

Key information

as of 31 May 2023

Total Net Assets (m)	£163.17
Total Net Asset Value per Share	144.37 p
Share Price	143.50p
Discount	-0.6%
Bloomberg Ticker	NAVF LN

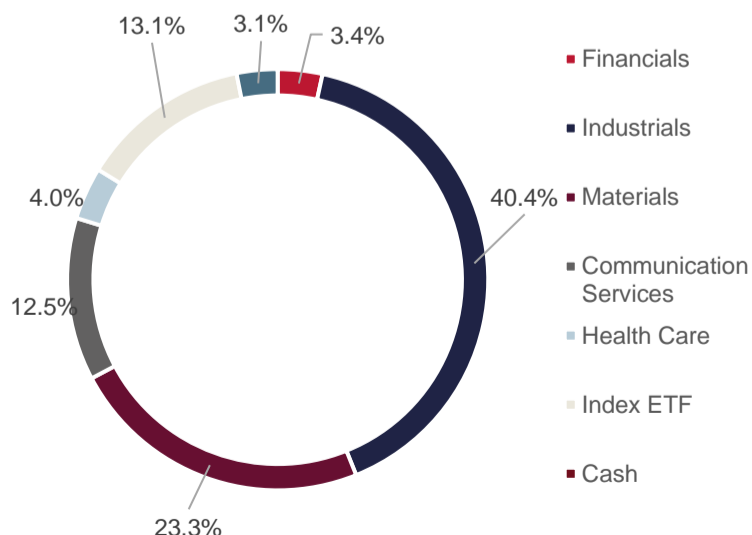
Performance

Performance	Month	Since Inception
NAV Share Price	+1.8%	+43.5%
NAV Net Asset Value	-1.9%	+44.4%

Portfolio characteristics

Equity Investments	98.9%
Price / Book	109.9%
Price / Earnings	11.4x
EV / EBITDA	4.2x
Net Cash / Market Cap	14.7%
Adjusted Cash / Market Cap	22.8%
Net Working Capital / Market Cap	29.1%

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 31 May 2023

1	INTAGE HOLDINGS INC	(Communication Services)	12.2%
2	NEXT FUNDS TOPIX EXCHANGE TRAI	(Index ETF)	12.0%
3	MITSUBOSHI BELTING	(Industrials)	9.5%
4	EBARA JITSUGYO CO	(Industrials)	9.3%
5	NIPPON FINE CHEM	(Materials)	7.7%
6	TOYOTA INDUSTRIES	(Industrials)	7.6%
7	MEISEI INDUSTRIAL	(Industrials)	4.6%
8	ISHIHARA CHEMICAL	(Materials)	4.2%
9	VITAL KSK HOLDINGS	(Healthcare)	4.1%
10	BUNKA SHUTTER CO	(Industrials)	3.4%

Monthly Market Commentary

The main activity over the past month has been the start of the legal and regulatory work to facilitate the proposed 'rollover' of abrdn Japan Investment Trust (AJIT) into NAVF. Amongst many other things, this process will necessitate the issuance of a new prospectus to provide for AJIT shareholders to receive NAVF shares, while simultaneously NAVF's own listing is transferred to the Official List (Main Board) of the London Stock Exchange. The work is well under way.

We have also been welcoming a second broker, Berenberg, who will act as sponsor to the new improved listing, and who have already started making a market in NAVF shares alongside our existing broker Shore Capital. The 'merger' has attracted a lot of favourable press comment and investor interest, all of which has contributed to the virtual elimination of NAVF's trading discount. Good news.

Performance for the month has been lacklustre. This is despite the improving macro environment for Japanese stocks generally, as the process of recognition of Japan being the main beneficiary of economic realignment as western investors increasingly abandon China as a favoured Asian destination. A 6.3% decline in the value of the yen versus sterling during April and May has not helped. With genuine inflation finally beginning to register in Japan, particularly in the food and energy sectors, how much longer can the Bank of Japan continue its atavistic interest rate policy? During a recent update meeting, one long-standing investor likened NAVF to their favourite currency play! And we thought it was our activism that was so attractive...

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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