



### Key information

as of 31 December 2023

<b>Total Net Assets (m)</b>	£320.12
<b>Total Net Asset Value per Share</b>	169.25p
<b>Share Price</b>	162.00p
<b>Discount</b>	-4.3%
<b>Bloomberg Ticker</b>	NAVF LN

### Performance

Performance	Month	Since Inception
<b>Total Return</b>		
NAV Share Price	+5.5%	+62.0%
NAV Net Asset Value	+5.4%	+69.3%

### Portfolio characteristics

<b>Equity Investments</b>	92.2%
<b>Price / Book</b>	117.1%
<b>Price / Earnings</b>	17.9x
<b>EV / EBITDA</b>	5.4x
<b>*Adjusted Cash / Market Cap</b>	30.6%
<b>**Net Working Capital / Market Cap</b>	37.6%

### 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 and mid 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 December 2023

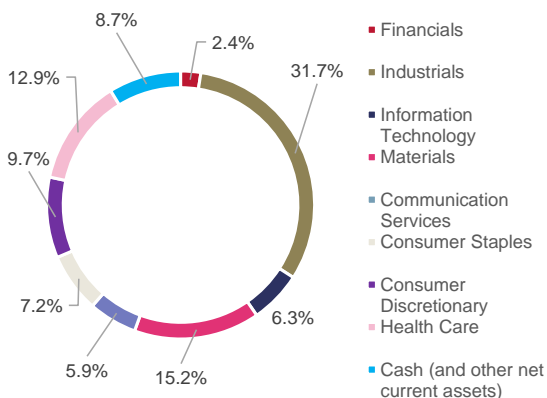
<b>1</b>	<b>BUNKA SHUTTER CO</b>	(Industrials)	5.9%
<b>2</b>	<b>FUJI MEDIA HOLDINGS INC</b>	(Communication Services)	5.9%
<b>3</b>	<b>RINNAI CORP</b>	(Consumer Discretionary)	5.6%
<b>4</b>	<b>NIPPON FINE CHEM</b>	(Materials)	4.8%
<b>5</b>	<b>EBARA JITSUGYO CO</b>	(Industrials)	4.5%
<b>6</b>	<b>EIKEN CHEMICAL CO</b>	(Healthcare)	4.4%
<b>7</b>	<b>MITSUBOSHI BELTING</b>	(Industrials)	4.1%
<b>8</b>	<b>TOYOTA INDUSTRIES</b>	(Industrials)	4.0%
<b>9</b>	<b>MURAKAMI CORP</b>	(Consumer Discretionary)	3.8%
<b>10</b>	<b>ASKA PHARMACEUTICAL</b>	(Healthcare)	3.4%

### Monthly Market Commentary

It was gratifying that the year-end saw NAVF at its largest ever AUM and highest ever NAV - a good way to see in the New Year. On 15th December NAVF was admitted to the FTSE All-Share Index. We were named by the AIC as one of the top ten performing investment companies of the year and the top performer in the Japanese sector.

### Sector breakdown

as a percentage of net assets



The quest for alpha continued unabated and we began a modest rationalisation of the portfolio, deciding to part company with some under-performers, like Topcon, and to reduce exposure to other former stars, which we felt were now more fully valued, like Mitsubishi Belting. An old friend, Aska Pharmaceutical, has joined the list of top ten holdings. It is exactly 20 years since our colleagues at Dalton Investments first proposed an MBO to its predecessor company, Teikoku Hormone. The company remains demonstrably cheap and with a panoply of levers at its disposal to improve capital allocation. We hope to encourage management to use them. In addition, our announcement of a more than 5% shareholding for the 'concert party' of NAVF, Select and Dalton Investments in Fuji Media Holdings (FMH), attracted wide-spread comment, especially as the 20% foreign ownership limit benefiting Japanese broadcasters still obtains. By any metric, FMH is remarkably cheap, and there is no reason to assume that media companies will be exempted from the regulators' recent strictures concerning companies trading below book value. This promises to be an interesting engagement.

We would like to take this opportunity to wish all our shareholders a very prosperous 2024. We promise to try to contribute to that prosperity if we can!

\*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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