



Nippon Active Value Fund plc

**NAV**

# Half-Yearly Report

For the six month period ended 30 June 2023

RISING SUN MANAGEMENT LTD





# Contents

Investment Objective, Financial Information and Performance Summary	2
Chair’s Statement	3
Investment Adviser’s Report	5
Portfolio Sectors Breakdown	9
Interim Management Report	10
Condensed Statement of Comprehensive Income (unaudited)	11
Condensed Statement of Financial Position (unaudited)	12
Condensed Statement of Changes In Equity (unaudited)	13
Condensed Statement of Cash Flows (unaudited)	14
Notes to the Interim Financial Statements	15
Alternative Performance Measures (“APM”)	22
Glossary	23
Company Information	25

# Investment Objective, Financial Information and Performance Summary

## Investment Objective

The investment objective of the Company is to provide Shareholders with attractive capital growth through the active management of a focused portfolio of quoted companies which have the majority of their operations in, or revenue derived from, Japan and that have been identified by the Investment Adviser as being undervalued.

NAVf expects to publish on or around 1 September 2023 a circular proposing the approval of a revised investment policy in connection with the migration to the Premium Segment. Further details on the revised investment policy can be found in that circular.

## Financial Information

	<b>As at 30 June 2023</b>	<b>At 31 December 2022</b>
Net assets – (millions)	£165.8	£158.7
Net asset value (“NAV”) per Ordinary Share (“Share”) – (pence) <sup>1</sup>	146.7	140.5
Share price – (pence)	141.5	117.5
Share price discount to NAV – (%) <sup>2</sup>	3.6	16.3
Ongoing charges – (annualised) – (%) <sup>2</sup>	1.48	1.41

## Performance Summary

	<b>For the six month period to 30 June 2023 % change<sup>3</sup></b>	<b>For the six month period to 30 June 2022 % change<sup>3</sup></b>
NAV total return per Share <sup>2</sup>	+6.7	-10.9
Share price total return per Share <sup>2</sup>	+23.2	-20.7
MSCI Japan Small Cap index (sterling terms) total return	+0.4	-8.7

Source: Bloomberg

- 1 This is measured on a cum income basis, including dividend reinvested.
- 2 These are Alternative Performance Measures (“APM”). Definition of these and other APMs used in this report, together with how these APMs have been calculated are disclosed on page 22 of this report.
- 3 Total returns are stated in GBP, including dividend reinvested.

# Chair's Statement

## Performance

I am pleased to present Nippon Active Value Fund's interim report, covering the period from 1 January 2023 to 30 June 2023.

Over that period, the Company's net asset value total return with dividend reinvested rose by +6.7% while the share price total return with dividend reinvested rose by +23.2%, reflecting a fall in the discount from 16.3% to 3.6%. For comparison, the MSCI Japan Small Cap Index in sterling terms was little changed, rising by a modest +0.4% over the same period. Since the launch of the Company in February 2020 on a dividend reinvested total return basis, the net asset value of the Company has increased by +53.4% and the share price by +45.3%, compared to a return in this index of +8.5%.

During the period under review, the Japanese market rallied to the highest level since 1990 in local currency terms, though the continuation of loose monetary policy contributed to further weakness in the yen. In contrast to concerns in other developed markets about the likelihood of continued increases in interest rates to combat stubborn inflationary pressures, the end of deflation in Japan is positive for the economy, while the end of COVID restrictions in China is positive for Japanese exports and inward bound tourism. Berkshire Hathaway's enthusiasm for Japanese equities, albeit focused on a narrow sector, was widely covered. Overseas investors have been significant net buyers of yen assets, while domestic retail investors responded well to the announcement of an extension of tax-efficient individual investment accounts, NISAs. While increased investment flows have benefited larger companies more than the small to mid-cap equities that are the focus of your Company, continuing news flow about corporate governance initiatives has provided support for an activist approach.

Our Investment Adviser's report follows below.

## Corporate Governance Developments

In April 2022, the Japanese Securities Exchange, JPX, introduced a new system of classification for listed equities, which divides listed equities into Prime, Standard and Growth Markets based on criteria including market capitalisation, tradable shares and corporate governance standards. The reorganisation allowed a generous transition period. In January this year JPX clarified the arrangements for ending the transition period and the criteria to be applied in the annual reassessment of eligibility. As part of this they announced that they would require companies trading below book value to provide plans to boost their share price. According to the Financial Times, 53% of companies listed on the Tokyo Stock Exchange trade with a price-to-book ratio of less than 1x and these companies form the core of our target investment universe.

In November 2022, The Ministry of Economy, Trade and Industry (METI) announced a review of Merger and Acquisition Guidelines, which includes a period of public consultation lasting until early August 2023. Our Investment Advisers have participated in the consultation process. METI's stated purpose is to improve transparency and clarity and to encourage the consolidation of industries where there is excess capacity, which all investors would no doubt welcome.

In March this year, the Financial Services Agency announced a review of takeover regulations, including a reassessment of the percentage ownership that would trigger a compulsory takeover bid, currently 66% in on-market transactions and 33% in off-market purchases. We await the outcome of both reviews with interest. Whatever the final result, the inherent value of listed Japanese equities is unarguable and the emphasis by the Stock Exchange on improving outcomes for all shareholders has, we feel, made management more receptive to arguments presented by activist investors for improved capital allocation, particularly in the small and medium cap sectors.

## Gearing

The Company has arranged a borrowing facility of £30 million to provide the Investment Adviser with flexibility to temporarily gear the portfolio when appropriate, e.g. to facilitate takeover initiatives. At 30 June 2023, the portfolio held 0.6% in cash and at 29 August 2023 is approximately 2.3% in cash.

## Proposed Merger with abrdn Japan Investment Trust plc (AJIT)

In May 2023, the Company announced that, subject to the approval of the shareholders of both AJIT and NAVF at general meetings, your Company had been selected as the successor vehicle to AJIT pursuant to its proposed s.110 Insolvency Act 1986 member's voluntary liquidation and reconstruction. We are delighted to have been selected. Aside from approval by both sets of shareholders a further condition of the merger was that NAVF move its listing from the Specialist Fund Segment to the Official List and the Premium Segment of the London Stock Exchange, a step which the board was already considering, as a means of improving distribution to retail investors. As part of the migration to the Premium Segment, the Board appointed a second broker, Joh. Berenberg, Gossler & Co. KG, as sponsor and joint broker alongside Shore Capital.

