

Key information

as of 31 May 2024

Total Net Assets (m)	£334.1
Total Net Asset Value per Share	176.64p
Share Price	166.50p
Discount	-5.7%
Bloomberg Ticker	NAVF LN

Performance

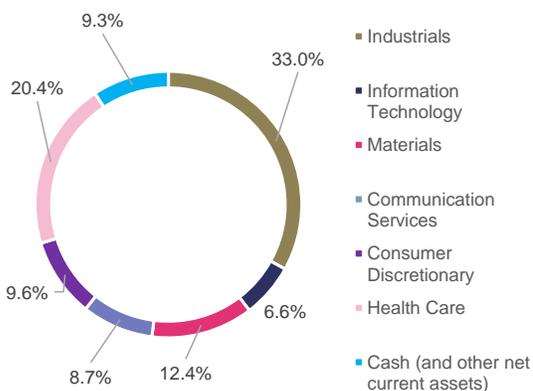
Performance	Month	Since Inception
Total Return		
NAVF Share Price	-2.1%	+66.5%
NAVF Net Asset Value	+1.9%	+76.6%

Portfolio characteristics

Equity Investments	93.7%
Price / Book	105.9%
Price / Earnings	9.4x
EV / EBITDA	4.0x
*Adjusted Cash / Market Cap	28.3%
**Net Working Capital / Market Cap	39.0%

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 31 May 2024

1	BUNKA SHUTTER CO	(Industrials)	6.8%
2	FUJI MEDIA HOLDINGS INC	(Communication Services)	6.7%
3	EIKEN CHEMICAL CO	(Healthcare)	6.3%
4	MEISEI INDUSTRIAL	(Industrials)	5.8%
5	SEKISUI JUSHI CORP	(Industrials)	5.4%
6	ASKA PHARMACEUTICAL	(Healthcare)	5.3%
7	HOGY MEDICAL CO	(Healthcare)	5.2%
8	YAMAICHI ELECTRONICS	(Information Technology)	5.1%
9	EBARA JITSUGYO CO	(Industrials)	4.7%
10	RINNAI CORP	(Consumer Discretionary)	4.5%

Monthly Market Commentary

In Tokyo, the May cherry blossom was in full bloom and the RSM CIO and Tokyo team were busy meeting portfolio companies. One business, in particular, has been overtly recalcitrant in ignoring our blandishments to improve its capital allocation policies. We had reached the point where we had determined more radical treatment was necessary. Our visit was predicated on our intention to release our latest letter to the management of Fuji Media Holdings, one of NAVF's largest positions, urging them to implement an MBO, as the first stage of breaking up the conglomerate into its constituent parts. This is a company with one of the oldest boards in Japan, a country where they know about old boards. One of the senior directors has been in situ for over 41 years!

As a leading broadcaster, and regarding itself as virtually untouchable as it hides behind the Broadcasting Act, it is not just us, that is being defied. Mr Yamaji, head of the TSX, has proposed that all listed companies must aspire for an ROE in excess of 8% and to trade at greater than 1x book value. FMH has an ROE below 5% and its stock stands around 0.4x book value. It is the cheapest example of a cheap sector and the mismanagement of the company is a disgrace. We have posted our letter, the fourth we have written, to the NAVF website, along with the appendix on the board's constituent ages and tenure in office - you can find them here.

*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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