

Manager's Comment

BTEM's NAV returned +2.2% over the month of April, which reflected a broad-based positive performance from the world's major equity markets. The portfolio benefitted both from strong NAV growth in its holdings, as well as a 50 basis point (bps) tightening in the portfolio discount to 31.8%. Currency movements were marginally negative, but did not detract materially from performance. Major contributors over the month included the Japan Special Situations basket, Wendel, Oakley Capital Investments and Fondul Proprietatea; major detractors included Symphony International and GP Investments.

The Japan Special Situations Basket was the largest contributor to performance over the month, adding 56bps to returns. Four stocks, out of a total of eighteen in the basket, accounted for the majority of returns, during a period in which Japan Inc started reporting FY19 results. During the month, Fujitec (share price +11%) published a three-year management plan, highlighting ambitions to grow operating profits by 26%. Among the other top three performers, all had recent positive developments (albeit all prior to the start of the month). Daiwa Industries (+14%) announced a two-fold increase in its dividend, the second increase since 1998; Kanaden Corp (+7%) bought back 4% of its outstanding shares, in the process reducing its cross-shareholdings with two major banks, and also cancelled all of its treasury shares; and Tachi-S (+8%) cancelled the majority of its treasury shares and slightly increased its dividend. As we have stated previously, we believe that there is mounting evidence that corporate Japan's attitude towards governance is undergoing a seismic shift, with the attendant potential for highly attractive risk-adjusted returns as companies improve governance standards and enhance balance sheet efficiency.

Wendel was the second-largest contributor over the month, adding 44bps to returns. The NAV rose +6%, and the discount tightened from 32% to 29%, resulting in a share price rise of +10%. Performance at listed holdings Bureau Veritas (44% of NAV) and Saint Gobain (6%) was strong, at +8% and +13% respectively; Bureau Veritas reported a positive first quarter trading update, with total sales growth of +6%, of which 4% was organic. Following the month end, Wendel announced a follow-on investment into Cromology (3%), a provider of decorative paints that has been struggling with falling sales and rising costs. The investment will be used to reduce Cromology's debt load and pursue the company's turn-around plan. We continue to see value in Wendel at a 29% discount and so, evidently, do the family and management, with a €200 million buyback (4% of outstanding shares) having been announced in late March.

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Oakley Capital Investments (OCI) continued its strong performance in 2019, with the share price rising by +6% on a total return basis and adding 30bps to returns. With NAV rising just +1% over the month, the returns were generated primarily by the discount tightening from 30% to 26%. Listed holding Time Out (11% of NAV) continued its share price recovery, with a rise of +14% – since the lows of January, the stock has now increased +50%, as investors give increasing credence to management's ability to roll out the Time Out Market concept.

Following the month-end, OCI made two further acquisitions accounting for 7% of NAV, both of which are in the "Oakley 2.0" vein. The first transaction was typically complex and involved the acquisition and merger of the number one and two competitors (Restreator/Acierto) in the Spanish price-comparison market, a sector with low market penetration and several growth drivers, including: (a) organic growth as customers move online; (b) accretive bolt-on M&A; (c) synergies from the combined entity; (d) expansion into new verticals; and (e) pricing improvements.

The second transaction, and the first in Oakley's Fund IV, was to acquire and merge Seagull and VideoTel, the number one and two providers of education software to the maritime sector. The two companies between them have 85% market share in tanker shipping, and will benefit from abating price competition and the secular trend towards higher regulation and compliance requirements in the maritime

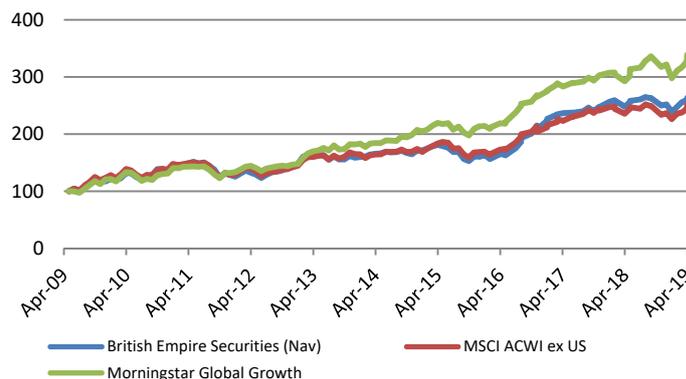
Investment Objective: To achieve capital growth through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying net asset value.