## Chair's Statement continued

### **Proposed Merger with Atlantis Japan Growth Fund (AJG)**

On 11 August 2023, the Company also announced that, subject to the approval of the shareholders of both AJG and NAVF at general meetings, your Company had been selected as the successor vehicle to AJG pursuant to a scheme of reconstruction and voluntary winding up of AJG pursuant to section 391(1)(b) of the Companies (Guernsey) Law, 2008. We are again delighted to have been selected by the board of AJG.

The resulting expansion of the Company will, we believe, improve the liquidity of our shares as well as expand the universe of potential investment targets to include slightly larger companies.

We are now expecting that the NAVF circular and prospectus required to support the AJIT and AJG mergers will be published imminently. We are now expecting that all necessary public documents in connection with the AJIT and AJG mergers will be published by the Company, AJIT and AJG in early September.

### **Outlook**

The Company's strategy is to invest in a small number of deeply undervalued companies where there is a strong potential for engagement with management to improve returns to shareholders through, for example, higher dividend payouts or share buy backs. The RSM team continues to identify a number of potential investment opportunities and is encouraged by the responsiveness of many, if not all, of the companies with which they engage. We are encouraged by the more positive sentiment towards Japanese equities this year. Ours is a highly selective, concentrated approach and we expect our returns to be relatively lowly correlated to the market as a whole. Even if global investors' focus shifts away from Japan, we are confident that an activist approach will continue to perform well.

### **Rosemary Morgan**

Chair

30 August 2023

# Investment Adviser's Report

For the half-year ended 30 June 2023

## Performance

Period	Absolute (ex-inc) <sup>1</sup>			Cumulative (ex-inc) <sup>1</sup>		
	JPY	Sterling/Yen FX Change	GBP	JPY	FX	GBP
21 February 2020 to 31 December 2020	12.19%	1.39%	13.58%	12.19%	1.39%	13.58%
Year Ending 31 December 2021	34.18%	-12.77%	21.41%	50.54%	-12.64%	37.90%
1st Quarter 31 March 2022	-5.01%	-2.28%	-7.30%	42.99%	-15.15%	27.84%
2nd Quarter 30 June 2022	-2.26%	-3.07%	-5.33%	39.76%	-18.73%	21.03%
3rd Quarter 30 September 2022	6.13%	2.24%	8.37%	48.33%	-17.17%	31.16%
4th Quarter 31 December 2022	5.19%	1.90%	7.09%	56.04%	-15.58%	40.46%
Year Ending 31 December 2022	3.65%	-1.79%	1.86%	56.04%	-15.58%	40.46%
1st Quarter 31 March 2023	11.26%	-3.95%	7.31%	73.61%	-22.88%	50.73%
2nd Quarter 30 June 2023	8.69%	-11.35%	-2.66%	85.88%	-41.98%	46.72%
Year to date 30 June 2023	20.94%	-16.48%	4.46%	85.88%	-41.98%	46.72%

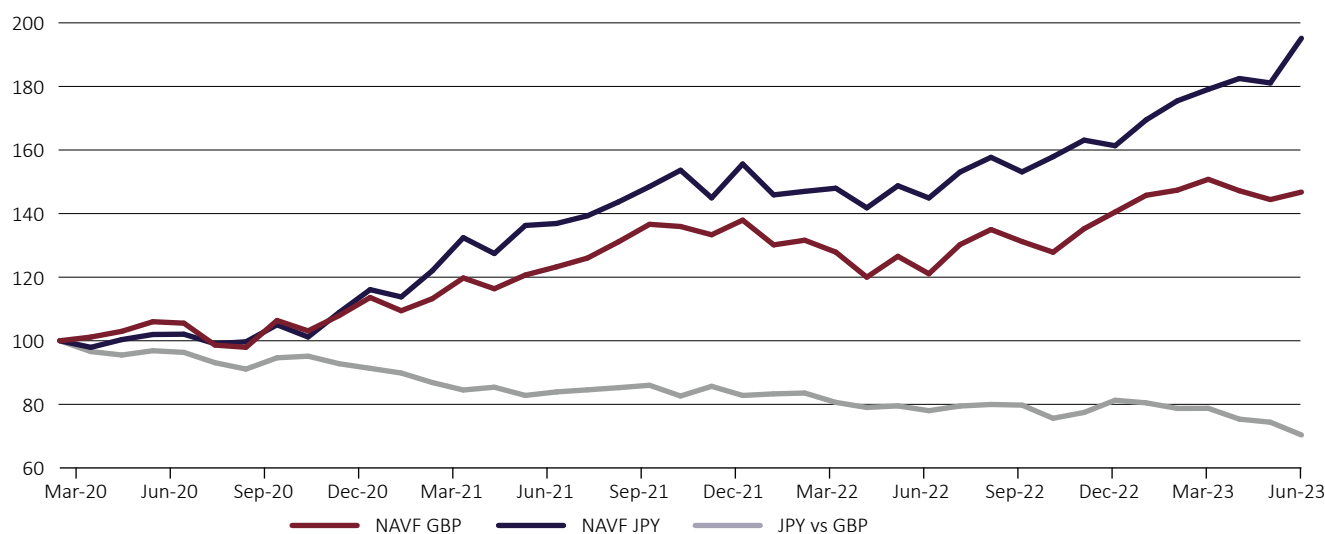
<sup>1</sup> This is measured on an ex-income basis, excluding dividend reinvested.  
Source: Bloomberg

## Overview

In her report, the Chair has touched on the Bank of Japan's continued 'loose money' policy, despite what really does appear to be a genuine rise in inflation. The effects of this aberration amongst the world's developed economies are starkly illustrated in the table above. This year alone, we could argue the yen has cost the Fund almost 16.5% of performance and over 40% since we launched in February 2020. Nonetheless, in sterling terms, the capital return of the Fund's NAV is +46.7% (53% including dividends) over the life of the Fund and NAVF is the top performing UK-based Japanese-focused fund over one and three years, a testament to the continued success of the formula we set out initially and from which we have not deviated. Nor will we. Although we have no benchmark, we tend to look at the MSCI Japanese Small Cap Index companies, it is worth noting for completeness that we have also outperformed the TOPIX Small Cap index (TPXSM Index) and the TOPIX Index excluding TOPIX 500. The TOPIX Small Cap Index was up +9.63%<sup>2</sup> as of 30 June 2023, since 21 February 2020, the date the Fund listed on the London Stock Exchange.

