by 20.7%, reflecting a widening in the discount from 2.8% to 13.7%. For comparison, the MSCI Japan Small Cap Index in sterling terms fell by 8.7% over the same period. The Company's policy is not to hedge the currency; the rationale for this is discussed in detail in the Investment Adviser's report which follows.

Since the end of June 2022, the Company's NAV has risen by 8.9% (as of 20 September 2022) while the discount to share price has narrowed slightly to 11.9%.

Rising Sun Management, our Investment Adviser, benefits greatly from the resources of its colleagues and research affiliates who are based in Tokyo. In May, members of RSM based outside Japan were also able to visit Japan in person for the first time since the launch of the Company. The results of those and earlier 'virtual' meetings, as well as details of their activity in a very productive and active AGM season, are included in the Investment Adviser's report. That report also summarises the fundamentals of the portfolio, which confirms the exceptional value offered by their target universe.

## Dividend

The Company's intention is to achieve its returns primarily through capital appreciation. As such, no specific dividend policy has been established and any distributions will be made entirely at the discretion of the Board, taking into consideration the requirement to ensure the Company's compliance with the rules relating to investment trusts. The Board has decided not to declare an interim dividend for the half year ended 30 June 2022.

## Co-investments

In June, the Company announced that it had reached an agreement with RSM and Dalton Investments which enables both NAVF and Dalton to invest in securities already held in the other's portfolio subject to the ratification of the NAVF Board. This is in addition to agreements with two other investment vehicles advised by RSM. As a result, NAVF is able to include slightly larger companies in their universe, given the greater impact of the combined holdings. At the end of June there were 22 holdings in the NAVF portfolio that were jointly held with Dalton and/or the two Special Purpose Vehicles.

## Gearing

The Company has arranged a borrowing facility of £30 million to provide the Investment Adviser with flexibility to gear the portfolio when appropriate. At the 30 June 2022, the portfolio held 6.8% in cash and as of 20 September 2022 is approximately 14.713% net cash.

## Outlook

The Company's strategy is to invest in a small number of deeply undervalued companies where there is a strong potential for engagement with management to improve returns to shareholders through, for example, higher dividend pay-outs or share buy backs. Over time, we expect that performance to be less correlated to the broad Japanese stock market and economy than more traditional equity funds. We have

been encouraged by the increase in corporate activity and shareholder engagement in the first half of the year, and in particular the greater participation of domestic investors. According to the Daiwa Institute of Research activists submitted proposals to a record number of company AGMs this year, and while the majority of proposals were from foreign investors, domestic institutions are increasingly supportive.

The RSM team continues to identify a number of potential investment opportunities and is encouraged by the responsiveness of many, if not all, of the companies they engage with. Despite the disappointing start to the year, we remain confident of the prospects for the rest of the year and beyond.

**Rosemary Morgan**  
**Chair**  
**21 September 2022**

# INVESTMENT ADVISER'S REPORT

## For the half-year ended 30 June 2022

### Performance of the Company for 2020, 2021 and Q1, Q2 and YTD 2022:

	Absolute			Cumulative		
	JPY	Sterling/Yen FX Change	GBP	JPY	FX	GBP
21 February 2020 to 31 December 2020	12.19%	1.39%	13.58%	12.19%	1.39%	13.58%
Year Ending 31 December 2021	34.18%	-12.77%	21.41%	50.54%	-12.64%	37.90%
1st Quarter 31 March 2022	-5.01%	-2.28%	-7.30%	42.99%	-15.15%	27.84%
2 <sup>nd</sup> Quarter 30 June 2022	-2.26%	-3.07%	-5.33%	39.76%	-18.73%	21.03%
Year to Date 31 August 2022	1.35%	-3.49%	-2.15%	50.20%	-15.26%	34.94%

Russia's war on Ukraine and its attendant effect on energy prices in Europe and food supplies around the world have exacerbated concerns over growing global inflation and caused dramatically weaker stock markets everywhere. The calendar year-end 2021 marked the highpoint of the multi-year bull market with share prices in all markets beginning this year in full-scale retreat, none more so than those listed on Japan's already ridiculously cheap exchanges. The last month and a half have witnessed the cautious start of a recovery, but this cannot be described as confident – as I write this (12<sup>th</sup> August 2022), the jury is still out on the medium-term direction of investment flows.

Ascribing the relatively disappointing performance of NAVF in the first half of 2022 to jittery stock markets worldwide would be misleading – they were not even the most significant factor! NAVF is a sterling denominated fund that does not hedge the underlying currency of its yen investments. The pronounced decline in the Yen's value against the pound, itself weakening substantially against a dollar reinforced in its role as the world's reserve currency, cost the Company almost 15% of total return performance by the end of April. This has started to moderate slightly in the last two months. Measured in purely Yen terms, the cumulative return of the Company since inception was +50.5%. This had declined to 36.6% by the end of April 2022 but had recovered to 48.2% on 31<sup>st</sup> July. In sterling terms, the equivalent performance of the Company's NAV, as reported daily to the London Stock Exchange, for the same dates was: 37.9%, 17.9% and 30.2%. As of the date of writing (12<sup>th</sup> August 2022) this has improved further to 34.0%.

Several investors have asked whether we harbour any plans to introduce hedging now. The answer is no. NAVF was conceived as an unhedged vehicle, which is what the prospectus provides for. Our focus is on identifying undervalued companies whose managements are likely to respond to our arguments for improving returns to all shareholders. We are not foreign exchange specialists or better market timers than anyone else and do not want to increase our shareholders' risk through poorly timed macroeconomic decisions.

