

Key information

as of 30 June 2023

Total Net Assets (m)	£165.82
Total Net Asset Value per Share	146.72 p
Share Price	141.50p
Discount	-3.6%
Bloomberg Ticker	NAVF LN

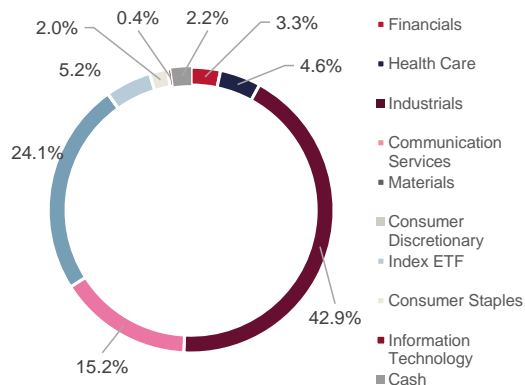
Performance

Performance	Month	Since Inception
Total Return		
NAV Share Price	-1.4%	+41.5%
NAV Net Asset Value	+1.6%	+46.7%

Portfolio characteristics

Equity Investments	97.8%
Price / Book	123.3%
Price / Earnings	12.8x
EV / EBITDA	4.9x
Net Cash / Market Cap	13.4%
Adjusted Cash / Market Cap	23.6%
Net Working Capital / Market Cap	29.2%

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 30 June 2023

1	INTAGE HOLDINGS INC	(Communication Services)	11.9%
2	MITSUBOSHI BELTING	(Industrials)	9.9%
3	EBARA JITSUGYO CO	(Industrials)	8.8%
4	TOYOTA INDUSTRIES	(Industrials)	8.5%
5	NIPPON FINE CHEM	(Materials)	8.4%
6	MEISEI INDUSTRIAL	(Industrials)	4.6%
7	ISHIHARA CHEMICAL	(Materials)	4.3%
8	NEXT FUNDS TOPIX EXCHANGE TRA	(Index ETF)	4.0%
9	VITAL KSK HOLDINGS	(Healthcare)	3.7%
10	BUNKA SHUTTER CO	(Industrials)	3.6%

Monthly Market Commentary

Another month, another new low for the Yen against sterling (and everything else for that matter!) Since our policy is, as ever, to be unhedged, this currency weakness continues to be a drag on performance. The market continues to bet Mr Ueda is not going to reverse the Bank of Japan's stance anytime soon... This could be dangerous, as it proved for the exchange rate punters last autumn. For now, we can only watch and wait.

The portfolio currently consists of 31 instruments, two of which are ETFs on the Topix index which we took on to manage the large amounts of cash commented on previously. Happily, these holdings are already being reduced, as they are replaced with new acquisitions and increases in existing portfolio companies.

Japan continues to attract investment flows from abroad, driven principally by two factors: the general perception that, compared to other developed markets, it is cheap (still true) and that funds being withdrawn from China need an alternative Asian destination (in our opinion, likely to continue for some time). The Nikkei 225 reached a 33 year high at the end of the month. It is worth noting though, that most of the movement has been, not surprisingly, in the large-cap sector. NAVF's typical small-cap counters continue un-researched and, to some extent, unloved - which is just how we like them! The big names may be on fire, but the opportunities for activist intervention at the other end of the market, remain as good as ever.

With an enormous cast of professional advisors, now busily engaged in preparing the prospectus to facilitate NAVF's move to the LSE's Official List, the putative merger with Abridn Japanese Investment Trust continues to make steady progress.

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.

Contact

Financial Adviser and Bookrunner

Shore Capital
Cassini House
57 St James’s Street London
SW1A 1LD

T: +44 (0) 207 408 4090

Further information can be found at:
www.nipponactivevaluefund.com