<sup>2</sup> Source: Morningstar

## NAVF Returns By Currency (Net Of Fees)



Inception Date: 21/02/2020  
 Since inception as of 30 June 2023  
 Source: Bloomberg, company data

I am writing this report towards the end of July and, for the record, on 28 July 2023, the Fund's NAV was 150.06p and Assets Under Management ("AUM") was £169.60 million. Page 9 of this report gives a snapshot of the Fund at 30 June 2023.

### Merger with abrdn Japan Investment Trust plc

In the first half of this year, performance has mattered even more than usual. The Chair has already discussed the scheme of reconstruction of abrdn Japanese Investment Trust plc (AJIT) via s.110 of the Insolvency Act 1986. As this transaction will transform our business, a fuller account is merited.

As at the end of March this year AJIT was facing a continuation vote following a prolonged period of underperformance. The Board of AJIT, thinking imaginatively, wished to offer shareholders the option of rolling over the majority of their holdings in AJIT into another stronger alternative. Following an in-depth review of managers across the listed Japan sector, NAVF was selected by the AJIT board as the most attractive successor vehicle for their shareholders. The NAVF Board has also agreed to expand and will welcome one of the AJIT Board members, thus ensuring continued representation of AJIT's shareholders' interests. The terms of the proposed deal were announced on 18 May once AJIT had consulted with a number of its major shareholders, who indicated support for the deal.


### Merger with Atlantis Growth Fund

As announced on 11 August 2023 and, following a rigorous review process, NAVF has also been selected by Atlantis Japan Growth Fund ("AJG") as the successor vehicle for those AJG shareholders electing (or being deemed to elect) for the rollover option pursuant to a second scheme of reconstruction.

AJG is a long-only, non-activist investor in the Smaller Japanese Companies sector, which like AJIT, is facing a continuation vote, and the Board has determined that its future will be better served by being 'rolled-up' into another, more successful, fund. As announced on 11 August 2023, AJG consulted with a number of its major shareholders who indicated support for the move.

The Rising Sun team are delighted by the confidence shown in their performance by both the boards of AJIT and AJG and by the fact that completion of both schemes, subject to separate shareholder approvals, should increase NAVF's assets under management towards the £300 million mark. Furthermore, as set out in the announcement of 11 August 2023, the terms of the AJIT and AJG mergers are equivalent, including that your Investment Adviser demonstrates its conviction in the future success of NAVF and covers the costs of both up to a cap of £800,000 per scheme.





It is impossible to be certain of the absolute amount that will come across to NAVF on completion of each scheme but, after the proffered 25% cash alternative, we still hope to receive assets in excess of £120 million after expenses. Given the recent strong showing of the Japanese large-caps, we are keen to receive the proceeds in specie – in other words, both the AJIT and AJG portfolios should arrive substantially in the form of the stocks remaining, once any gearing and the cash offer are settled. NAVF will not be ‘out of the market’, and we can switch the inherited positions into our target portfolio stocks at a time of our choosing.

As at 28 July 2023 NAVF’s ordinary shares were trading on a 3.4% discount and have traded at NAV or a small discount since the announcement of the AJIT scheme. We are aware that two impediments to a stronger share rating have been, to date, our size and relative illiquidity. Completion of the AJIT and AJG schemes will help relieve both these concerns at once. In addition, the ownership position of individuals and funds associated with the Investment Adviser, already down to 31% due to the Fund’s growth, will be further diluted to levels more in line with market norms.

### **Migration to the Official List and Premium Segment of the Main Market**

Earlier, I described the AJIT deal as transformative. By this, I did not mean solely the increase in NAVF’s AUM. A key condition of the terms agreed with the AJIT board was that NAVF would move its listing from the Specialist Fund Segment to the Official List and Premium Segment of the Main Market, something we were intending to do later this year in any event, the AJIT opportunity merely accelerated the timing. Moving to the main board is important and good news. In recent months we have been tipped by, amongst others, Questor, Midas, City Wire, Shares, as well as Money Makers and other investment podcasts – a premium listing will make NAVF both more liquid and easier to buy for retail investors. Our newly appointed second broker, Berenberg, will act as sponsor for our move to the Official List.

### **Investment Policy**

NAVF was established with a mandate to run a selective portfolio of around 20 names in companies of up to US\$1 billion market cap equivalent and with no more than 30% in anyone holding. This made perfect sense for a portfolio with a starting value of just over £100 million.

Although we have never approached that kind of concentration in an individual stock, as the portfolio has grown, so has the number of constituent parts. Currently, we have 29 names, not including two TOPIX-related Exchange Traded Funds (see Portfolio Composition below). As a result of the two proposed scheme mergers, and the move to the Premium Segment, we will be proposing some modest revisions to the investment policy, details of which will be set out in the circular to shareholders shortly.

These revisions include a reduced limit on the maximum proportion of the Fund which can be invested in any one name of 20% (down from 30%) which, given the expanding size of the Fund, is still gives us plenty of scope. The greater size of the Fund also behoves us to reconsider the typical number of stocks we will hold, and this will be advanced to around 35. The portfolio will remain selective and focused, while we will be acknowledging the existing direction of travel. Lastly, and more significantly, we have enlarged the core universe of prospective targets to include companies with up to US\$3 billion market cap equivalent. This will allow the inclusion of more mid-cap names, providing both greater levels of liquidity and the ability to deploy our larger fund more quickly. NAVF was always conceived as a small and mid-cap fund, so there is no fundamental change in our purposes, nor the way in which we pursue them.

The revisions to the Investment Policy are designed in part to cater for a larger portfolio of assets following the completion of the AJIT and AJG schemes. Notwithstanding this, your Investment Adviser considers that the increased flexibility offered by the revised investment policy, will be for the benefit of shareholders regardless of whether or not the schemes complete.