## Portfolio Composition

We have continued to divest from FEFTA Category 3 companies (the Foreign Exchange and Foreign Trade Act category which imposes the most restrictions on foreign shareholders). These included Soda Nikka, Teikoku Electric and Nihon Kagaku Sangyo, as well as selected other positions we felt would not contribute to overall returns. For example, the sale of Hirano Tecseed, and DKK Toa have been completed. At the same time, we have continued to add to our positions in Ihara Science, Meiko Transport and Meisei Industry.

This Golden Week AGM season, we sent shareholder proposals to eleven companies:

	Name
1	Daiichi Kensetsu Corp
2	Hirano Tecseed Co Ltd/Kinzoku
3	Ihara Science Corp
4	Ishihara Chemical Co Ltd
5	Konishi Co Ltd
6	Mitsuboshi Belting Ltd
7	Nihon Denkei Co Ltd
8	Nippon Fine Chemical Co Ltd
9	Vital KSK Holdings Inc
10	Teikoku Electric MFG Co Ltd
11	Soda Nikka Co Ltd

Predictably, all the recipients of our proposals (essentially the same: to grant meaningful allocations of restricted stock to management, not just directors, and to undertake a 10% buyback over the next year), rejected them formally. Nevertheless, six companies subsequently responded with actions of their own (as discussed below). As a result, and at their request, we were happy to withdraw our proposals before the AGMs. As noted below, our willingness to acknowledge the efforts they had made, allowed for noticeably more constructive meetings with senior management when we were finally able to meet them in person on our recent trip to Japan.

- **Mitsuboshi Belting**

- The company announced its intention to pay Y220 per share divided over two years, and a 100% dividend pay-out ratio, with a target to improve ROE to 8%
- The shares were trading around Y2,000 per share at the time of the announcement, which equates to a 11% dividend yield, making it one of the highest dividend yields in the market
- As a result of these initiatives, the shares have rallied more than 56% since the announcement to close at Y3,125 today
- Given the shares are still relatively high yielding, we believe there may be further upside
- As a gesture of goodwill and to congratulate the Company on its initiative, we were happy to withdraw our proposals and remain invested

- **Teikoku Electric**

- The company announced a 100% pay-out ratio (50% pay-out in dividends and 50% in share buybacks) starting next financial year
- Although we were again happy to withdraw our proposals, we had already taken the decision to start selling down our holdings of this Category 3 company (see above)
- Following their announcement, we suspended sales and, given we still own 3.3% of outstanding, we have enjoyed the roughly 17% bounce in the stock

- **Chiyoda Integre**
  - The Company announced indifferent earnings but also pledged a 100% pay-out ratio and initiated a large buyback
  - We withdrew our proposals and took the opportunity to exit
  
- **Ihara Science**
  - In early May the company announced a new restricted share compensation programme and a modest dividend increase. The proposed scheme is one-third the size of our proposal, but a large step in the right direction
  - In early August it followed these moves with a strong earnings announcement
  - We were happy to withdraw our proposals and have enjoyed the stock's recent 25% blip upwards
  
- **Bunka Shutter**
  - The Company announced a 13.1% buyback – larger than our proposal
  - We were happy to withdraw our proposals. Since early May the stock has risen 17%, of which 5% was on the day of the buyback's announcement
  
- **Sankyo Seiko**
  - The Company announced a large buyback which produced a spike in its shares.

As can be seen by our increasingly public interchange, our most fractious relationship with a portfolio company has been with **Intage Holdings**. They continue to reject out of hand our suggestion that the Company would benefit from a friendly Management Buyout (MBO) and we made little progress on this subject when we were finally able to sit down with their leadership team in Tokyo in late May.

Their AGM was a little later than the other portfolio companies we had written to, but, nevertheless, we decided to urge our favourite proposals at the meeting. We were surprised and gratified when, on 5<sup>th</sup> August, Intage announced (i) that they will replace their current trust-type share incentives with restricted shares of the type we were advocating, (ii) a JPY 2 billion share buyback and (iii) a JPY 3 dividend increase. Although the size of the restricted share incentives, share buyback and dividend increase were all smaller than our proposals, it was apparent that the Company had taken them seriously and had responded positively. On this occasion, we were delighted to formally remove our recommendations and this 'friendly' act has been met with approbation at the Company. The share price had been improving since June and this has continued following the Company's actions.

### Tokyo May 2022

At the end of May, Jamie Rosenwald and I were finally able to travel to Tokyo for the first time since NAVF was launched back in February 2020. Going there is still not easy and there are multiple hoops to jump through and much time and patience needed to gain entry. However, it was worth the effort. During the week we were there, we had meetings, in both Tokyo and Osaka/Kobe, with the CEOs and senior management of the following NAVF portfolio companies:

Ebara Jitsugyo  
 Ihara Science  
 Intage Holdings  
 Chino Corporation  
 Mitsuboshi Belting  
 Ishihara Chemical  
 Meisei Industrial



In addition, we saw a host of other potential investments, including several companies where Dalton Investments (see below) is already one of the largest shareholders and which may well be suitable targets for acquisition under our new Memorandum Of Understanding (see 'a new strategic alliance' below). We also met companies that are themselves the managers of a portfolio of companies they control, in which we have shared interests, such as Hikari Tsushin and Ai Holdings.

Our meetings with successive professional services providers revealed an unexpected potential sea-change in local attitudes. We met a number of Private Equity houses, both locally and American-owned, and they showed as much enthusiasm for their prospects as we have come to expect. Nevertheless, putting poorly run companies 'in play' and into the arms of our PE contacts, forever keen to be seen as white knights against RSM's 'black hat,' has proven more difficult than we would like. Maybe, though, things are beginning to change.

