

## Key information (unaudited)

as of 29 September 2023

<b>Total Net Assets (m)</b>	£179.4
<b>Total Net Asset Value per Share</b>	158.71p
<b>Share Price</b>	154.50p
<b>Discount</b>	-2.7%
<b>Bloomberg Ticker</b>	NAVF LN

## Performance

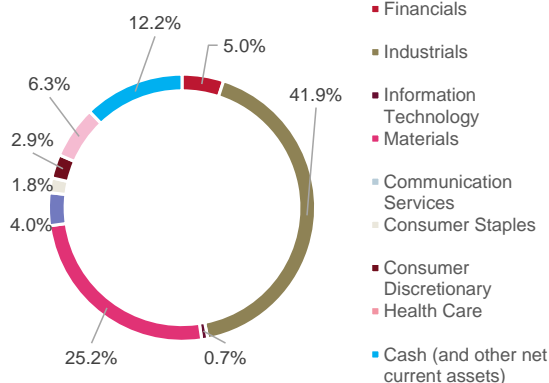
Performance	Month	Since Inception
<b>Total Return</b>		
NAVF Share Price	+13.6%	+54.5%
NAVF Net Asset Value	+6.4%	+58.7%

## Portfolio characteristics

<b>Equity Investments</b>	87.8%
<b>Price / Book</b>	113.4%
<b>Price / Earnings</b>	17.2x
<b>EV / EBITDA</b>	5.3x
<b>*Adjusted Cash / Market Cap</b>	35.4%
<b>**Net Working Capital / Market Cap</b>	44.2%

## Sector breakdown

as a percentage of net assets



## About NAVF

Nippon Active Value Fund ("NAVF") is an Investment Trust admitted to Trading on the Premium Segment of the Main Market of the London Stock Exchange and to the Premium Listing Segment of the Official List. The Investment Advisor 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 targets companies, which are perceived by the Investment Advisor to be 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 29 September 2023

1	<b>MITSUBISHI BELTING</b>	(Industrials)	7.5%
2	<b>EBARA JITSUGYO CO</b>	(Industrials)	7.3%
3	<b>TOYOTA INDUSTRIES</b>	(Industrials)	7.2%
4	<b>NIPPON FINE CHEM</b>	(Materials)	7.0%
5	<b>BUNKA SHUTTER CO</b>	(Industrials)	4.5%
6	<b>MEISEI INDUSTRIAL</b>	(Industrials)	4.4%
7	<b>ISHIHARA CHEMICAL</b>	(Materials)	4.3%
8	<b>STELLA CHEMIFA</b>	(Materials)	4.3%
9	<b>JAPAN SECS FINANCE</b>	(Financials)	4.0%
10	<b>VITAL KSK HOLDINGS</b>	(Healthcare)	3.9%

## Monthly Market Commentary

After market close on 6 September 2023, Intage Holdings announced a partial TOB for 50.1% of the company by NTT Docomo at Yen 2400 per share, a 26% premium and record high. Intage Holdings was NAVF's largest position, representing c.13% of its portfolio and with other group companies, RSM controlled around 14% of the free float. For us, this was the culmination of a long story that began back in December 2020 when we first spoke publicly about organising an MBO. Our view was that, although the bid and the price were welcome, a deal structured along the lines announced would disadvantage future minority shareholders and was clearly not in the spirit of the latest METI guidelines. Weighted against our 'righteous indignation' at the retention of a now useless listing, was the fact that NTT is partially government owned, leading us to believe nothing would change. We decided not to tender into a process we did not believe in, but, instead, to sell discreetly but completely into the market. This was accomplished by 14th September 2023, giving us an average exit price of Yen 2185 for the whole position - a return within the month of over 25% and c.60% YTD and more than doubling our investment since inception. Finally a happy ending to a long running saga.

Towards the end of the month, the market has seen a marked sell-off, particularly in small caps, which has continued into the first half of October. This has dragged our NAV and AUM down accordingly.

\*Adjusted Cash / Market Cap = (Cash + Cross Shareholdings - Debt) / Market Cap

\*\*Net Working Capital / Market Cap = (Cross Shareholdings + Total Current Assets - Total Liabilities) / Market Cap

## 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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