### **Portfolio Composition**

When writing the first quarter’s report, I explained that two actions within the portfolio had resulted in a large influx of cash. These were the successful MBO of Ihara Science, which de-listed in Q2, and the unsuccessful tender offer for T&K Toka. At one point, we had over £40 million of excess liquidity. As the Chair has noted in her report, the Japanese market has been ‘running’ in recent months, the result of many causes, important amongst which have been: a general recognition of the value proposition of the cheapest market in the developed world, low interest rates and the ‘loose’ yen policy, and the resultant inflows of foreign funds as they sought to diversify away from China. The temporary solution to get this liquidity to work rapidly was to buy two ETFs geared to the TOPIX index. We recognised that this was sub-optimal and undertook to invest these funds in new and existing targets as quickly as possible.

## Investment Adviser's Report continued

I am pleased to report that, while on 1 June the ETFs constituted 10.5% of the portfolio, by the end of the month this had fallen to 5.25% (and, at 28 July, it is now only 2.5%). It is worth remarking that the composition of Ihara Science's go-private vehicle is still being structured. Additionally, we note that T&K Toka's CEO has stepped down and, accordingly, the company's future direction is still in the balance.

### Outlook

This is the easiest section of any report I have ever written. The outlook is the brightest since NAVF's IPO in 2020. METI's M&A review, the Tokyo Stock Exchange's announced intention to name and shame all companies trading below PBR and requiring them to generate comprehensive plans to plot a path to trading at multiples, and the Corporate Governance programme generally, have never provided a stronger regulatory wind at our back. Where the standard answer to our first entreaties with a new subject used always to be a polite 'no', now they are routinely saying 'let's talk'. We know there continue to be doubters, and that 'I've heard it all before' is a refrain that will take a long time to fade, but, on the ground, we are really beginning to see a sea change. Should both the AJIT and AJG schemes be approved by their respective sets of shareholders leaving us with a nearly £300 million fund, a broader mixture of institutional and retail shareholders, a Premium Segment listing, and the ability to buy bigger positions in slightly bigger companies, NAVF's prospects look better than ever.

### Paul folkes Davis

Rising Sun Management Limited  
30 August 2023

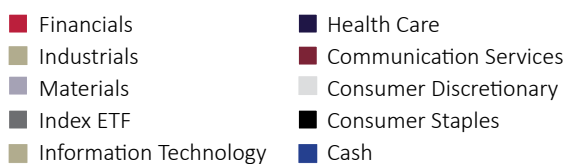
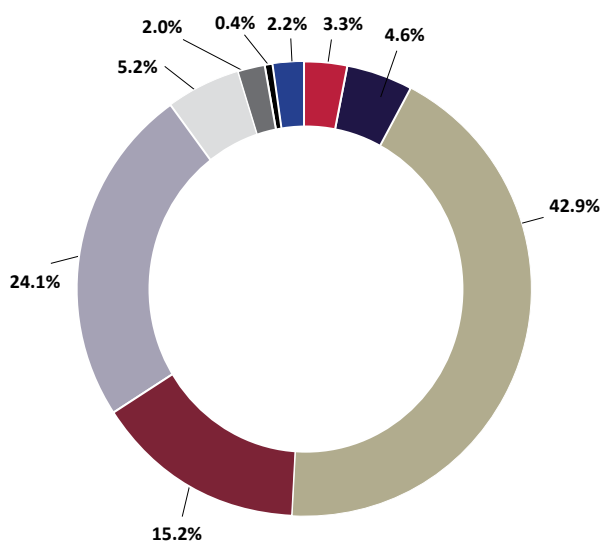
# Portfolio Sectors Breakdown

As at 30 June 2023

## Top ten holdings

as at 30 June 2023	Sector	Percentage of net assets (%)
Intage Holdings Inc	Communication Services	11.9
Mitsubishi Belting	Industrials	9.9
Ebara Jitsugyo Co	Industrials	8.8
Toyota Industries	Industrials	8.5
Nippon Fine Chemical	Materials	8.4
Meisei Industrial	Industrials	4.6
Ishihara Chemical	Materials	4.3
Next Funds Topix Exchange Traded Fund ETP	Index ETF	4.0
Vital KSK Holdings	Healthcare	3.7
Bunka Shutter Co	Industrials	3.6
<b>Top ten holdings</b>		<b>67.7</b>
Other net assets		32.3
<b>Total</b>		<b>100.0</b>

## Sector breakdown



## Portfolio Characteristics

Equity Investments	97%
Price/Book	1.2x
Price/Earnings	15.3
EV/EBITDA	5.6
Net Cash/Mkt Cap	11.4%
Adjusted Cash/Mkt Cap	34.2%
Net Working Capital/Market Cap	40.1%

# Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority (“FCA”) Disclosure Guidance and Transparency Rules (“DTR”) and consider the Chair’s Statement and the Investment Adviser’s Report in this half-yearly report to provide details of the important events which have occurred during the period and their impact on the financial statements. The following statements on related party transactions, going concern and the Directors’ Responsibility Statement below, together constitute the Interim Management Report for the Company for the period ended 30 June 2023. The outlook for the Company for the remaining six months of the year ending 31 December 2023 is discussed in the Chair’s Statement and the Investment Adviser’s Report.

## Risks and uncertainties

The principal and emerging risks and uncertainties facing the Company are detailed in the Company’s most recent Annual Report for the year ended 31 December 2022. These remain unchanged during the period under review.

The principal and emerging risks, together with a summary of the processes and internal controls used to manage and mitigate risks where possible are outlined in the Annual Report for the year ended 31 December 2022.

The Board is responsible for the management of risks and uncertainties faced by the Company. The Board relies on the Investment Adviser, who will seek to mitigate these risks through active asset management initiatives and carrying out due diligence work on potential targets before entering into any investments. The principal and emerging risks and uncertainties of the Company are continuously monitored by the Board, with input from the Investment Adviser.

The Board is of the opinion that these principal and emerging risks and uncertainties remain and are very much applicable to the remaining six months of the Company’s financial year.

## Related party transactions

The Company’s Investment Adviser is Rising Sun Management Limited and is considered a related party under the Listing Rules. The Investment Adviser is entitled to receive an annual advisory fee calculated as 0.85 per cent. of the Company’s net assets (exclusive of VAT). Investment advisory fees paid during the period to 30 June 2023 is £694,000 (30 June 2022: £634,000). There is no performance fee payable to the Investment Adviser.

