

Key information

as of 31 October 2023

Total Net Assets (m)	£288.18
Total Net Asset Value per Share	152.36p
Share Price	139.00p
Discount	-8.8%
Bloomberg Ticker	NAVF LN

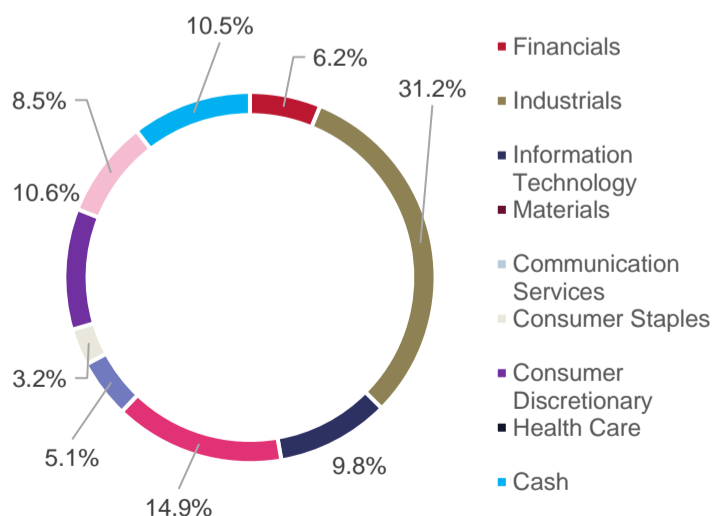
Performance

Performance	Month	Since Inception
NAV Share Price	-10.0%	+39.0%
NAV Net Asset Value	-4.0%	+52.4%

Portfolio characteristics

Equity Investments	89.5%
Price / Book	156.1%
Price / Earnings	17.3x
EV / EBITDA	6.0x
*Adjusted Cash / Market Cap	31.5%
**Net Working Capital / Market Cap	37.8%

Sector breakdown



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

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



About NAVF

Nippon Active Value Fund ("NAV F" or the "Fund") 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 Adviser is Rising Sun Management Limited.

NAV F 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 Adviser targets companies, which are perceived by the Investment Adviser 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 31 October 2023

1 RINNAI CORP	(Consumer Discretionary)	5.2%
2 BUNKA SHUTTER CO	(Industrials)	5.0%
3 EBARA JITSUGYO CO	(Industrials)	4.4%
4 MITSUBOSHI BELTING	(Industrials)	4.4%
5 TOPCON CORPORATION	(Information Technology)	4.3%
6 FUJI MEDIA HOLDINGS INC	(Communication Services)	4.2%
7 NIPPON FINE CHEM	(Materials)	4.2%
8 TOYOTA INDUSTRIES	(Industrials)	4.2%
9 EIKEN CHEMICAL CO	(Healthcare)	3.2%
10 STELLA CHEMIFA	(Materials)	2.8%

Monthly Market Commentary

On 10th October, over 99% of the shareholders of both abrdn Japan Investment Trust (AJIT) and Atlantis Japan Growth (AJG) voted to 'rollover' the assets of their respective funds into NAVF. As a result our AUM burgeoned to £293.8 million and the portfolio to over 130 names. The next day, NAVF was admitted to the main board of the LSE and the work of transitioning began. For regulatory reasons, some non-UK holders of the merged funds were unable to roll into NAVF, and clearing these balances caused the discount to NAV to widen to over 10% briefly. Discounts in the investment trust industry are generally at their widest since December 2008 according to the Association of Investment Companies (AIC), with the average at 16.9% at October month end. On this basis, we should not be embarrassed that NAVF closed the month at an 8.8% discount. We are not complacent, but note the discount has continued to narrow and, at the time of writing on 7th November, stands around 6.5%.

The work of consolidating the portfolios continues apace, and at the same date, the total number of companies held is down to 47 while net cash stands around 9%. We are on track to realign the portfolio within the timeframes anticipated before the mergers.

October is a famously difficult month for equities. This year they have been exceptionally weak across the board. This has not helped our performance during the integration process. As reported here, AUM had fallen to £288 million by month end. However, it has since recovered and, at the time of writing, stands at just under £300 million. We expect the absorption process to be complete by the time of the next report.

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

Joint Brokers

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

Berenberg
60 Threadneedle Street
London
EC2R 8HP

T: +44 (0) 207 408 4090

T: +44 (0) 203 753 3000

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