

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 September 2015.

	Month	Financial Yr* to date	Calendar Yr to date
BTEM NAV TR¹	-3.5%	-8.3%	-9.4%
MSCI ACWI Ex US TR³	-3.1%	-5.6%	-5.6%
Morningstar Global Growth TR¹	-2.1%	3.7%	-0.6%
MSCI AC World TR¹	-2.1%	0.4%	-3.9%

Manager's Comment

Continuing concerns regarding global growth saw markets swoon with our MSCI AC World ex-US benchmark falling 3.1%. Our NAV fell by 40bps more than the market as the portfolio discount widened out to 28%.

Symphony International was our largest contributor, as it bounced back from a pronounced fall at the end of August. Minor International, the Thai hotels and restaurants group that accounts for 45% of Symphony's NAV, strongly outperformed a weak Thai market rising +8.5% vs MSCI Thailand's negative return of -4% for the month.

Harbourvest Global Private Equity completed its long-awaited move from the Specialist Fund Market to the Main Board of the London Stock Exchange during the month, with shareholders now fully enfranchised. This should bring long-term benefits to liquidity and the broader appeal of the company. In the short-term, we expect index tracker demand to have a positive impact on the rating with the change to a Sterling quote facilitating entry into the FTSE All-Share towards the end of the year. We continue to encourage NB Private Equity, our largest listed private equity holding, to make a similar move.

Disappointing news came from Better Capital with the disposal of Fairline, the luxury boats manufacturer, for a "modest deferred consideration". While we are pleased that no further capital was committed to the "problem child" of the 2009 cell, the hit to NAV is clearly a negative. That said, the sale of Santia expected before year-end could mitigate the impact.

Inmobiliaria Colonial's share price fell as much as 9% in the first half of the month during a period of wider market turmoil and as the largest shareholder reduced their stake by 10%. We still believe their Spanish assets are undervalued so we picked up more shares near the lows of the month before seeing the shares bounce back in the second half.

Rallye was another weak performer over the month, falling 32.8% in local currency. Continued business weakness in Brazil and a negative reaction to the increased complexity of the Casino holding structure were partly to blame. Having met both Rallye and Casino during the month we felt the sudden concern that the market had with Rallye either having to issue equity or reduce its stake in Casino was unwarranted given the maturity of the debt and €1.9bn of confirmed credit lines. In fact, Rallye have recently been increasing their stake in Casino citing that the shares are undervalued at current market prices.

We met with Eurazeo during the month and were encouraged with their commitment to buying back shares. With the IPO of Europcar at the end of June, cash now accounts for 32% of NAV putting Eurazeo in a strong position to capitalise on future deal flow as well as repurchase their own stock at an attractive discount.

Major Movers

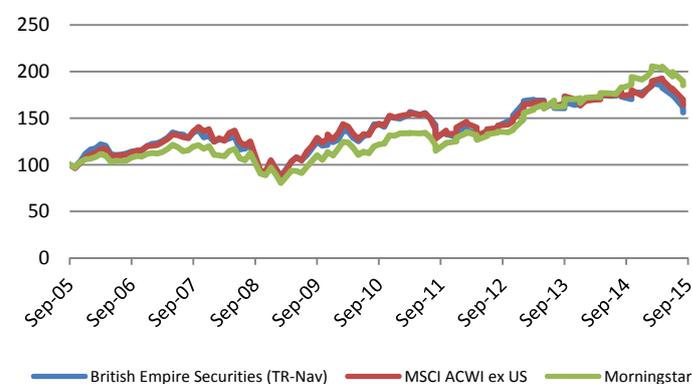
Largest Risers	Percent change	Percent of Assets
DETOUR GOLD CORP	7.15%	1.20%
SYMPHONY INTERNATIONAL HOLDI	5.69%	3.21%

Largest Fallers	Percent change	Percent of Assets
RALLYE SA	-32.77%	1.16%
SACYR SA	-27.66%	1.20%

Top Ten Equity Holdings

	%
Investor AB-A SHS	5.90
Sofina	4.93
NB Private Equity Partners	4.61
Harbourvest Global Private	4.38
Investment AB Kinnevik-B SHS	4.03
Jardine Matheson Hldgs Ltd	3.95
Mitsui Fudosan Co Ltd	3.39
AP Alternative	3.36
DWS Vietnam Fund Ltd	3.32
Wendel	3.29
TOTAL	41.16

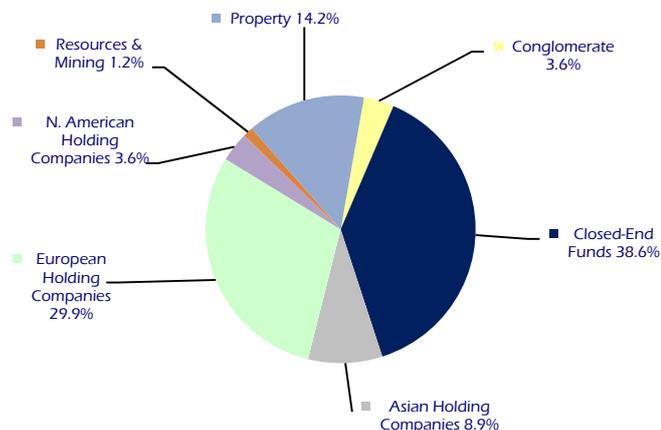
Performance AUG 2005 - SEP 2015



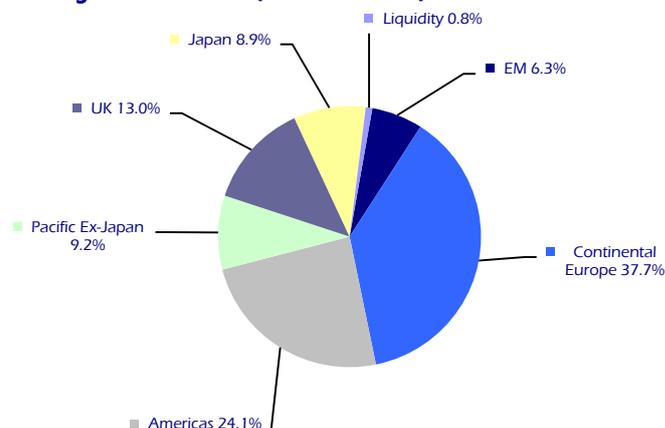
Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) TR ²	456.5	-3.0	-9.5	12.2	9.9
Net Asset Value Total Return ¹	519.6	-3.5	-8.3	10.7	11.3
MSCI ACWI ex US TR ³		-3.1	-5.6	15.8	16.4
Morningstar Global Growth TR ³		-2.1	3.7	34.7	45.7
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	160,014,089
8 1/8% Debenture stock 2023 [#]	£15,000,000
Shares held in Treasury	25,750,878

Gross Assets/Gearing

Gross Assets	£709mil.
Debt par value	£14.9mil.
Actual Gearing (Debt less cash divided by net asset value)	-0.8%

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 (£) 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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