## Going concern

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the following twelve-month period from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company’s portfolio of investments as well as its cash position, income, and expense flows. The Company’s net assets as at 30 June 2023 were £165.8 million (31 December 2022: £158.7 million). As at 30 June 2023, the Company held £162.1 million (31 December 2022: £126.2 million) in quoted investments and had cash and cash equivalents of £1.0 million (31 December 2022: £31.7 million). The total expenses (excluding finance costs and taxation) for the period ended 30 June 2023 is £1.3 million (30 June 2022: £0.8 million).

As a result of the macro-economic situation, including higher inflation and increased interest rates brought about, inter alia, by the Russian invasion of Ukraine and the recovery from the COVID-19 pandemic, the Directors have fully considered each of the Company’s investments. However, the Company currently has more than sufficient liquidity available to meet any present and future obligations. In addition, the Board believes that the Company and its key third party service providers have in place appropriate business continuity plans to continue to maintain service levels throughout future pandemics.

## Directors’ statement of responsibility for the half-yearly report

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the half-yearly report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” as required by DTR 4.2.4R.
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA’s Disclosure Guidance and Transparency Rules.

## Rosemary Morgan

Chair

For and on behalf of the Board of Directors

30 August 2023

# Condensed Statement of Comprehensive Income (unaudited)

	Note	For the period ended 30 June 2023			For the period ended 30 June 2022			For the period ended 31 December 2022*		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		–	9,520	9,520	–	(18,755)	(18,755)	–	1,274	1,274
Income	4	2,751	–	2,751	3,456	–	3,456	5,487	–	5,487
Foreign exchange gains/(losses)		–	41	41	–	(466)	(466)	–	938	938
Investment adviser fees		(139)	(555)	(694)	(127)	(507)	(634)	(248)	(995)	(1,243)
Other operational expenses		(646)	–	(646)	(112)	–	(112)	(812)	–	(812)
<b>Profit/(loss) before taxation</b>		<b>1,966</b>	<b>9,006</b>	<b>10,972</b>	<b>3,217</b>	<b>(19,728)</b>	<b>(16,511)</b>	<b>4,427</b>	<b>1,217</b>	<b>5,644</b>
Taxation	5	(277)	–	(277)	(345)	–	(345)	(549)	–	(549)
<b>Profit/(loss) and comprehensive income for the period</b>		<b>1,689</b>	<b>9,006</b>	<b>10,695</b>	<b>2,872</b>	<b>(19,728)</b>	<b>(16,856)</b>	<b>3,878</b>	<b>1,217</b>	<b>5,095</b>
Earnings/(loss) per Ordinary Share – Basic and diluted (pence)	8	1.49p	7.97p	9.46p	2.54p	(17.46p)	(14.92p)	3.43p	1.08p	4.51p

\* Audited

There is no other comprehensive income and therefore the return for the year is also the total comprehensive income for the period.

The total column of the above statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

Both the supplementary revenue and capital columns are both prepared in accordance with Statement of Recommended Practice (“SORP”) issued by Association of Investment Companies (“AIC”).

The notes on pages 15 to 21 form part of these financial statements.

# Condensed Statement of Financial Position (unaudited)

	Note	As at 30 June 2023 £'000	As at 30 June 2022 £'000	As at 31 December 2022* £'000
<b>Non-current assets</b>				
Investments at fair value through profit or loss	3	162,103	127,188	126,284
<b>Current assets</b>				
Cash and cash equivalents		1,012	8,703	31,738
Trade and other receivables		4,779	1,312	1,240
		<b>5,791</b>	<b>10,015</b>	<b>32,978</b>
<b>Current liabilities</b>				
Trade and other payables		(2,070)	(409)	(517)
		<b>(2,070)</b>	<b>(409)</b>	<b>(517)</b>
<b>Net current assets</b>				
		<b>3,721</b>	<b>9,606</b>	<b>32,461</b>
<b>Net assets</b>				
		<b>165,824</b>	<b>136,794</b>	<b>158,745</b>
<b>Capital and reserves attributable to Shareholders</b>				
Share capital	7	1,130	1,130	1,130
Share premium		115,349	115,349	115,349
Capital reserve		47,330	17,379	38,324
Revenue reserve		2,015	2,936	3,942
<b>Total equity</b>				
		<b>165,824</b>	<b>136,794</b>	<b>158,745</b>
<b>NAV per Ordinary Share (pence)</b>				
	9	<b>146.72p</b>	<b>121.03p</b>	<b>140.46p</b>

\* Audited

Approved by the Board of Directors and authorised for issue on 30 August 2023 and signed on their behalf by:

**Rosemary Morgan**

Chair

Nippon Active Value Fund plc is incorporated in England and Wales with registration number 12275668.

The notes on pages 15 to 21 form part of these interim financial statements.

## Condensed Statement of Changes in Equity (Unaudited)

For the period to 30 June 2023	Note	Share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>Balance at 1 January 2023</b>		<b>1,130</b>	<b>115,349</b>	<b>38,324</b>	<b>3,942</b>	<b>158,745</b>
Profit and comprehensive income for the period		–	–	9,006	1,689	10,695
Dividends paid	6	–	–	–	(3,616)	(3,616)
<b>Balance at 30 June 2023</b>		<b>1,130</b>	<b>115,349</b>	<b>47,330</b>	<b>2,015</b>	<b>165,824</b>

For the period to 30 June 2022	Note	Share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>Balance at 1 January 2022</b>		<b>1,130</b>	<b>115,349</b>	<b>37,107</b>	<b>2,268</b>	<b>155,854</b>
Loss and comprehensive income for the period		–	–	(19,728)	2,872	(16,856)
Dividends period	6	–	–	–	(2,204)	(2,204)
<b>Balance at 30 June 2022</b>		<b>1,130</b>	<b>115,349</b>	<b>17,379</b>	<b>2,936</b>	<b>136,794</b>

Year ended 31 December 2022*	Note	Share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>Balance at 1 January 2022</b>		<b>1,130</b>	<b>115,349</b>	<b>37,107</b>	<b>2,268</b>	<b>155,854</b>
Profit and comprehensive income for the period		–	–	1,217	3,878	5,095
Dividends paid	6	–	–	–	(2,204)	(2,204)
<b>Balance at 31 December 2022</b>		<b>1,130</b>	<b>115,349</b>	<b>38,324</b>	<b>3,942</b>	<b>158,745</b>

\* Audited

The Company's distributable reserves consist of the capital reserve attributable to realised capital profits and revenue reserve.