The real surprise was the banks. The three big money-centre banks who list most of corporate Japan amongst their clients and for whom they function as principal banker, and often as adviser (as we saw in the case of Sakai Ovex) have not changed. However, we saw representatives of two regional second-tier operators and the local branch of an European behemoth. With varying degrees of commitment (and fees!), they all said something similar: That a tender offer launched for less than a majority of a company's outstanding equity, say up to 48% (as in the case for SBI's offer for Shinsei Bank, surprisingly and happily waved through by the regulators), could now be deemed to be in a 'grey area'. Clearly, there are varying shades of grey, but all three were willing, in principle, to finance and front what they termed an 'unsolicited,' rather than 'hostile,' offer. We have initiated detailed discussions with all these banks under the protection of NDAs, including providing our initial wish-list of companies with which we would like to engage, to see if we can come to terms. This process will not be straightforward, and potential funders are still very concerned about their reputations, but access to this type of funding and the credibility it would provide to the regulators, is worth almost any effort to procure. Time will tell.

### **A new strategic alliance**

NAVF investors know that the Company was set-up because the principals of Dalton Investments, who had grown a thriving business predicated on friendly co-investment in owner or entrepreneur-operated Japanese companies, wanted a separate vehicle to pursue the far sleepier and much larger (roughly 85% of all listed companies) 'salaryman'-run segment of the market. The prevailing logic was that companies run by owners would benefit from shared aspirations and economic alignment with external shareholders. Thus, their actions would be typified by the efficient use of capital and designed to help the business and shareholder returns grow.

By contrast, the corporate governance reforms and stock exchange restructuring brought about by then Prime Minister Abe and his successors would finally give investors the tools and leverage they needed to 'buck-up' the managements of the vast bulk of companies who hugged traditional norms and inertia to their bosoms, while they slept soundly at night on enormous mounds of surplus cash.

Though simplistic, this description of a divided market has largely been accurate, but now several themes are emerging that might lead to a fusion of both styles of investment and, perhaps, change.

Dalton's management has recognised two new drivers in the owner-operated portion of the world. First, many founder entrepreneurs are retiring (or dying) and handing on the reins – and not always to managers

of the same quality, imagination, and commitment. Sometimes, even to the dreaded 'salarymen.' Second, and as a logical consequence of the first, and of time passing generally, the principals at Dalton are becoming increasingly frustrated with slow progress, while eyeing jealously their experience with NAVF and its greater ability to influence recalcitrant or just plain lazy managements.

With the test cases of change forced at Toshiba and the surprisingly successful takeover of Shinsei Bank by SBI Holdings Inc.'s chief executive officer, Yoshitaka Kitao, it is obvious that the ever-increasing activism going on at all levels in corporate Japan is only going to expand and is gaining traction. The combination of Rising Sun's tool kit, used on NAVF's behalf, with the added firepower of Dalton's investment capacity in individual and carefully chosen counters, should result in greatly enhanced leverage when managements are engaged. As has been seen, scale is important in this process, and while NAVF continues to grow slowly, operating with Dalton in specific instances will supercharge its efficacy and, hopefully, returns. To this end, NAVF, Dalton Investments and Rising Sun Management have executed a comprehensive Memorandum of Understanding (MOU) on 2<sup>nd</sup> June 2022 allowing, under clearly defined conditions, overlapping investments in both directions. This will deliver an order of flexibility NAVF has never enjoyed before.

Early examples of this new co-operation include T&K Toka, where Dalton already owned over 20%, and Stella Chemifa, a company poised to benefit greatly from the current energy squeeze and the potential recommissioning of Japan's dormant nuclear power generators, a policy being promoted by the Kishida government.

## Outlook

For some while, RSM has wished that NAVF had more firepower to intervene in particular situations. By combining with Earle 1927, Michael 1925 (both of which it already advises) and now, crucially, Dalton, it will. If you couple this luxury to take bigger positions and become the largest or one of the largest holders of each target company, with the ability to satisfy the Kanto Finance Bureau (or Japanese equivalent of the UK's Takeover Panel) that financing is available in an acceptable form, activism moves to the next level. We met a senior corporate lawyer in Tokyo, who likened the direction of travel for the Japanese activist industry as towards the LBO funds of the US in the nineties. This may be an exaggeration, and is certainly premature, but one thing is clear: greater financial firepower and facility with the regulators will change public perceptions over time and put recalcitrant managements under ever greater pressure. We are already beginning to see this with the recent successes of some of the more notorious activist operators. The patient wait of Japanese Private Equity is almost over, their warrant is about to become over-arching. NAVF and its co-investors will, with other activists, provide the bridge to reach this promised land. It will be important to NAVF and its investors to be in the vanguard of this change – we will make sure we are.

