

Key information

as of 30 November, 2022

Total Net Assets (m)	£152.8
Total Net Asset Value per Share	135.20 p
Share Price	122.00 p
Discount	-9.76%
Bloomberg Ticker	NAVF LN

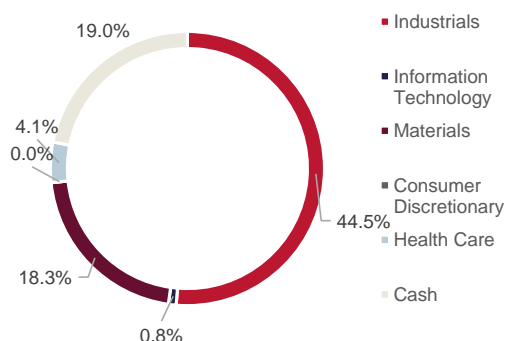
Performance

Performance	Month	Since Inception
Total Return		
NAVF Share Price	+ 5.17%	+ 22.0 %
NAVF Net Asset Value	+ 5.78%	+35.2%

Portfolio characteristics

Equity Investments	82.89%
Price / Book	125.15%
Price / Earnings	12.5x
EV / EBITDA	4.6x
Net Cash / Market Cap	26.25%
Adjusted Cash / Market Cap	38.90%
Net Working Capital / Market Cap	49.74%

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 as of 30 Nov 2022.

Top 10 holdings as a percentage of net assets

1	INTAGE HOLDINGS	(Communication Servic	13.2%
2	MITSUBOSHI BELTING LTD	(Industrials)	11.5%
3	IHARA SCIENCE CORP	(Industrials)	8.8%
4	EBARA JITSUGYO	(Industrials)	7.8%
5	NIPPON FINE CHEM	(Materials)	7.7%
6	VITAL KSK HD	(Health Care)	4.1%
7	MEISEI INDUSTRIAL CO LTD	(Industrials)	4.1%
8	TEIKOKU ELECTRIC	(Industrials)	3.9%
9	ISHIHARA CHEMICAL	(Materials)	3.6%
10	BUNKA SHUTTER CO	(Industrials)	3.5%

Monthly Market Commentary

A good month for the portfolio. Nearly all our top ten holdings were up convincingly, with only Intage Holdings (down 6.5%) spoiling the party. Nippon Fine Chemical was up 7.2%, Bunka Shutter 5.1%, Mitsuboshi Belting 8.4%, with last month's feature stock, Vital KSK, posting gains of 10.4%. The standout performance though came from Teikoku Electric which rose 19.6%. I share some of our analysts observations on this below:

Teikoku Electric – Q2 earnings - released 14th November 2022

The shares ended limit high, up +27% (+67% YTD). The company doubled its dividend per share to Y116 per share (4.6% dividend yield at Y2480 per share), it also announced a buyback program to buy an additional 4.3% (after announcing a 4.2% of buyback in Feb 2022), totalling Y8.5% vs our proposal of 10% of TSO. In addition, the company cancelled 4.8% of treasury shares
Large revision in earnings, particularly operating income from Y2.9bn to Y4.5bn (up from Y2.5bn FY22/3).

Teikoku reported its **fourth** consecutive quarter of double-digit growth, driven by strong markets in Asia. Revenue increased by +28.3% YoY, with a portion likely driven by FX. Gross profit margins also expanded 160bps to 42%.

With revised earnings (EBITDA of Y5.6bn vs Y3.6bn last year), the company is now trading at 5.9x EV/EBITDA.

As the stock continues to perform above our target level, we continue to take profits.



Important notice

Nippon Active Value Fund (“NAV F”) 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 NAV F include:

NAV F 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.

NAV F can borrow money to make further investments (sometimes known as “gearing” or “leverage”). The risk is that when this money is repaid by NAV F, the value of the investments may not be enough to cover the borrowing and interest costs, and NAV F will make a loss. If NAV F’s investments fall in value, any invested borrowings will increase the amount of this loss.

NAV F 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 NAV F might receive upon their sale.

NAV F 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.

NAV F’s exposure to a single market and currency may increase risk.

The aim of NAV F is to achieve capital growth. It does not target a specific yield and might not pay a dividend every year.

NAV F 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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