

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 July 2015.

	Month	Financial Yr* to date	Calendar Yr to date
BTEM NAV TR¹	0.2%	0.9%	-0.3%
MSCI ACWI Ex US TR³	0.5%	4.0%	4.0%
Morningstar Global Growth TR¹	1.9%	11.1%	6.5%
MSCI AC World TR¹	2.6%	10.1%	4.8%

Manager's Comment

European holding companies were the strongest performers during the month, with Investor, Wendel and Sofina the largest contributors as their share prices increased by 8%, 10% and 5% respectively. All experienced sharp discount contractions too, and the weighted average discount on the portfolio also narrowed from 26% to 25%.

The one area of the portfolio that hurt us during the month was companies with mining and resource exposure. Thus Dundee Corp, Blackrock World Mining Trust and Teck Resources fell by 12.4%, 14.5% and 22.2% respectively over the month – in aggregate detracting 0.75% from performance.

Cash has been further reduced during the month and at month-end we were slightly geared having added to a number of existing European holding companies and property companies.

There was some activity in the closed end fund sector. Marwyn Value Investors (MVI LN) sold down a third of their stake in Entertainment One (ETO), the leading independent TV & Film content group that accounted for over 100% of MVI's NAV prior to the partial disposal. While we had hoped for a full exit of the stake via M&A at a premium to market price, the sale has reduced MVI's concentration risk, provided funds for new investments in Zegona Communications and Gloo Networks, and will result in a small return of capital to shareholders (c. 3% of NAV) in the coming weeks. Meanwhile, we continue to believe ETO remains an attractive takeover candidate. MVI's shares ended the month up +4%.

LMS Capital, in which AVI owns a 16% stake, announced proposals to cease returning realisation proceeds from its private equity portfolio to shareholders, and instead reinvest them in oil & gas assets under a new management team. We wrote to the board detailing our concerns, who responded by postponing the General Meeting that had been called for mid-August to vote on the new investment policy. We continue to hold discussions with the board and management to protect our investment.

Major Movers

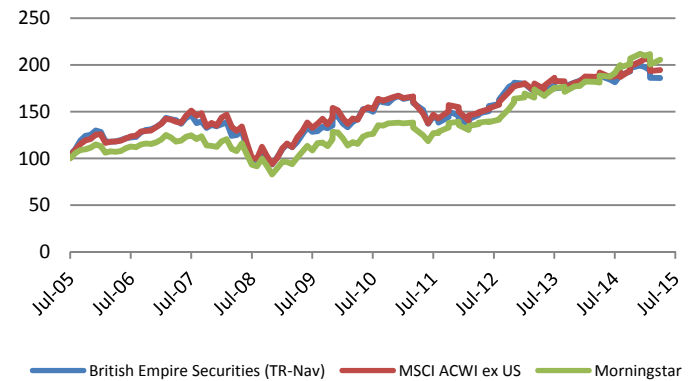
Largest Risers	Percent change	Percent of Assets
ADLER REAL ESTATE AG	13.65%	1.38%
WENDEL	10.28%	3.19%

Largest Fallers	Percent change	Percent of Assets
TECK RESOURCES LTD-CLS B	-22.21%	0.56%
BLACKROCK WORLD MINING TRUST	-14.47%	1.61%

Top Ten Equity Holdings

	%
Investor AB-A SHS	6.53
Sofina	4.50
NB Private Equity Partners	4.31
Harbourvest Global Private	4.14
Jardine Matheson Hldgs Ltd	3.96
Investment AB Kinnevik-B SHS	3.54
Aker ASA-A Shares	3.27
Symphony International	3.21
Wendel	3.18
Mitsui Fudosan Co Ltd	3.09
TOTAL	39.73

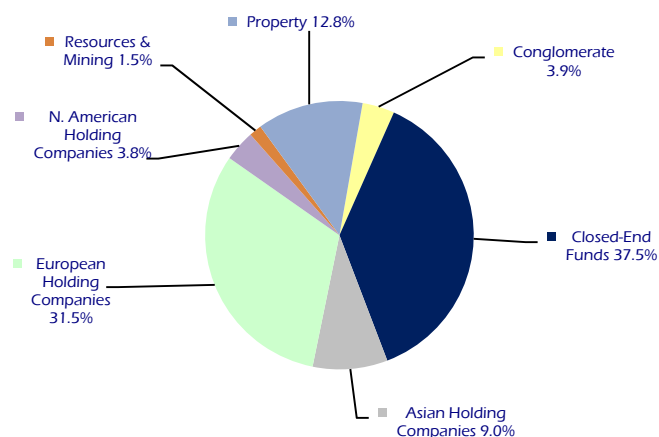
Performance JUL 2005 - JUL 2015



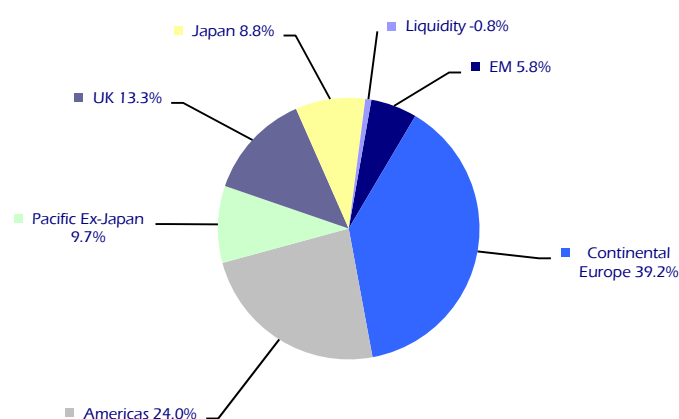
Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) TR ²	498.5	1.5	26.6	29.0	57.9
Net Asset Value Total Return ¹	570.6	0.2	0.4	25.1	34.4
MSCI ACWI ex US TR ³		0.5	3.7	31.1	36.3
Morningstar Global Growth TR ³		1.9	14.1	48.3	67.3
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	24,487,978

Gross Assets/Gearing

Gross Assets	£784mil.
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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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.