**Rising Sun Management Limited**  
**Investment Adviser**  
**21 September 2022**

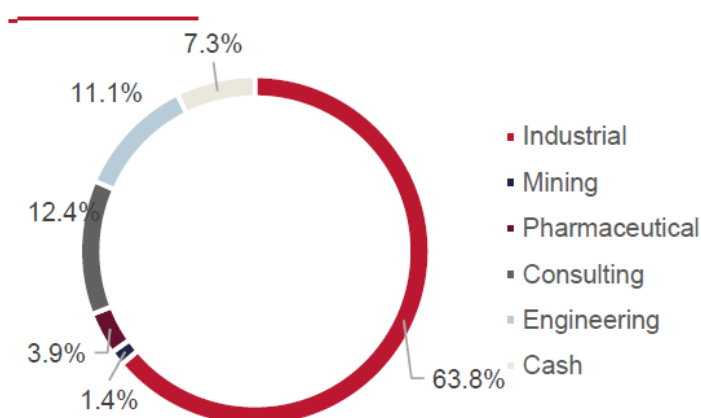
## PORTFOLIO SECTORS BREAKDOWN

### As at 30 June 2022

#### Top ten holdings

as at 30 June 2022	Sector	Percentage of net assets (%)
Mitsuboshi Belting	Industrial	16.2
Intage Holdings	Consulting	12.4
Ihara Science Corp	Industrial	9.0
Ebara Jitsugyo	Engineering	8.4
Nippon Fine Chemical	Industrial	6.7
Meisei Industrial Co Ltd	Industrial	6.2
Nihon Denkei	Industrial	4.5
Teikoku Electric	Industrial	4.4
Ishihara Chemical	Industrial	4.2
Vital KSK	Pharmaceutical	3.9
<b>Top ten holdings</b>		<b>75.9</b>
Other net assets		24.1
<b>Total</b>		<b>100.0</b>

#### Sector breakdown



#### Portfolio Characteristics

Equity Investments	92.68%
Price/Book	108.04%
Price/Earnings	10.9x
EV/EBITDA	3.6x
Net Cash/Mkt Cap	30.47%
Adjusted Cash/Mkt Cap	45.96%
Net Working Capital/Market Cap	61.91%

## **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”) and consider the Chair’s Statement and the Investment Adviser’s Report in this half-yearly report to provide details of the important events which have occurred during the period and their impact on the financial statements. The following statements on related party transactions, going concern and the Directors’ Responsibility Statement below, together constitute the Interim Management Report for the Company for the period ended 30 June 2022. The outlook for the Company for the remaining six months of the year ending 31 December 2022 is discussed in the Chair’s Statement and the Investment Adviser’s Report.

### **RISKS AND UNCERTAINTIES**

The principal and emerging risks and uncertainties facing the Company are detailed in the Company’s most recent Annual Report for the year ended 31 December 2021. These remain unchanged during the period under review.

The principal and emerging risks, together with a summary of the processes and internal controls used to manage and mitigate risks where possible are outlined in the Annual Report for the year ended 31 December 2021.

The Board is responsible for the management of risks and uncertainties faced by the Company. The Board relies on the Investment Adviser, who will seek to mitigate these risks through active asset management initiatives and carrying out due diligence work on potential targets before entering into any investments. The principal and emerging risks and uncertainties of the Company are continuously monitored by the Board, with input from the Investment Adviser.

The Board are of the opinion that these principal and emerging risks and uncertainties remain and are very much applicable to the remaining six months of the Company’s financial year.

### **RELATED PARTY TRANSACTIONS**

The Company’s Investment Adviser is Rising Sun Management Limited and is considered a related party under the Listing Rules. The Investment Adviser is entitled to receive annual advisory fee calculated as 0.85 per cent. of the Company’s net assets (exclusive of VAT). Investment advisory fees paid during the period to 30 June 2022 is £634,000 (30 June 2021: £506,000). There is no performance fee payable to the Investment Adviser.

### **GOING CONCERN**

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the following twelve-month period from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company’s portfolio of investments as well as its cash position, income, and expense flows. The Company’s net assets as at 30 June 2022 were £136.8 million (31 December 2021: £155.9 million). As at 30 June 2022, the Company held £127.2 million (31 December 2021: £138.6 million) in quoted investments and had cash and cash equivalents of

£8.7 million (31 December 2021: £15.8 million). The total expenses (excluding finance costs and taxation) for the period ended 30 June 2022 is £0.8 million (30 June 2021: £0.9 million).

The Directors have considered the impact of the secondary effects of the COVID-19 pandemic and the Russian invasion of Ukraine on the Company's portfolio of investments and that any future prolonged and deep market decline would likely lead to falling values in the Company's investments or interruptions to cashflow. However, the Company currently has more than sufficient liquidity available to meet any future obligations. In addition, the Board believes that the Company and its key third party service providers have in place appropriate business continuity plans to continue to maintain service levels throughout future pandemics.

## **DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE HALF-YEARLY REPORT**

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the half-yearly report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as required by DTR 4.2.4R.
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

**Rosemary Morgan**

**Chair**

**For and on behalf of the Board of Directors**

**21 September 2022**

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Note	For the period ended 30 June 2022			For the period ended 30 June 2021			For the year ended 31 December 2021*		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		-	(18,755)	(18,755)	-	11,225	11,225	-	26,666	26,666
Income	4	3,456	-	3,456	1,927	-	1,927	3,512	-	3,512
Foreign exchange losses		-	(466)	(466)	-	(1,301)	(1,301)	-	(1,770)	(1,770)
Investment adviser fees		(127)	(507)	(634)	(103)	(403)	(506)	(216)	(863)	(1,079)
Other operational expenses		(112)	-	(112)	(363)	-	(363)	(713)	-	(713)
<b>(Loss)/profit before taxation</b>		<b>3,217</b>	<b>(19,523)</b>	<b>(16,511)</b>	<b>1,461</b>	<b>9,521</b>	<b>10,982</b>	<b>2,583</b>	<b>24,033</b>	<b>26,616</b>
Taxation	5	(345)	-	(345)	(193)	-	(193)	(351)	-	(351)
<b>(Loss)/profit and comprehensive income for the period</b>		<b>2,872</b>	<b>(19,728)</b>	<b>(16,856)</b>	<b>1,268</b>	<b>9,521</b>	<b>10,789</b>	<b>2,232</b>	<b>24,033</b>	<b>26,265</b>
(Loss)/earnings per Ordinary Share – Basic and diluted (pence)	8	2.54p	(17.46p)	(14.92p)	1.23p	9.24p	10.47p	2.15p	23.11p	25.26p

\*Audited

There is no other comprehensive income and therefore the return for the period is also the total comprehensive income for the period.

