

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 30 April 2015.

	Month	Financial Yr* to date	Calendar Yr to date
BTEM NAV TR¹	-0.9%	6.3%	5.1%
MSCI ACWI Ex US TR³	1.5%	10.5%	10.5%
Morningstar Global Growth TR¹	-0.5%	11.8%	7.2%
MSCI World TR¹	-1.1%	11.9%	6.5%

Manager's Comment

Europe continues to be a successful theme for us as a number of our holding companies benefit from stronger than market NAV performance and discount contraction.

Sofina was the largest contributor to performance with its shares rising by 5% over the month. Thus far in 2015 its discount has narrowed from 37% to 32% and remains wide in absolute terms and relative to its peer group. We do not believe that such a wide discount is justified for a group that has consistently delivered market beating NAV performance. Shares in Paris Orléans jumped by 15% over the month as the company announced that stronger than expected results and also that it would be renaming itself Rothschild & Co. Aker, the Norwegian oil services holding company has also had a bounce in recent weeks, helped by a stronger oil price. Three recent acquisitions in the mining sector were also strong contributors over the month. Detour Gold shares rose 27.5%, Blackrock World Mining increased by 7.5%, and Teck Resources went up by 5%.

On the negative side Jardine Matheson was the largest detractor from performance over the month. A 2% decline in share price was magnified by a widening in the discount from 24% to 27% and this was further compounded by US dollar weakness against the Pound. Other dollar priced holdings such as Harbourvest, NB Private Equity and Symphony International detracted from performance - more from Dollar weakness than share price declines.

We have been adding to our two holdings with exposure to Spanish real estate - Sacyr and Colonial. Whilst Colonial is a pure property company with assets in Spain and France, Sacyr is a little more complex. In addition to a directly operated motorway concession business, it also has a 9% stake in Repsol – the oil company – and it controls Testa a large Spanish property company where we anticipated a partial sale by way of an IPO later this year. We invested in the company earlier this year on the basis that the near 30% discount ought to narrow once the value of Testa would be more apparent following a listing. In addition, we expected NAV growth to come both from a rebound in Repsol as a consequence of a recovery in a very weak oil price, as well as from upside in the Testa NAV which is operating in a market that is experiencing strong demand for assets. The company recently confirmed that it has received offers from investors for the entirety of its ownership in Testa. This would be a big positive for our thesis. And a full scale disposal of the asset would be a big driver of a narrowing discount, especially if the company was sold above its reported NAV, and given the appetite for quality Spanish real estate assets, this is a distinct possibility.

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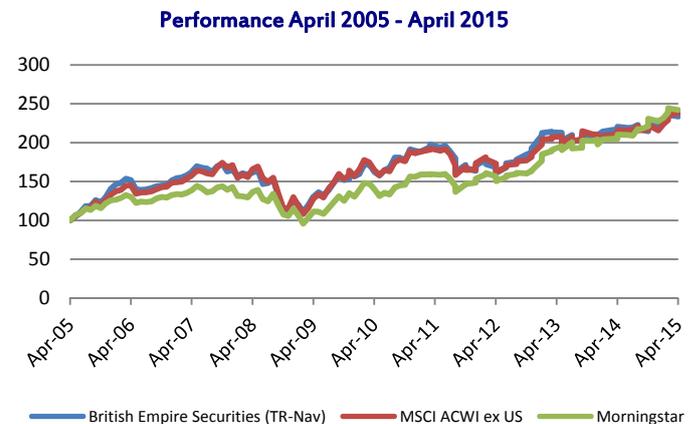
Major Movers

Largest Risers	Percent change	Percent of Assets
DETOUR GOLD CORP	18.60%	0.99%
PARIS ORLEANS	14.60%	0.60%

Largest Fallers	Percent change	Percent of Assets
ASHMORE GLOBAL OPPORT-GBP	-5.26%	0.71%
RALLYE SA	-4.81%	2.02%

