

British Empire

Securities and General Trust p.l.c.

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

This investment management report relates to performance figures to 31 January 2015.

	Month	Financial Yr* to date	Calendar Yr to date
BTEM NAV TR¹	2.0%	3.2%	2.0%
MSCI ACWI Ex US TR³	3.7%	3.7%	3.7%
Morningstar Global Growth TR¹	2.6%	7.0%	2.6%
MSCI World TR¹	2.0%	7.2%	2.0%

Manager's Comment

The ECB formally adopted its version of QE during the month. This drove the Euro even lower and boosted stock markets across Europe. For the first time in a long while, the MSCI World ex US Index outperformed the broader MSCI World Index, reflecting the relative underperformance of US markets against the rest of the world. This is a phenomenon which ought to benefit us, as we have no direct exposure to the US. We continue to find good value opportunities on wide discounts in Europe and the weaker currency, as well as ECB monetary policy, could provide a further boost to these markets. This would likely lead to a narrowing of discounts within our universe and would be beneficial to our strategy.

Two of our closed-end fund holdings were strong contributors to performance over the month, with NB Private Equity Partners (NBPE) and Harbourvest Global Private Equity (HVPE) recording solid gains. Both discounts contracted materially, and the positions were also buoyed by the strong US dollar.

Euro weakness was not enough to hold back our holding in TUI, whose share price climbed +8.8% in sterling terms over the month (+13.1% in Euros) as the market digested the transformative nature of the holding company's merger with its TUI Travel subsidiary.

Hudson's Bay was a detractor over the month. The share price fell by 4.6% as some of the gains seen in December were given back as an immediate announcement on their real estate strategy was not forth coming. We always expected this announcement to be made in the coming months, when we believe further value from their real estate portfolio will be recognised by the market. To compound the weak share price the Canadian Dollar fell versus Sterling, moving from C\$1.81 at the beginning of the month to C\$1.92 at the end of January as the Canadian Central Bank cut rates by 25bps to 0.75%.

There were additional purchases in some of the European holding companies – principally Wendel and Kinnevik – and this brought our cash levels down to 4.7% at month end. The weighted average discount on the portfolio was 25.1%.

Major Movers

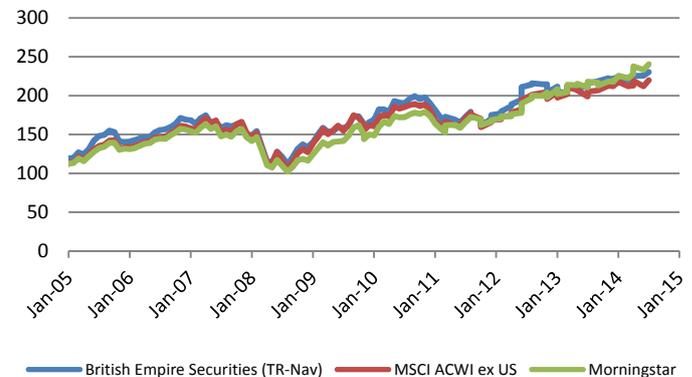
Largest Risers	Percent change	Percent of Assets
Rallye SA	14.43%	2.12%
Tui AG	13.06%	2.81%

Largest Fallers	Percent change	Percent of Assets
Private Equity Hldg-Reg	-9.23%	2.27%
Dorel Industries-CL B	-9.02%	1.90%

Top Ten Equity Holdings

	%
Jardine Matheson Hldgs Ltd	6.44
Investor AB-A SHS	6.11
Groupe Bruxelles Lambert SA	4.89
NB Private Equity Partners	4.02
Sofina	3.92
Harbourvest Global Private	3.74
Aker ASA-A Shares	3.23
Hitachi Ltd	3.09
Symphony International	3.04
TUI AG	2.81
TOTAL	41.29

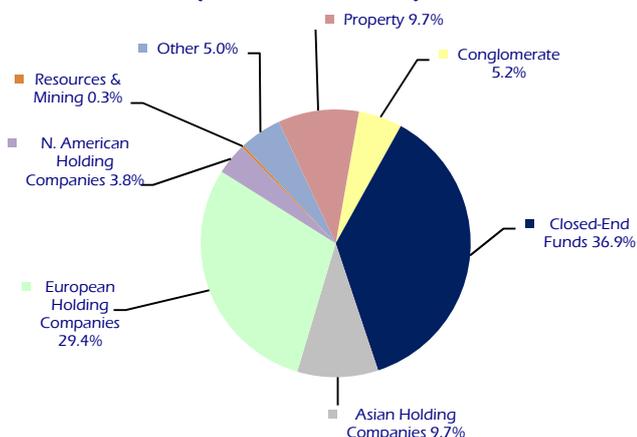
Performance December 2004 - January 2015