Performance Total Return

This investment management report relates to performance figures to 30 April 2019.

	Month	Financial Yr* to date	Calendar Yr to date
BTEMNAV ¹	2.2%	-0.8%	10.9%
MSCI ACWI Ex US ³	2.7%	0.5%	10.8%
MSCI ACWI Ex US Value ¹	2.1%	-0.9%	8.3%
MSCI ACWI ¹	3.4%	1.5%	13.5%
Morningstar Global Growth ¹	3.4%	-0.3%	13.8%

Performance Total Return APR 2009 - APR 2019



Top Ten Equity Holdings

Holding	%
Japan Special Situations***	16.5
Pershing Square Holdings #	10.4
EXOR	5.8
Fondul Proprietatea	5.6
Tetragon Financial	5.4
Swire Pacific Ltd 'B'	5.2
Jardine Strategic	5.1
Oakley Capital Investments	5.0
Wendel	4.9
Third Point Offshore	4.8
TOTAL	68.7

* 45% of this position (4.6% of NAV) is hedged, partially reducing BTEM's overall exposure to Pershing Square Holdings

sector. There is also the potential for the group to expand into new niches, such as bulk shipping, which would provide an additional avenue for growth. In both cases, Oakley's network of entrepreneurs was critical to source the deal, and Oakley's ability and willingness to contemplate complex deals allowed them to secure a favourable price while avoiding competition from other PE houses.

Fondul Proprietatea (FP) has continued its recovery following the Romanian government's Emergency Ordinance in December, with the share price rising +5% and contributing 25bps to BTEM's returns. The increase came from a combination of NAV growth (+2%) and the discount tightening from 35% to 33%. By way of reminder, in December 2018 the Romanian government enacted an Emergency Ordinance, ostensibly to raise tax revenues and stabilise the State Budget. The measures targeted sectors to which FP has high exposure, and included punitive taxes and levies, as well as a directive to gas and electricity producers to sell a fixed percentage of electricity production into the (much lower priced) regulated market. The final provisions, however, were much watered down. FP's NAV is actually up (+7% in local currency) since December, and the discount has narrowed materially from the trough levels it reached in the wake of the Ordinance.

Symphony International (SIHL) was the largest detractor from NAV over the month, reducing returns by 32bps as the share price fell by -7%, driven by a -3% decline in NAV (due to a fall in Minor's share price) and a widening of the discount from 35% to 38%. Following the month-end, Minor International (55% of NAV) released results for the first quarter of 2019, with like-for-like net profit up +20%, driven by a strong performance at NH Hotels (the European hotel chain acquired by Minor in late 2018).

GP Investments (GPIV) was the second-largest detractor in April, suffering from a widening discount (from 54% to 59%). During the month, Centauro (16% of NAV) listed on the Brazilian stock exchange in an IPO that was 1.9x oversubscribed. Centauro is an omni-channel sporting goods retailer with rapid sales growth, attractive EBIT margins of over 10% and a conservatively managed balance sheet. The company has many growth levers to pull, including ongoing expansion into e-commerce capabilities (currently 16% of sales), and continued growth in retail stores. The proceeds of the IPO will be used for refurbishments and new store openings, which yield an attractively high return on investment. The valuation uplift upon IPO was +30%, which resulted in a +4% increase in GPIV's NAV.

With a discount wider than 50% and a quality management team, we believe that GPIV remains an attractive asset with the potential for considerable returns both from NAV growth and discount contraction.

Trading activity was limited over the month. A new position has been initiated in the portfolio, the name of which will be disclosed when the desired stake has been accumulated. The position in NB Private Equity Partners (NBPE) was fully exited towards the end of the month. Over the six-year holding period, our investment in NBPE generated an excellent IRR of +18% (in GBP; 14% in USD).