The notes on pages 15 to 21 form part of these interim financial statements.

# Condensed Statement of Cash Flows (Unaudited)

	Note	For the period to 30 June 2023 £'000	For the period to 30 June 2022 £'000	For the year ended 31 December 2022* £'000
<b>Operating activities cash flows</b>				
Profit/(loss) before taxation**		10,972	(16,511)	5,644
<b>Adjustment for:</b>				
(Gains)/losses on investments	3	(9,520)	18,755	(1,274)
(Increase)/decrease in trade and other receivables		(798)	(494)	174
(Decrease)/increase in trade and in other payables		(58)	2	(20)
Tax withheld on overseas income	5	(277)	(345)	(549)
<b>Net cash flow from operating activities</b>		<b>319</b>	<b>1,407</b>	<b>3,975</b>
<b>Investing activities cash flows</b>				
Purchases of investments		(61,957)	(28,763)	(41,052)
Sales of investments		34,528	22,448	55,204
<b>Net cash flow (used in)/from investing activities</b>		<b>(27,429)</b>	<b>(6,315)</b>	<b>14,152</b>
<b>Financing activities cash flows</b>				
Equity dividends paid	6	(3,616)	(2,204)	(2,204)
<b>Net cash flow used in financing activities</b>		<b>(3,616)</b>	<b>(2,204)</b>	<b>(2,204)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(30,726)</b>	<b>(7,112)</b>	<b>15,923</b>
Cash and cash equivalents at the beginning of the period		31,738	15,815	15,815
<b>Cash and cash equivalents at the end of the period</b>		<b>1,012</b>	<b>8,703</b>	<b>31,738</b>

\* Audited

\*\* Cash inflow from dividends received for the period is £1,727,000 (30 June 2022: 3,340,000 and 31 December 2022: 5,161,000).

The notes on pages 15 to 21 form part of these interim financial statements.



# Notes to the Interim Financial Statements

## 1. GENERAL INFORMATION

The Company is a closed-ended investment company incorporated on 22 October 2019 in England and Wales with registered number 12275668 and registered as an investment company under Section 833 of Companies Act 2006, as amended from time to time (the "Act"). The Company is an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, as amended. On 21 February 2020, the Company's shares were admitted to the Specialist Fund Segment of the Main Market of the London Stock Exchange. On the same day, trading of the Ordinary Shares commenced on the London Stock Exchange.

The investment objective of the Company is to provide Shareholders with attractive capital growth through the active management of a focussed portfolio of quoted companies which have the majority of their operations in, or revenue derived from, Japan and that have been identified by the Investment Adviser as being undervalued. The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

The Company's registered office is 6th Floor, 125 London Wall, London EC2Y 5AS.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

#### *Statement of compliance*

The Company's condensed unaudited interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("DTRs") of the UK's Financial Conduct Authority. When presentational guidance set out in the Statement of Recommended Practice ("SORP") for Investment Companies issued by the Association of Investment Companies ("the AIC") in July 2022 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The financial statements were approved and authorised for issue by the Board on insert date. This half year report will be made available to the public at the Company's registered office. It will also be made available on the Company's website: <https://www.nipponactivevaluefund.com>.

#### *Going Concern*

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the following twelve-month period from the date of this report and believe that it is appropriate to prepare the interim financial statements of the Company on the going concern basis. Further disclosure on going concern can be found on page 10.

#### *Use of estimates and judgements*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected. Except Company's investment in contingent variable right, there have been no estimates, judgements or assumptions, which have had a significant impact on the financial statements for the period.

#### *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

#### *Functional and presentation currency*

The Company's investments are denominated in multiple currencies. However, the Company's Ordinary shares are issued in GBP sterling, the currency of the primary economic environment in which the Company operates is GBP sterling, and the majority of its expenses are paid in GBP sterling, as are dividends. Therefore, the financial statements are presented in sterling, which is the Company's functional currency. All financial information presented in sterling has been rounded to the nearest thousand pounds.

# Notes to the Interim Financial Statements continued

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

### *New and amended standards and interpretations*

At the date of approval of these financial statements, there were no new or revised standards or interpretations relevant to the Company which had come into effect.

## 3. INVESTMENTS

	As at 30 June 2023 £'000	As at 30 June 2022 £'000	As at 31 December 2022 £'000
<b>Investment at fair value through profit or loss</b>			
Listed on a recognised overseas exchange	162,103	127,118	126,284
<b>Total</b>	<b>162,103</b>	<b>127,118</b>	<b>126,284</b>

### Fair Value Measurements of Financial Assets and Financial Liabilities

The financial assets and liabilities are either carried at their fair value, or the amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, expense accruals and cash and cash equivalents).

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the Fair Value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs including quoted prices.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The table below sets out fair value measurements using the Fair Value Hierarchy.

As at 30 June 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	162,103	–	–	162,103
<b>Total</b>	<b>162,103</b>	<b>–</b>	<b>–</b>	<b>162,103</b>

There were no transfers between levels during the period.

As at 30 June 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	127,188	–	–	127,188
<b>Total</b>	<b>127,188</b>	<b>–</b>	<b>–</b>	<b>127,188</b>

As at 31 December 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	126,284	–	–	126,284
<b>Total</b>	<b>126,284</b>	<b>–</b>	<b>–</b>	<b>126,284</b>

#### 4. INVESTMENT INCOME

	For the period to 30 June 2023 £'000	For the period to 30 June 2022 £'000	Year ended 31 December 2022 £'000
<b>Income from investments:</b>			
Overseas dividends	2,750	3,456	5,487
<b>Other income:</b>			
Deposit interest	1	–	–
<b>Total</b>	<b>2,751</b>	<b>3,456</b>	<b>5,487</b>

#### 5. TAXATION

##### Analysis of tax charge in the period:

	For the period to 30 June 2023			For the period to 30 June 2022			For the year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas withholding tax	277	–	277	345	–	345	549	–	549
<b>Total tax charge for the period</b>	<b>277</b>	<b>–</b>	<b>277</b>	<b>345</b>	<b>–</b>	<b>345</b>	<b>549</b>	<b>–</b>	<b>549</b>

#### 6. DIVIDEND

As per the powers set out in the Prospectus, the Board has decided not to declare an interim dividend. This decision will be reviewed at the year-end stage, where a dividend distribution may be required to maintain investment trust status of the Company.

