

Key information

as of 31 October, 2022

Total Net Assets (m)	£144.45
Total Net Asset Value per Share	127.81 p
Share Price	116 p
Discount	-9.24%
Bloomberg Ticker	NAVF LN

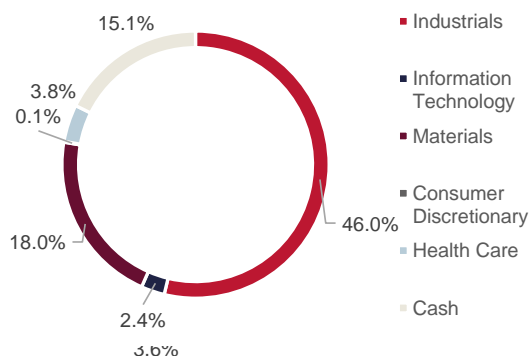
Performance

Performance	Month	Since Inception
Total Return		
NAVF Share Price	0.87%	16.0%
NAVF Net Asset Value	-2.55%	+27.8%

Portfolio characteristics

Equity Investments	83.21%
Price / Book	116.49%
Price / Earnings	11.7x
EV / EBITDA	4.1x
Net Cash / Market Cap	27.80%
Adjusted Cash / Market Cap	42.26%
Net Working Capital / Market Cap	56.53%

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 October, 2022

1 INTAGE HOLDINGS	(Communication Servic	14.5%
2 MITSUBOSHI BELTING LTD	(Industrials)	12.8%
3 IHARA SCIENCE CORP	(Industrials)	8.9%
4 EBARA JITSUGYO	(Industrials)	7.7%
5 NIPPON FINE CHEM	(Materials)	7.4%
6 MEISEI INDUSTRIAL CO LTD	(Industrials)	4.3%
7 TEIKOKU ELECTRIC	(Industrials)	4.0%
8 VITAL KSK HD	(Health Care)	3.8%
9 ISHIHARA CHEMICAL	(Materials)	3.8%
10 BUNKA SHUTTER CO	(Industrials)	3.4%

Monthly Market Commentary

You can wait almost three years for a bus to come and then the entire fleet seems to arrive at once! Vital KSK has consistently been NAVF's worst performer.

Cheap admittedly, but with a very poor capital allocation record. It seems they have been paying attention though. Suddenly, at the end of the month, they announced a series of measures that can transform the company's fortunes and, hopefully, those of its shareholders:

- 1) an increased dividend and forward guidance of a payout against equity of at least 2% and 50% or more of earnings going forward
- 2) Continued share buy ins, as part of a programme to spend Yen 60 billion of net cash, to include greater capex and more M&A
- 3) Reducing cross-shareholdings by 50% within 5 years, while instituting incremental increases in ROE targets from 5% in 2023 to NAVF's recommended 8% by 2031

On the date of announcement the shares were limit up (15%), and they still yield over 7%! Christmas came early with more to come.

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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