

Key information

as of 30 September 2024

Total Net Assets (m)	£371.56
Total Net Asset Value per Share	196.44p
Share Price	184.50p
Discount	-6.1%
Bloomberg Ticker	NAVF LN

Performance

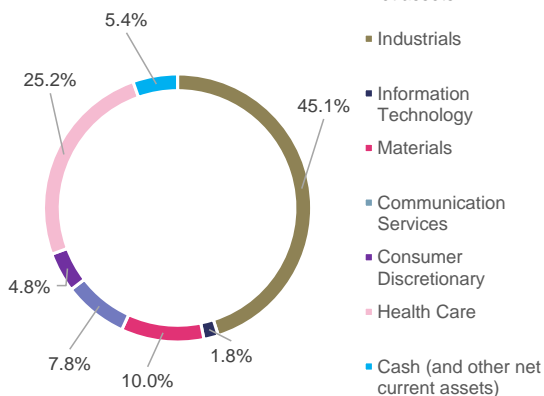
Performance	Month	Since Inception
Total Return		
NAVF Share Price	+6.6%	+84.5%
NAVF Net Asset Value	+4%	+96.4%

Portfolio characteristics

Equity Investments	94.6%
Price / Book	1.2x
Price / Earnings	9.9x
EV / EBITDA	6.6x
*Adjusted Cash / Market Cap	39.3%
**Net Working Capital / Market Cap	45.2%

Sector breakdown

as a percentage of net assets



About NAVF

Nippon Active Value Fund ("NAVF" or the "Fund") is an Investment Trust admitted 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 ("RSM").

NAVF 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 30 September 2024

1	EIKEN CHEMICAL CO	(Healthcare)	9.0%
2	HOGY MEDICAL CO	(Healthcare)	8.2%
3	TRANCOM CO LTD	(Industrials)	6.9%
4	BUNKA SHUTTER CO	(Industrials)	6.3%
5	FUJI MEDIA HOLDINGS INC	(Communication Services)	6.0%
6	TEIKOKU SEN-I CO	(Industrials)	5.3%
7	EBARA JITSUGYO CO	(Industrials)	5.2%
8	ASKA PHARMACEUTICAL	(Healthcare)	5.2%
9	MEISEI INDUSTRIAL	(Industrials)	5.0%
10	SEKISUI JUSHI CORP	(Industrials)	4.9%

Monthly Market Commentary

First, it is good to see our NAV and AUM at record levels. We have had a good month on the trading front. After much dialogue, Trancom, a logistics services company specialising in truck and freight matching, and one which our 'cousin' Dalton Investments has owned for 12 years, agreed on 17th September to go private in a heavily leveraged MBO led by Bain Capital. NAVF, had joined the 'concert party' of Dalton and NAVF Select in May, with a brief to make something happen. In the event, our group which collectively owned 16.45% of outstanding was able to tender all its shares at over a 40% premium to the previous close and a record high for the stock. As part of the deal, we have also negotiated 10% of the go-private company's equity and for Shiro Hyashi (who runs Dalton KK's office in Tokyo) to join the Board. A very satisfying result. On 30th September, after several smaller buybacks, Ishihara Chemical announced a Tostnet 3 purchase of 6.25% of outstanding at Y2,458 per share. NAVF owned 5.61% of the company and we were able to offload over 75% of our holding into the tender - a gratifying return of over 100%.

We have also been busy on the customer relations and publicity front. During the month, we made our first posting on LinkedIn, we were selected by Investors Chronicle as one of their Top 50 Funds for 2024 and interviewed by the same publication for an upcoming podcast, and were shortlisted by Citywire for a performance award in the Japanese Equity category at their upcoming event.

Last, at the end of the month, Shigeru Ishiba was elected, to the surprise of many commentators, as Japan's new PM. The market went through a brief moment of renewed volatility, until the new boss called a snap general election for 27th October and started making stock-friendly remarks. At NAVF, we have seen nothing to make us think that either the fundamentals or momentum which have propelled our gentle activist approach all year, are likely to change. Indeed, we have several long simmering situations we are hoping will come to the boil before year end.

*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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