Dividends paid during the respective periods are detailed in the below table:

Type – respective financial period/year end – dividend rate (pence)	For the period to 30 June 2023 £'000	For the period to 30 June 2022 £'000	For the year ended 31 December 2022 £'000
Interim dividend - paid 30 April 2023 (3.2p per ordinary share)	3,616	–	–
Interim dividend – paid 26 April 2022 (1.95p per ordinary share)	–	2,204	2,204
<b>Total</b>	<b>3,616</b>	<b>2,204</b>	<b>2,204</b>

# Notes to the Interim Financial Statements continued

## 7. SHARE CAPITAL

Share capital represents the nominal value of shares that have been issued. The share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The Directors have been authorised to issue up to 400 million Shares.

### Share capital movement during the period

	For the period to 30 June 2023		For the period to 30 June 2022		For the year ended 31 December 2022	
	No. of shares	Nominal value of shares £'000	No. of shares	Nominal value of shares £'000	No. of shares	Nominal value of shares £'000
<b>Allotted, issued &amp; fully paid:</b>						
Opening balance	113,021,433	1,130	113,021,433	1,130	113,021,433	1,130
Ordinary Shares of 1p each ('Ordinary Shares') issued	–	–	–	–	–	–
<b>Closing balance</b>	<b>113,021,433</b>	<b>1,130</b>	<b>113,021,433</b>	<b>1,130</b>	<b>113,021,433</b>	<b>1,130</b>

### Rights attaching to the Ordinary Shares

Dividend rights: All Ordinary Shares are entitled to a distribution of dividends, in the event that the Directors resolve to make such a distribution to Shareholders, in the same proportions as capital is attributable to them.

Rights as respect to capital: On a winding-up or a return of capital, in the event that the Directors resolve to make such a distribution to Shareholders, all Ordinary Shares are entitled to a distribution of capital in the same proportions as capital is attributable to them.

Voting rights: Every Shareholder shall have one vote for each Ordinary Share held.

## 8. EARNINGS PER ORDINARY SHARE

Total return per Ordinary Share is based on the return on ordinary activities, including income, for the period after taxation of £10,695,000 (30 June 2022: loss of 16,856,000 and 31 December 2022: profit of 5,095,000).

Based on the weighted average number of Ordinary Shares in issue for the period to 30 June 2023 of 113,021,433 (30 June 2022: 113,021,433 and 31 December 2022: 113,021,433), the returns per share were as follows:

	For the period to 30 June 2023			For the period to 30 June 2022			For the year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Return per Ordinary Share</b>	1.49p	7.97p	<b>9.46p</b>	2.54p	(17.46)p	<b>(14.92)p</b>	3.43p	1.08p	<b>4.51p</b>

## 9. NET ASSET VALUE PER SHARE

Total equity and the net asset value ("NAV") per share attributable to the Ordinary Shareholders at the period end calculated in accordance with the Articles of Association were as follows:

	As at 30 June 2023	As at 30 June 2022	As at 31 December 2022
Net Asset Value (£)	165,824,000	136,794,000	158,745,000
Ordinary Shares in issue	113,021,433	113,021,433	113,021,433
<b>NAV per Ordinary Share</b>	<b>146.72p</b>	<b>121.03p</b>	<b>140.46p</b>

## 10. RELATED PARTY TRANSACTIONS

### Transactions with the Investment Adviser

Total Investment Adviser and AIFM fees for the period to 30 June 2023 are shown in the Statement of Comprehensive Income. As at 30 June 2023, no Investment Adviser fees and AIFM fees were outstanding.

A key member of the RSM team is a major shareholder of Rosenwald Capital Management, Inc. As at 30 June 2023, Rosenwald Capital Management, Inc had notified the Company that it held 38,460,001 shares, which is 34.03% of the Company's 113,021,433 Shares in issue as at that date.

Rosenwald Capital Management Inc, receives dividends paid by the Company based on its shareholding.

### Directors' fees and shareholdings

Directors' fees are payable at the rate of £27,810 per annum for each Director other than the Chair, who is entitled to receive £41,000. The Chair of the Audit Committee is also entitled to an additional fee of £5,190 per annum.

The Directors had the following shareholdings in the Company, all of which were beneficially owned.

	As at 30 June 2023	As at 30 June 2022	As at 31 December 2022
Rosemary Morgan	40,000	40,000	40,000
Chetan Ghosh	40,000	40,000	40,000
Rachel Hill	115,791	80,000	115,791
Alicia Ogawa	25,000	25,000	25,000
Ayako Weissman	27,000	27,000	27,000

## 11. PRINCIPAL RISKS AND CAPITAL MANAGEMENT

### (i) Market risks

#### Economic conditions

Changes in economic conditions in Japan (for example, interest rates and rates of inflation, industry conditions competition, political and diplomatic events and other factors) and in the countries in which the Company's investee companies operate could substantially and adversely affect the Company's prospects.

#### Sectoral diversification

The Company is not subject to restrictions on the amount it may invest in any particular sector. Although the portfolio is expected to be diversified in terms of sector exposures, the Company may have significant exposure to portfolio companies from certain sectors from time to time. As there is no hard limit on the amount the Company may invest in any sector the entire Portfolio may, at certain times, be invested solely in one sector. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

#### Management of market risks

The Company is invested in a diversified portfolio of investments.

The Board will not set any limits on sector weightings or stock selection within the portfolio. The Board will apply the following restrictions on the size of its investments:

- not more than 30 per cent. of the Gross Asset Value at the time of investment will be invested in the securities of a single issuer; and
- the value of the four largest investments at the time of investment will not constitute more than 75 per cent. of the Gross Asset Value.

### (ii) Liquidity risks

The securities of small-to-medium-sized (by market capitalisation) companies may have a more limited secondary market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they can be more vulnerable to adverse market factors such as unfavourable economic reports.

#### Management of liquidity risks

The Company's Investment Adviser monitors the liquidity of the Company's portfolio on a regular basis.