The total column of the above statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

Both the supplementary revenue and capital columns are both prepared under guidance from the Association of Investment Companies ("AIC").

The notes on pages 17 to 25 form part of these interim financial statements.

## CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Note	As at 30 June 2022 £'000	As at 30 June 2021 £'000	As at 31 December 2021* £'000
<b>Non-current assets</b>				
Investments at fair value through profit or loss	3	127,188	119,910	138,626
<b>Current assets</b>				
Cash and cash equivalents		8,703	6,603	15,815
Trade and other receivables		1,312	667	1,831
		<b>10,015</b>	<b>7,270</b>	<b>17,646</b>
<b>Current liabilities</b>				
Trade and other payables		(409)	(281)	(418)
		<b>(409)</b>	<b>(281)</b>	<b>(418)</b>
<b>Net current assets</b>		<b>9,606</b>	<b>6,989</b>	<b>17,228</b>
<b>Net assets</b>		<b>136,794</b>	<b>126,899</b>	<b>155,854</b>
<b>Capital and reserves attributable to Shareholders</b>				
Share capital	7	1,130	1,030	1,130
Share premium		115,349	101,970	115,349
Capital reserve		17,379	22,595	37,107
Revenue reserve		2,936	1,304	2,268
<b>Total equity</b>		<b>136,794</b>	<b>126,899</b>	<b>155,854</b>
<b>NAV per Ordinary Share (pence)</b>	9	<b>121.03p</b>	<b>123.20p</b>	<b>137.90p</b>

\*Audited

Approved by the Board of Directors and authorised for issue on 21 September 2022 and signed on their behalf by:

**Rosemary Morgan**  
Director

Nippon Active Value Fund plc is incorporated in England and Wales with registration number 12275668.

The notes on pages 17 to 25 form part of these interim financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

		Share capital	Share premium	Capital reserve	Revenue reserve	Total
For the period to 30 June 2022	Note	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2022</b>		<b>1,130</b>	<b>115,349</b>	<b>37,107</b>	<b>2,268</b>	<b>155,854</b>
Profit and comprehensive income for the period		-	-	(19,728)	2,872	(16,856)
Dividends paid	6	-	-	-	(2,204)	(2,204)
<b>Balance at 30 June 2022</b>		<b>1,130</b>	<b>115,349</b>	<b>17,379</b>	<b>2,936</b>	<b>136,794</b>

		Share capital	Share premium	Capital reserve	Revenue reserve	Total
For the period to 30 June 2021	Note	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>		<b>1,030</b>	<b>101,970</b>	<b>13,074</b>	<b>912</b>	<b>116,986</b>
Profit and comprehensive income for the period		-	-	9,521	1,268	10,789
Dividends paid	6	-	-	-	(876)	(876)
<b>Balance at 30 June 2021</b>		<b>1,030</b>	<b>101,970</b>	<b>22,595</b>	<b>1,304</b>	<b>126,899</b>

		Share capital	Share premium	Capital reserve	Revenue reserve	Total
For the year ended 31 December 2021*		£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>		<b>1,030</b>	<b>101,970</b>	<b>13,074</b>	<b>912</b>	<b>116,986</b>
Issue of Ordinary Shares		100	13,900	-	-	14,000
Share issue costs		-	(521)	-	-	(521)
Profit and comprehensive income for the period		-	-	24,033	2,232	26,265
Dividends paid	6	-	-	-	(876)	(876)
<b>Balance at 31 December 2021</b>		<b>1,130</b>	<b>115,349</b>	<b>37,107</b>	<b>2,268</b>	<b>155,854</b>

\*Audited

The Company's distributable reserves consist of the capital reserve attributable to realised capital profits and revenue reserve.

The notes on pages 17 to 25 form part of these interim financial statements.



## CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

	For the period to 30 June 2022	For the period to 30 June 2021	For the year ended 31 December 2021*
Note	£'000	£'000	£'000
<b>Operating activities cash flows</b>			
(Loss)/profit before taxation	(16,511)	10,982	26,616
<b>Adjustment for:</b>			
Losses/(gains) on investments	18,755	(11,225)	(26,666)
Increase in trade and other receivables	(494)	(295)	(269)
Increase in trade and in other payables	2	53	131
Tax withheld on overseas income	5	(193)	(351)
<b>Net cash flow from/(used in) operating activities</b>	<b>1,407</b>	<b>(678)</b>	<b>(539)</b>
<b>Investing activities cash flows</b>			
Purchases of investments	(28,763)	(13,499)	(39,182)
Sales of investments	22,448	9,011	30,288
<b>Net cash flow used in investing activities</b>	<b>(6,315)</b>	<b>(4,488)</b>	<b>(8,894)</b>
<b>Financing activities cash flows</b>			
Issue of Ordinary Share capital	-	-	14,000
Payment of Ordinary Share issue costs	-	-	(521)
Equity dividends paid	6	(876)	(876)
<b>Net cash flow used in financing activities</b>	<b>(2,204)</b>	<b>(876)</b>	<b>12,603</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(7,112)</b>	<b>(6,042)</b>	<b>3,170</b>
Cash and cash equivalents at the beginning of the period	15,815	12,645	12,645
<b>Cash and cash equivalents at the end of the period</b>	<b>8,703</b>	<b>6,603</b>	<b>15,815</b>

\* Audited

The notes on pages 17 to 25 form part of these interim financial statements.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is a closed-ended investment company incorporated on 22 October 2019 in England and Wales with registered number 12275668 and registered as an investment company under Section 833 of Companies Act 2006, as amended from time to time (the "Act"). The Company is an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, as amended. On 21 February 2020, the Company's shares were admitted to the Specialist Fund Segment of the Main Market of the London Stock Exchange. On the same day, trading of the Ordinary Shares commenced on the London Stock Exchange.

The investment objective of the Company is to provide Shareholders with attractive capital growth through the active management of a focussed portfolio of quoted companies which have the majority of their operations in, or revenue derived from, Japan and that have been identified by the Investment Adviser as being undervalued. The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

The Company's registered office is 6th Floor, 125 London Wall, London EC2Y 5AS.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

#### ***Statement of compliance***

The Company's condensed unaudited interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("DTRs") of the UK's Financial Conduct Authority.

When presentational guidance set out in the Statement of Recommended Practice ("SORP") for Investment Companies issued by the Association of Investment Companies ("the AIC") in July 2022 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The financial statements were approved and authorised for issue by the Board on 21 September 2022. This half year report will be made available to the public at the Company's registered office. It will also be made available on the Company's website: <https://www.nipponactivevaluefund.com>.

#### ***Going Concern***

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the following twelve-month period from the date of this report and believe that it is appropriate to prepare the interim financial statements of the Company on the going concern basis. Further disclosure on going concern can be found on pages 11 and 12.

#### ***Use of estimates and judgements***

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected. Except

Company's investment in contingent variable right, there have been no estimates, judgements or assumptions, which have had a significant impact on the financial statements for the period.

***Basis of measurement***

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

***Functional and presentational currency***

The Company's investments are denominated in multiple currencies. However, the Company's Ordinary shares are issued in GBP sterling, the currency of the primary economic environment in which the Company operates is GBP sterling, and the majority of its expenses are paid in GBP sterling as are dividends. Therefore, the financial statements are presented in sterling, which is the Company's functional currency. All financial information presented in sterling has been rounded to the nearest thousand pounds.

***New and amended standards and interpretations***

At the date of approval of these financial statements, there were no new or revised standards or interpretations relevant to the Company which had come into effect.

**3. INVESTMENTS**

	As at 30 June 2022 £'000	As at 30 June 2021 £'000	As at 31 December 2021 £'000
Investment at fair value through profit or loss			
Listed on a recognised overseas exchange	127,188	119,910	138,626
<b>Total</b>	<b>127,188</b>	<b>119,910</b>	<b>138,626</b>

**Fair Value Measurements of Financial Assets and Financial Liabilities**

The financial assets and liabilities are either carried at their fair value, or the amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, expense accruals and cash and cash equivalents).

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the Fair Value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs including quoted prices.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The table below sets out fair value measurements using the Fair Value Hierarchy.

<b>As at 30 June 2022</b>	<b>Level 1 £'000</b>	<b>Level 2 £'000</b>	<b>Level 3 £'000</b>	<b>Total £'000</b>
Assets:				
Equity investments	127,188	-	-	127,188
<b>Total</b>	<b>127,188</b>	<b>-</b>	<b>-</b>	<b>127,188</b>

There were no transfers between levels during the period.

There are no Level 3 investments as at 30 June 2022.

<b>As at 30 June 2021</b>	<b>Level 1 £'000</b>	<b>Level 2 £'000</b>	<b>Level 3 £'000</b>	<b>Total £'000</b>
Assets:				
Equity investments	119,910	-	-	119,910
<b>Total</b>	<b>119,910</b>	<b>-</b>	<b>-</b>	<b>119,910</b>

<b>As at 31 December 2021</b>	<b>Level 1 £'000</b>	<b>Level 2 £'000</b>	<b>Level 3 £'000</b>	<b>Total £'000</b>
Assets:				
Equity investments	138,626	-	-	138,626
<b>Total</b>	<b>138,626</b>	<b>-</b>	<b>-</b>	<b>138,626</b>

#### 4. INVESTMENT INCOME

	<b>For the period to 30 June 2022 £'000</b>	<b>For the period to 30 June 2021 £'000</b>	<b>For the year ended 31 December 2021 £'000</b>
<b>Income from investments:</b>			
Overseas dividends	3,456	1,927	3,512
<b>Total</b>	<b>3,456</b>	<b>1,927</b>	<b>3,512</b>

## 5. TAXATION

Analysis of tax charge in the period:

	For the period to 30 June 2022			For the period to 30 June 2021		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Overseas withholding tax	345	-	345	193	-	193
<b>Total tax charge</b>	<b>345</b>	<b>-</b>	<b>345</b>	<b>193</b>	<b>-</b>	<b>193</b>

	For the year ended 31 December 2021		
	Revenue	Capital	Total
	£'000	£'000	£'000
Overseas withholding tax	351	-	351
<b>Total tax charge</b>	<b>351</b>	<b>-</b>	<b>351</b>

## 6. DIVIDEND

As per the powers set out in the Prospectus, the Board have decided not to declare an interim dividend. This decision will be reviewed at the year-end stage, where a dividend distribution may be required to maintain investment trust status of the Company.

Dividends paid during the respective periods are detailed in the below table:

Type - respective financial period/year end - dividend rate (pence)	For the period to 30 June 2022	For the period to 30 June 2021	For the year ended 31 December 2021
	£'000	£'000	£'000
Interim dividend - paid 26 April 2022 (1.95p per ordinary share)	2,204	-	-
Interim dividend – paid 30 April 2021 (0.85p per ordinary share)	-	876	876
<b>Total</b>	<b>2,204</b>	<b>876</b>	<b>876</b>

## 7. SHARE CAPITAL

Share capital represents the nominal value of shares that have been issued. The share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The Directors have been authorised to issue up to 400 million Shares.

### Share capital movement during the period

	For the period to 30 June 2022		For the period to 30 June 2021	
	No. of shares	Nominal value of shares £'000	No. of shares	Nominal value of shares £'000
<b>Allotted, issued and fully paid:</b>				
<b>Opening balance</b>	<b>113,201,433</b>	<b>1,130</b>	<b>103,000,001</b>	<b>1,030</b>
<b>Share Issuance</b>	-	-	-	-
Fundraise	-	-	-	-
<b>Closing balance</b>	<b>113,201,433</b>	<b>1,130</b>	<b>103,000,001</b>	<b>1,030</b>

	For the year ended 31 December 2021	
	No. of shares	Nominal value of shares £'000
<b>Allotted, issued and fully paid:</b>		
<b>Opening balance</b>	<b>103,000,001</b>	<b>1,030</b>
<b>Share Issuance</b>		
Fundraise on 22 November 2021	10,021,432	100
<b>Closing balance</b>	<b>113,021,433</b>	<b>1,130</b>

### Rights attaching to the Ordinary Shares

Dividend rights: All Ordinary Shares are entitled to a distribution of dividends, in the event that the Directors resolve to make such a distribution to Shareholders, in the same proportions as capital is attributable to them.

Rights as respect to capital: On a winding-up or a return of capital, in the event that the Directors resolve to make such a distribution to Shareholders, all Ordinary Shares are entitled to a distribution of capital in the same proportions as capital is attributable to them.

Voting rights: Every Shareholder shall have one vote for each Ordinary Share held.

## 8. EARNINGS PER ORDINARY SHARE

Total return per Ordinary Share is based on the return on ordinary activities, including income, for the period after taxation of £16,856,000 (30 June 2021: £10,789,000 and 31 December: £26,265,000).

Based on the weighted average number of Ordinary Shares in issue for the period to 30 June 2022 of 113,021,433 (30 June 2021: 103,000,001 and 31 December 2021: 103,985,715), the returns per share were as follows:

	For the period to 30 June 2022			For the period to 30 June 2021		
	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share	2.54p	(17.46)p	<b>(14.92)p</b>	1.23p	9.24p	<b>10.47p</b>

	For the year ended 31 December 2021		
	Revenue	Capital	Total
Return per Ordinary Share	2.15p	23.11p	<b>25.26p</b>

## 9. NET ASSET VALUE PER SHARE

Total equity and the net asset value ("NAV") per share attributable to the Ordinary Shareholders at the period end calculated in accordance with the Articles of Association were as follows:

	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
Net Asset Value (£)	136,794,000	126,899,000	155,854,000
Ordinary Shares in issue	113,021,433	103,000,001	113,021,433
<b>NAV per Ordinary Share</b>	<b>121.03p</b>	<b>123.20p</b>	<b>137.90p</b>

## 10. RELATED PARTY TRANSACTION

### Transactions with the Investment Adviser

Total Investment Adviser and AIFM fees for the period to 30 June 2022 are shown in the Statement of Comprehensive Income. As at 30 June 2022, no Investment Adviser fees and AIFM fees were outstanding.

### Directors' fees and shareholdings

With effect from 1 January 2022, Board fees have changed to £41,000 per annum for the Board Chair, £33,000 per annum for the Audit Committee Chair and £27,810 per annum for each Director. Prior to that and from the Company's IPO, Directors' fees were payable at the rate of £27,000 per annum for each Director other than the Chair, who was entitled to receive £35,000 per annum and the Chair of the Audit Committee was also entitled to £30,000 per annum.

The Directors had the following shareholdings in the Company, all of which were beneficially owned.

	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
Rosemary Morgan	40,000	40,000	40,000
Chetan Ghosh	40,000	40,000	40,000
Rachel Hill	80,000	40,000	115,791
Alicia Ogawa	25,000	25,000	25,000
Ayako Weissman	27,000	27,000	27,000

## 11. PRINCIPAL RISKS AND CAPITAL MANAGEMENT

### (i) Market risks *Economic conditions*

Changes in economic conditions in Japan (for example, interest rates and rates of inflation, industry conditions competition, political and diplomatic events and other factors) and in the countries in which the Company's investee companies operate could substantially and adversely affect the Company's prospects.

### *Sectoral diversification*

The Company is not subject to restrictions on the amount it may invest in any particular sector. Although the portfolio is expected to be diversified in terms of sector exposures, the Company may have significant exposure to portfolio companies from certain sectors from time to time. As there is no hard limit on the amount the Company may invest in any sector the entire Portfolio may, at certain times, be invested solely in one sector. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

### *Management of market risks*

The Company is invested in a diversified portfolio of investments.

The Board will not set any limits on sector weightings or stock selection within the portfolio. The Board



will apply the following restrictions on the size of its investments:

- not more than 30 per cent. of the Gross Asset Value at the time of investment will be invested in the securities of a single issuer; and
- the value of the four largest investments at the time of investment will not constitute more than 75 per cent. of the Gross Asset Value.

## **(ii) Liquidity risks**

The securities of small-to-medium-sized (by market capitalisation) companies may have a more limited secondary market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they can be more vulnerable to adverse market factors such as unfavourable economic reports.

### ***Management of liquidity risks***

The Company's Investment Adviser monitors the liquidity of the Company's portfolio on a regular basis.

## **(iii) Currency risks**

The majority of the Company's assets will be denominated in a currency other than Sterling (predominantly in Japanese yen) and changes in the exchange rate between Sterling and Japanese yen may lead to a depreciation of the value of the Company's assets as expressed in Sterling and may reduce the returns to the Company from its investments and, therefore, negatively impact the level of dividends paid to Shareholders.