Top Ten Equity Holdings

	%
Investor AB-A SHS	6.50
Jardine Matheson Hldgs Ltd	5.98
Groupe Bruxelles Lambert SA	5.37
Sofina	4.16
NB Private Equity Partners	3.96
Harbourvest Global Private	3.74
Aker ASA-A Shares	3.28
Symphony International	3.13
AP Alternative Assets LP	2.83
Mitsui Fudosan Co Ltd	2.81
TOTAL	41.76



Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) TR ²	540.0	-0.5	11.6	41.5	35.4
Net Asset Value Total Return ¹	603.9	-0.9	7.7	37.0	35.9
MSCI ACWI ex US TR ³		1.5	13.3	37.7	36.6
Morningstar Global Growth TR ³		-0.5	17.3	47.6	57.6
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

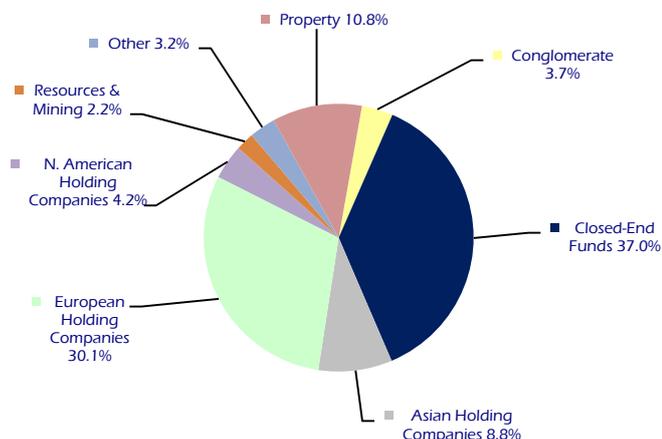
Fondul Proprietatea, the Templeton-managed Romanian closed-end fund in which we have a holding, achieved its long-awaited London listing at the end of April via an issuance of GDRs. FP trades on a 26% discount, which it aims to reduce by returning capital to shareholders via buybacks, tenders, and dividends. We expect the London listing to drive a re-rating over the medium term as the profile of the company is raised and potential investors are no longer forced to grapple with the technical issues in buying shares on the Bucharest market. Given that only a third of the shares can be held via GDRs, we expect them to ultimately trade at a premium

to those trading on the local market. We were able to convert all of our position into GDRs on the first day of trading at no cost.

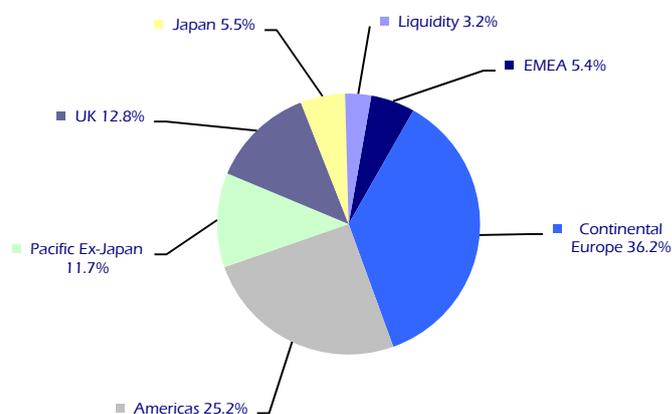
Market volatility during April and some discount volatility allowed us to add to some holdings such as Kinnevik, GBL, NB Private Equity, and Westgrund, whilst partial sales were made in Hudsons Bay and SVG Capital.

During the month, the discount on the portfolio widened to 24.8% and cash levels remain relatively low at 3.2%.

Sector Breakdown (% of invested assets)



Risk Region Breakdown (% of net assets)



Capital Structure

Ordinary Shares	160,014,089
8 1/8% Debenture stock 2023 [#]	£15,000,000
Shares held in Treasury	22,445,378

Gross Assets/Gearing

Gross Assets	£841mil.
Debt par value	£14.9mil.
Actual Gearing (Debt less cash divided by net asset value)	-3.2%

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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