### (iii) Currency risks

The majority of the Company's assets will be denominated in a currency other than sterling (predominantly in Japanese yen) and changes in the exchange rate between sterling and Japanese yen may lead to a depreciation of the value of the Company's assets as expressed in sterling and may reduce the returns to the Company from its investments and, therefore, negatively impact the level of dividends paid to Shareholders.

#### Management of currency risks

The Company does not currently intend to enter into any arrangements to hedge its underlying currency exposure to investment denominated in Japanese yen, although the Investment Adviser and the Board may review this from time to time.

### (iv) Interest rate risks

The Company pays interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

#### Management of interest rate risks

Prevailing interest rates are taken into account when deciding on borrowings.



## **(v) Credit risks**

### **Cash and other assets held by the custodian**

Cash and other assets that are required to be held in custody will be held by the custodian or its sub-custodians. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from any custodian's own assets in the event of the insolvency of a custodian.

Cash held with any custodian will not be treated as client money subject to the rules of the FCA and may be used by a custodian in the course of its own business. The Company will therefore be subject to the creditworthiness of its custodians. In the event of the insolvency of a custodian, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.

### **Management of credit risks**

The Company has appointed Northern Trust Global Services Limited as its custodian. The credit rating of Northern Trust was reviewed at time of appointment and will be reviewed on a regular basis by the Investment Adviser and/or the Board.

The Investment Adviser monitors the Company's exposure to its counterparties on a regular basis and the position is reviewed by the directors at Board meetings.

## **12. POST PERIOD END EVENTS**

There are no post period end events other than as disclosed in this Half-yearly Report.

## **13. STATUS OF THIS REPORT**

These interim financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The Half-yearly report will be made available to the public at the registered office of the Company. The report will also be available on the Company's website (<https://www.nipponactivevaluefund.com/>).

# Alternative Performance Measures (“APM”)

## Discount

The amount, expressed as a percentage, by which the share price is less than the NAV per Ordinary Share.

As at 30 June 2023		(Pence)
NAV per Ordinary Share	a	146.72
Share price	b	141.50
<b>Discount</b>	<b>(b÷a)-1</b>	<b>3.6%</b>

## Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date.

Period ended 30 June 2023		Share price	NAV
Opening at 1 January 2023 (pence)	a	117.5	140.5
Closing at 30 June 2023 (pence)	b	141.5	146.7
Movement (b÷a)-1	c	20.4%	4.4%
Dividend reinvestment factor	d	2.8%	2.3%
<b>Total return</b>	<b>(c+d)</b>	<b>23.2%</b>	<b>6.7%</b>

## Ongoing charges

A measure, expressed as a percentage of average NAV, of the regular, recurring annual costs of running an investment company.

Period ended 30 June 2023			
Average NAV	a	167,410,000	
Annual expenses	b	2,478,000	
<b>Ongoing charges</b>	<b>(b÷a)</b>		<b>1.48%</b>



# Glossary

<b>Administrator</b>	The Company's administrator, the current such administrator being Apex Listed Companies Services (UK) Limited.
<b>AIC</b>	Association of Investment Companies
<b>Alternative Investment Fund or "AIF"</b>	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.
<b>Alternative Investment Fund Managers Directive or "AIFMD"</b>	A European Union Directive which came into force on 22 July 2013 and has been implemented in the UK.
<b>Custodian</b>	An entity that is appointed to safeguard a company's assets.
<b>Depository</b>	Certain AIFs must appoint depositaries under the requirements of AIFMD. A depository's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the depository is appointed under a strict liability regime.
<b>Dividend</b>	Income receivable from an investment in shares.
<b>Discount</b>	The amount, expressed as a percentage, by which the share price is less than the NAV per share.
<b>Ex-dividend date</b>	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to Shareholders.
<b>Financial Conduct Authority or "FCA"</b>	The independent body that regulates the financial services industry in the UK.
<b>Gearing</b>	A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
<b>Index</b>	A basket of stocks which is considered to replicate a particular stock market or sector.
<b>Investment company</b>	A company formed to invest in a diversified portfolio of assets.
<b>Investment trust</b>	A closed-end investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. This Company is an investment trust.
<b>Market liquidity</b>	The extent to which investments can be bought or sold at short notice.
<b>Net assets</b>	An investment company's assets less its liabilities.
<b>Net Asset Value (NAV) per Ordinary Share</b>	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury).
<b>Ordinary Shares</b>	The company's Ordinary Shares in issue.

## Glossary continued

<b>Ongoing charges</b>	A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.
<b>Portfolio</b>	A collection of different investments constructed and held in order to deliver returns to Shareholders and to spread risk.
<b>Share price</b>	The price of a share as determined by buyers and sellers on the relevant stock exchange.
<b>Total return</b>	A measure of performance that takes into account both income and capital returns.
<b>Volatility</b>	A measure of how much a share moves up and down in price over a period of time.



# Company Information

## Board of Directors

Rosemary Morgan (Chair)  
Chetan Ghosh  
Rachel Hill  
Alicia Ogawa  
Ayako Weissman

## Registered Office

6th Floor,  
125 London Wall,  
London  
EC2Y 5AS

## Administrator & Company Secretary

Apex Listed Companies Services (UK) Limited  
6th Floor,  
125 London Wall,  
London  
EC2Y 5AS

## Joint Broker

Shore Capital Stockbrokers Limited  
Cassini House  
57 St. James's Street  
London  
SW1A 1LD

## Custodian

The Northern Trust Company  
50 Bank Street  
Canary Wharf  
London  
E14 5NT

## Registrar

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE

## Company Security Identifiers

ISIN: GB00BKLGLS10  
Ticker: NAVF  
SEDOL: BKLGLS1  
Website: [www.nipponactivevaluefund.com](http://www.nipponactivevaluefund.com)  
LEI: 213800JOFEGZJYS21P75  
GIIN: WB82JR.99999.SL.826

## Investment Adviser

Rising Sun Management Limited  
c/o Appleby Global Services (Cayman) Limited  
71 Fort Street  
PO Box 500  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

## Rising Sun Management Team

James B. Rosenwald, III  
Gifford Combs  
Paul ffolkes Davis  
Kazutaka Mizuochi

## Alternative Investment Fund Manager

FundRock Management Company (Guernsey) Limited  
1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey, GY1 2HL

## Joint Broker

Joh. Berenberg, Gossler & Co. KG  
60 Threadneedle Street  
London  
EC2R 8HP

## Auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU