

British Empire

Securities and General Trust plc

Investment Objective: To achieve capital growth through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying net asset value.

Performance Commentary

Over the month NAV was up 3.3%¹. This compares to a decrease in the benchmark of 0.1%² and an increase of 0.7%¹ and a decrease of 1.3%¹ for the MSCI World (£) and FTSE All Share indices respectively.

Financial year to date net asset value rose 16.8%¹ compared to a rise of 9.8% for the Datastream index, 6.0% for the MSCI World (£) and 10.1% for the FTSE All Share.

Over three years NAV is up 24.9%¹ while the FTSE All Share is down 11.0%.

Manager's Comment

The NAV performance was strong in March due, in large part, to the rally in our Japanese holdings. Following a recent trip to visit companies in Japan, we returned bullish on the Japanese equities market and smaller companies in particular. We have been buying shares in Japanese companies that, in relation to their assets, trade as cheaply as any companies in the world. The management of Japanese companies have been taking steps to improve their Return on Assets which should help their stock market ratings. In addition, massive monetary stimulus seems finally to be succeeding in generating some selective asset price inflation.

Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) ¹	240.5	2.1	61.3	30.3	130.8
Net Asset Value ¹	252.8	3.3	50.3	21.6	88.4
Net Asset Value Total Return ¹		3.3	51.3	24.9	96.1
Benchmark ² (£)		-0.1	33.4	-13.5	-2.4

Annual Returns (%)	2003	2002	2001	2000	1999
Price ¹	41.6	-12.2	0.8	26.0	52.6
MSCI World ¹	20.6	-27.4	-14.1	-5.8	28.6

¹ Source: Fundamental Data

² UK Datastream Investment Trust Index(TR) Source: Datastream

Further Information

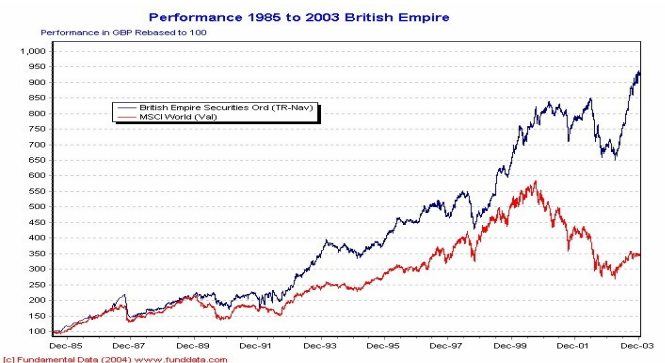
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The share price can be found under 'INVESTMENT COMPANIES' in The Financial Times, The Times, The Daily Telegraph, The Scotsman and The Evening Standard.

Information may be found on the following websites.
www.british-empire.co.uk or www.assetvalueinvestors.com

Top Ten Equity Holdings

	%
Rue Impériale	6.1
Hansa Trust plc	5.6
Prospect Japan Fund Ltd	4.1
Henderson Electric & General	4.0
Wendel Investissement	4.0
Law Debenture Corp	3.6
Jardine Strategic Holdings Ltd	3.4
Encana Corp	2.6
Groupe Bruxelles Lambert SA	2.2
Baillie Gifford Japan Trust	2.2
TOTAL	37.8



Capital Structure

Ordinary Shares	160,080,089
10 3/8% Debenture stock 2011	£11,883,322
8 1/8% Debenture stock 2023	£15,000,000
Equities index unsecured loan stock 2013	3,208,197

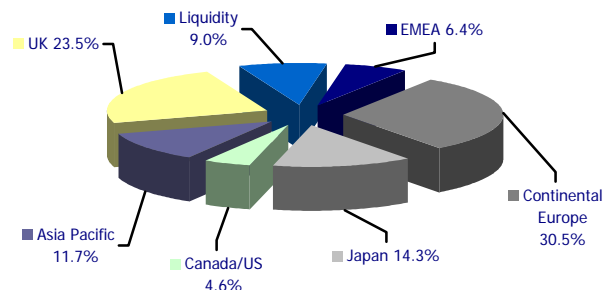
Gross Assets/Gearing

Gross Assets	£417.9mil.
Debt	£33.6mil.
Actual Gearing (Debt less cash divided by net asset value)	-1.09%

Fund Codes

Bloomberg Reuters Ticker / ISIN
BTEM GB0001335081

Geographic Breakdown (% of total assets)



Asset Value Investors

All figures as at 31 March 2004. All sources Asset Value Investor unless otherwise stated. British Empire Securities Trust is managed by Asset Value Investors Ltd. The price of shares and the income from them may go down as well as up; they can be affected by exchange rate movements between currencies and it is possible that investors may not get back the full amount invested on disposal of the shares. Past performance is no guarantee of future performance. Investments in emerging markets carries a greater degree of risk, in particular the volatility of the markets and the local custody and registration arrangements, which may be less developed than in more mature markets. There is no guarantee that the market price of shares in Investment Trusts will fully reflect their underlying Net Asset Value (NAV). This Investment Trust should be considered only as part of a balanced portfolio, of which it should not form a disproportionate part. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments. Issued by Asset Value Investors Ltd., which is authorised and regulated by the Financial Services Authority.