Statistics

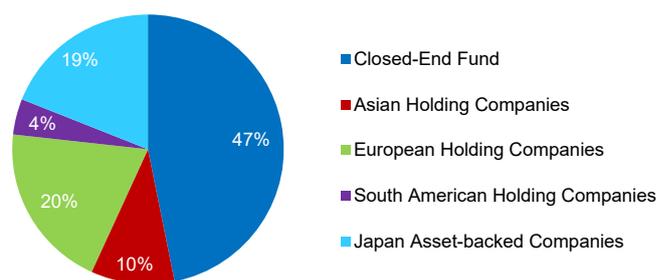
	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) TR ²	739.0	1.8	5.0	66.6	66.1
Net Asset Value TR ¹	816.0	2.2	3.2	60.1	57.7
MSCI ACWI ex US TR ³		2.7	2.7	44.0	52.5
MSCI ACWI ex US Value ¹		2.1	0.2	40.7	40.9
MSCI ACWI TR ¹		3.4	11.6	57.7	86.3
Morningstar Global Growth TR ³		3.4	9.6	66.6	94.9

Fiscal Yr Total Returns (%)	2018	2017	2016	2015	2014
Price ¹	12.0	18.7	34.3	-9.5	8.9
Net Asset Value ¹	10.0	18.8	31.0	-8.3	6.8
MSCI ACWI ex US (£)3	5.2	16.3	28.0	-5.6	5.1
MSCI ACWI ex US Value ¹	3.9	18.4	25.5	-9.8	5.7
MSCI ACWI ¹	13.5	15.5	31.3	0.4	11.8
Morningstar Global Growth ³	16.7	21.3	26.9	3.7	8.7

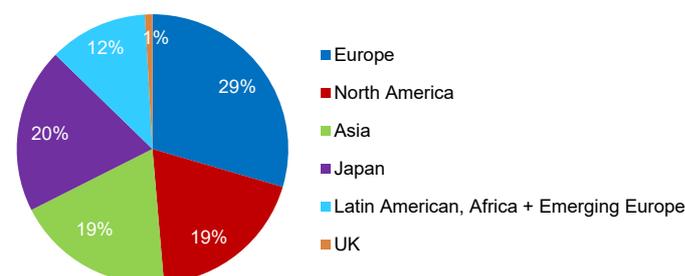
Capital Structure	
Ordinary Shares	129,526,165
Shares held in Treasury	18,621,612
8 ½% Debenture stock 2023**	£15,000,000
4.184% Series A Sterling Unsecured Note 2036	£30,000,000
3.249% Series B Euro Unsecured Note 2036	€30,000,000
2.930% Unsecured Note 2037	€20,000,000
Gross Assets/Gearing	
Gross Assets	£1bn.
Debt par value	£92.1mil.
Actual Gearing (Debt less cash divided by net assets)	4.0%

- 1 Source: Morningstar. All NAV figures are cum-fair values.
 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 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
 *** A basket of 18 stocks: Fujitec Co, Kato Sangyo, Tachi-S, Nishimatsuya Chain, Pasona Group, Daiwa Industries, SK Kaken Co, Kanaden Corp, Toshiba Plant, Nissan Shatai, Teikoku Sen-I, Nakano, Mitsuboshi Belling, Sekisui Jushi Corp, Nufiare, Toagosei, Konishi, Digital Garage.

Sector Breakdown (% of invested assets)



Risk Region Breakdown[#] (% of net assets)



Contributors / Detractors (in GBP)

Largest Contributors	1 month contribution bps	Percent of NAV
JAPAN SPECIAL SITUATIONS***	56	16.5
WENDEL	44	4.9

Largest Detractors	1 month contribution bps	Percent of NAV
SYMPHONY INTERNATIONAL	-32	4.2
GP INVESTMENTS LTD	-16	1.0

[#]AVI estimate. Previously, this breakdown was calculated by assigning one region to each portfolio company held by BTEM. From the 31-Dec-16 newsletter onwards, this is calculated using the estimated multi-regional exposure for each portfolio company. For listed underlying holdings, the country of listing is used; for unlisted underlying holdings, the exposure is typically assigned according to the country where a majority of sales are made.

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

IMPORTANT INFORMATION

Risk Factors you should consider before investing

Investment in the British Empire 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 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.