

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 0.8%¹. This compares to an increase in the benchmark of 1.1%² and an increase of 1.6%¹ and 2.1%¹ for the MSCI World (£) and FTSE All Share indices respectively.

Financial year to date net asset value rose 18.0%¹ compared to a rise of 11.1%² for the Datastream index, 7.7%¹ for the MSCI World (£) and 12.4%¹ for the FTSE All Share.

Over three years NAV is up 24.7%¹ while the FTSE All Share is down 14.3%¹.

Manager's Comment

We have increased our liquidity level to 14% as we became increasingly concerned by the level of speculative activity in the markets. Negative real interest rates in the U.S. have encouraged geared investment in numerous sectors and markets.

The obvious short term risk is that rising U.S. interest rates could cause speculators to head for the exits, temporarily overwhelming (or ignoring) fundamental support.

Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) ¹	248.0	3.1	55.7	28.8	125.1
Net Asset Value ¹	255.45	0.8	42.4	21.4	81.9
Net Asset Value Total Return ¹		0.8	43.4	24.7	89.3
Benchmark ² (£)		1.1	23.1	-14.9	-6.6

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 Datastream Global Growth Investment Trust Index(TR) Source: Thomson Financial

3 Benchmark index changed to Datastream Global Growth Investment Trust Index(TR)

Further Information

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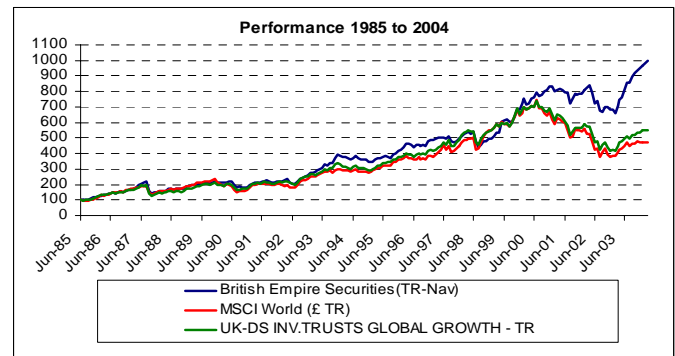
The share price can be found under 'INVESTMENT COMPANIES' in The Financial Times, The Times, The Daily Telegraph, The Scotsman and The Evening Standard.

Information may be found on the following websites.

www.british-empire.co.uk or www.assetvalueinvestors.com

Top Ten Equity Holdings

	%
Rue Impériale	6.2
Hansa Trust plc	5.9
Henderson Electric & General	4.3
Prospect Japan Fund Ltd	4.2
Jardine Strategic Holdings Ltd	3.6
Law Debenture Corp	3.6
Wendel Investissement	3.5
Encana Corp	2.4
Groupe Bruxelles Lambert SA	2.3
European Asset Value Fund	2.1
TOTAL	38.1



Source: Bloomberg, Thomson Financial, Fundamental Data

Capital Structure as at 31 March 2004

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	3,133,197

Gross Assets/Gearing as at 31 March 2004

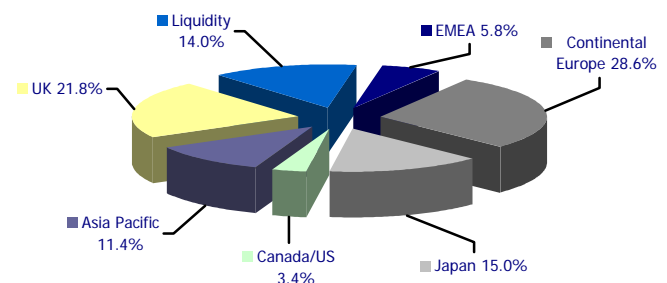
Gross Assets	£439.3mil.
Debt	£ 33.6mil.
Actual Gearing (Debt less cash divided by net asset value)	-1.07%

Fund Codes

Bloomberg
BTEM

Reuters Ticker / ISIN
GB0001335081

Geographic Breakdown (% of total assets)



Asset Value Investors

All figures as at 30 April 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.