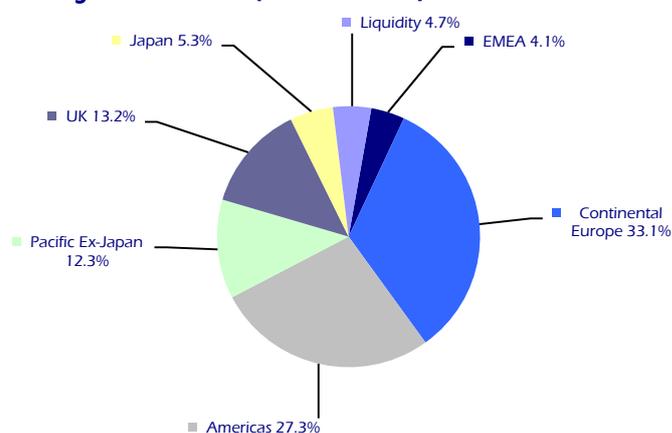
Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) TR ²	520.0	1.0	11.7	27.8	41.1
Net Asset Value Total Return ¹	586.4	2.0	8.8	32.5	46.0
MSCI ACWI ex US TR ³		3.7	10.5	28.9	42.2
Morningstar Global Growth TR ³		2.6	13.8	45.5	69.6
Annual Returns (%)	2014	2013	2012	2011	2010
Price TR ¹	8.3	5.1	17.8	-12.8	18.5
Net Asset Value TR ¹	5.2	7.6	19.6	-13.6	21.0
MSCI ACWI ex US (£)TR ³	2.6	13.6	12.2	-12.7	15.1
Morningstar Global Growth TR ³	8.0	21.6	12.7	-9.4	19.0

Sector Breakdown (% of invested assets)



Risk Region Breakdown (% of net assets)



Capital Structure

Ordinary Shares	159,769,451
8 1/8% Debenture stock 2023 [#]	£15,000,000
Shares held in Treasury	20,340,504

Gross Assets/Gearing

Gross Assets	£834mil.
Debt par value	£14.9mil.
Actual Gearing (Debt less cash divided by net asset value)	-4.7%

- 1 Source: Morningstar
 - 2 Source: Morningstar. Share price total return is on a mid-to-mid basis, with net income re-invested.
 - 3 From 1st October 2013 the lead benchmark was changed to the MSCI ACWI ex US (E) Index. The investment management fee was changed to 0.7% of net assets and the performance related fee eliminated.
- * British Empire Securities & General Trust financial year commences on the 1st October. All figures published before the fiscal results announcement are AVI estimates and subject to change.
- ** Last audited figure updated annually
- # Book Values updated annually

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

Risk Factors you should consider before investing

Investment in the British Empire Securities and General Trust plc (the "Trust") carries risks, which are more fully described in the Key Features Document. Listed below are some of the key risks:

Investors are reminded that past performance is not a guide to future performance and that their capital will be at risk and they may therefore lose some or all of the amounts that they choose to invest in the Trust.

The Trust utilises gearing techniques (leverage) which exaggerate market movements both down and up and which could mean sudden and large falls in market value.

Movements in exchange rates can impact both the level of income received and the capital value of your investment. If the currency of your residence strengthens against the currency in which the underlying investments of the fund are made, the value of your investment will reduce and vice versa.

As with all stock exchange investments the value of investment trust shares will immediately fall by the difference between the buying and selling prices.

Where investments are made in emerging market, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment.

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All figures as at the period under review unless otherwise stated. All sources Asset Value Investors Ltd unless otherwise stated. Asset Value Investors Limited ("AVI") is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") and is a registered investment adviser with the Securities and Exchange Commission of the United States. While the Investment Manager is registered with the SEC as an investment adviser, it does not comply with the Advisers Act with regard to its non-U.S. clients. This document does not constitute an offer to buy or sell shares in the British Empire Securities and General Trust plc (the "Trust"). The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Trust should seek their own independent financial advice. AVI neither provides investment advice to, nor receives and transmits orders from, investors in the Fund.