### ***Management of currency risks***

The Company does not currently intend to enter into any arrangements to hedge its underlying currency exposure to investment denominated in Japanese yen, although the Investment Adviser and the Board may review this from time to time.

## **(iv) Interest rate risks**

The Company pays interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

### ***Management of interest rate risks***

Prevailing interest rates are taken into account when deciding on borrowings.

## **(v) Credit risks**

### ***Cash and other assets held by the custodian***

Cash and other assets that are required to be held in custody will be held by the custodian or its sub-custodians. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from any custodian's own assets in the event of the insolvency of a custodian.

Cash held with any custodian will not be treated as client money subject to the rules of the FCA and may be used by a custodian in the course of its own business. The Company will therefore be subject to the creditworthiness of its custodians. In the event of the insolvency of a custodian, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.

***Management of credit risks***

The Company has appointed Northern Trust Global Services Limited as its custodian. The credit rating of Northern Trust was reviewed at time of appointment and will be reviewed on a regular basis by the Investment Adviser and/or the Board.

The Investment Adviser monitors the Company's exposure to its counterparties on a regular basis and the position is reviewed by the directors at Board meetings.

**12. POST PERIOD END EVENTS**

There are no post period end events other than as disclosed in this Half-yearly Report.

**13. STATUS OF THIS REPORT**

These interim financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The Half-yearly report will be made available to the public at the registered office of the Company. The report will also be available on the Company's website (<https://www.nipponactivevaluefund.com/>).

## ALTERNATIVE PERFORMANCE MEASURES (“APM”)

### Discount

The amount, expressed as a percentage, by which the share price is less than the NAV per Ordinary Share.

As at 30 June 2022		(Pence)
NAV per Ordinary Share	a	121.03
Share price	b	104.50
<b>Discount</b>	<b>(b÷a)-1</b>	<b>13.66%</b>

### Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date.

Period ended 30 June 2022		Share price	NAV
Opening at 1 January 2021 (pence)	a	134.0	137.9
Closing at 30 June 2021 (pence)	b	104.5	121.0
Movement (b÷a)-1	c	-22.0%	-12.2%
Dividend reinvestment factor	d	1.3%	1.3%
<b>Total return</b>	<b>(c+d)</b>	<b>-20.7%</b>	<b>-10.9%</b>

### Ongoing charges

Period ended 30 June 2022		
Average NAV	a	143,116,140
Annualised expenses	b	1,946,379
<b>Ongoing charges</b>	<b>(b÷a)</b>	<b>1.36%</b>

## GLOSSARY

Administrator	The Company's administrator, the current such administrator being Sanne Fund Services (UK) Limited .
AIC	Association of Investment Companies
Alternative Investment Fund or "AIF"	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.
Alternative Investment Fund Managers Directive or "AIFMD"	A European Union Directive which came into force on 22 July 2013 and has been implemented in the UK.
Custodian	An entity that is appointed to safeguard a company's assets.
Depository	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depository's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the depository is appointed under a strict liability regime.
Dividend	Income receivable from an investment in shares.
Discount	The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per share.
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to Shareholders.
Financial Conduct Authority or "FCA"	The independent body that regulates the financial services industry in the UK.
Gearing	A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
Index	A basket of stocks which is considered to replicate a particular stock market or sector.
Investment company	A company formed to invest in a diversified portfolio of assets.
Investment trust	A closed end investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. This Company is an investment trust.
Market liquidity	The extent to which investments can be bought or sold at short notice.
Net assets	An investment company's assets less its liabilities

Net Asset Value (NAV) per Ordinary Share	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury)
Ordinary Shares	The company's Ordinary Shares in issue.
Ongoing charges	A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.
Portfolio	A collection of different investments constructed and held in order to deliver returns to Shareholders and to spread risk.
Share price	The price of a share as determined by buyers and sellers on the relevant stock exchange.
Total return	A measure of performance that takes into account both income and capital returns.
Volatility	A measure of how much a share moves up and down in price over a period of time.

## COMPANY INFORMATION

### Board of Directors

Rosemary Morgan (Chair)  
Chetan Ghosh  
Rachel Hill  
Alicia Ogawa  
Ayako Weissman

### Investment Adviser

Rising Sun Management Limited  
c/o Appleby Global Services (Cayman) Limited  
71 Fort Street  
PO Box 500  
George Town, Grand Cayman  
KY1-1106, Cayman Islands

### Registered Office

6th Floor  
125 London Wall  
London  
England  
EC2Y 5AS

### Rising Sun Management Team

James B. Rosenwald, III  
Gifford Combs  
Paul ffolkes Davis  
Kazutaka Mizuochi

### Administrator & Company Secretary

Sanne Fund Services (UK) Limited  
6th Floor 125 London Wall  
London  
England  
EC2Y 5AS

### Alternative Investment Fund Manager

Sanne Fund Management (Guernsey) Limited  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey, GY1 1GR

### Broker

Shore Capital & Corporate Limited  
Cassini House  
57 St James's Street  
London  
SW1A 1LD

### Auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Custodian

The Northern Trust Company  
50 Bank Street  
Canary Wharf  
London  
E14 5NT

### Registrar

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE

### Company Security Identifiers

ISIN: GB00BKLGLS10  
Ticker: NAVF  
SEDOL: BKLGLS1  
Website: [www.nipponactivevaluefund.com](http://www.nipponactivevaluefund.com)  
LEI: 213800JOFEGZJYS21P75  
GIIN: WB82JR.99999.SL.826