

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

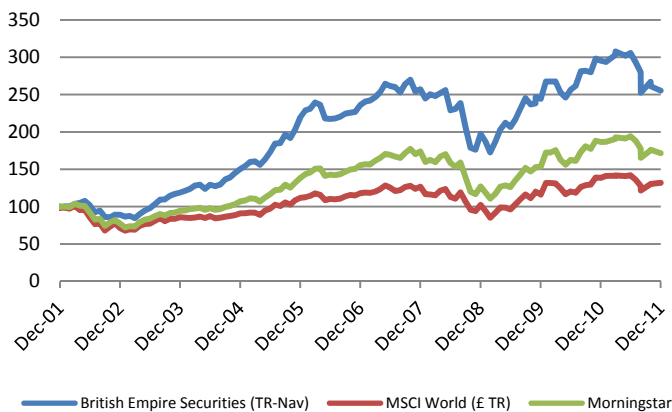
This investment management report relates to performance figures to 31 December 2011.

	Month	Financial Yr* to date	Calendar Yr to date
BTEM NAV¹	-2.2%	0.9%	-14.4%
Benchmark³	-0.4%	3.8%	-8.8%
MSCI World¹	1.2%	8.0%	-4.3%

Top Ten Equity Holdings

	%
Vivendi	11.07
Orkla	7.38
Jardine Strategic	5.98
Investor AB	5.53
GBL	4.29
Sofina	4.09
Aker	3.99
Jardine Matheson	3.71
Deutsche Wohnen	3.01
MI Developments	2.38
TOTAL	51.43

Performance DEC 2001 to DEC 2011



Source: Bloomberg, Morningstar

Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) ²	414.1	-6.8	-12.8	32.2	-0.1
Net Asset Value ¹	450.0	-4.0	-16.2	22.6	-0.5
Net Asset Value Total Return ¹		-2.2	-14.4	29.3	8.2
Benchmark ³ (£)		-0.4	-8.8	34.7	10.3

Annual Returns (%)	2011	2010	2009	2008	2007
Price ¹	-12.8	18.5	27.9	-22.3	-2.8
MSCI World ¹	-4.3	15.9	16.5	-17.4	7.7

1 Source: Morningstar.

2 Source: Morningstar. Share price total return is on a mid-to-mid basis, with net income re-invested.

3 Morningstar Global Growth Index official Benchmark from 1st October 2008

Major Movers

Largest Risers	Percent change	Percent of Assets
Amerisur Resources	13.56%	0.65%
Henex	4.10%	0.61%

Largest Fallers	Percent change	Percent of Assets
Allied Gold Mining	-27.79%	0.84%
Kinross Gold	-19.01%	1.31%

Capital Structure

Ordinary Shares	160,080,089
8 1/8% Debenture stock 2023 [#]	£15,000,000
Equities index unsecured loan stock 2013 units ^{**}	2,426,754

Gross Assets/Gearing

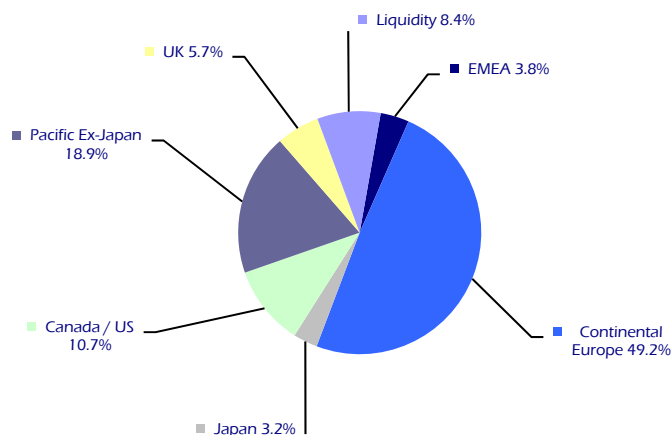
Gross Assets	£745mil.
Debt	£16.7mil.
Actual Gearing (Debt less cash divided by net asset value)	-5.8%

*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.

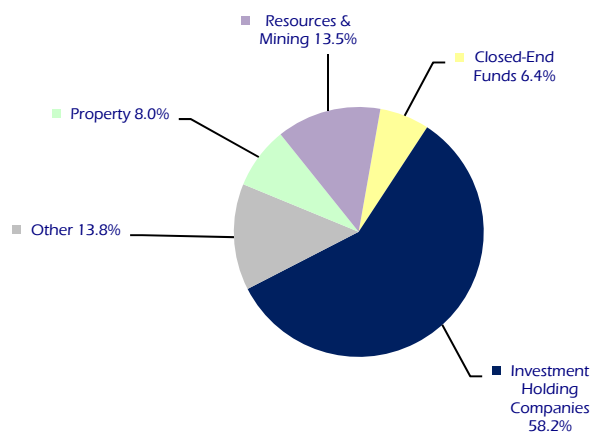
** Last audited figure updated annually

Book Values updated annually

Geographic Breakdown (% of total assets)



Sector Breakdown (% of invested assets)



Further Information

Investment Manager – John Pennink, AVI Ltd.
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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 Services Authority of the United Kingdom (the "FSA") 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 Trust nor does it carry on any other activities with or for such investors that constitute "MiFID or equivalent third country business" for the purposes of the FSA's rules.