

Manager's Comment

Despite headwinds from FX, BTEM posted a 0.7% positive return for April aided by a 90bps narrowing in the portfolio discount.

Wendel, Hudson's Bay, Investor AB, Exor, Better Capital 2009, AP Alternative Assets/Athene, and Pargesa were the largest contributors; Symphony, NB Private Equity, Jardine Strategic, and JPEL Private Equity all detracted from returns despite minimal change in local currency prices (negative FX translation effects).

Wendel was up over 8% as its discount continued to tighten in the after-glow of its impressive results for 2016, narrowing 270bps to leave the shares on a still-compelling discount of 31% at month-end. Its largest holding, listed certification firm Bureau Veritas, rallied on the back of the French election results and better-than-expected Q1 earnings heralding a return to organic growth. Investor AB published fair value estimates for its unlisted portfolio for the first time. Management's valuation for Mölnlycke Health Care, the major unlisted asset in the portfolio, came in above the sell-side consensus and Investor AB's share price reacted positively, extending its recent gains to record a 7% increase for the month. Robust share price performance from CNH Industrial, pushed Exor's NAV higher and helped its shares rise 6%. At the end of March, AP Alternative Assets (AAA) made a further in-specie distribution of part of its Athene Insurance stake as a lock-up was lifted ahead of scheduled expiry. We chose not to take part in the associated placing and retain a holding in Athene directly in addition to our holding via AAA. Athene gained 7% over the month as did AAA.

Hudson's Bay's share price continued its roller-coaster ride, climbing 15% in April. This followed comments from Chairman Richard Baker on the Q4 results call reiterating their intent to IPO their real estate portfolio. A large portion of this portfolio has already been placed into separate JVs, giving clear visibility on the cash flows and dividends generated. Further disclosure on this and the company's debt and capital structure were also well received by the market. During the month, AVI visited the company's flagship store in New York and spent time with senior management including Richard Baker. The trip was useful in gaining greater insight into the way in which management view the company's real estate, and on the implications of different ways of monetising it and we left with our conviction in this compelling value story undiminished.

"Trading activity for BTEM was limited in April. We continued to build a new position in a deeply discounted Japanese company, and funded this and other purchases by reducing our holdings in Jardine Strategic and Aker which have seen marked discount contraction."

Better Capital 2009 released an update on the sales process for Gardner Aerospace. Back in November of last year, the company had announced that exclusive discussions had begun with a Chinese buyer with an expected completion date in Q1-17. The latest announcement stated that a formal sale agreement has now been entered into and that the manager anticipates the necessary remaining governmental and regulatory approvals will be granted, allowing the deal to complete in May or June. Although the purchase price for Gardner has not changed on an enterprise value basis between the dates of the two announcements, the stated equity proceeds will be higher than those implied when the deal was first announced due to Gardner continuing to generate cash and pay down debt under its current ownership. While the expected completion date has been pushed back, the shares rallied 4% on the greater certainty that the deal will complete. Despite the increase in Better Capital 2009's share price, the implied discount on the ex-Gardner rump of assets is exceptionally wide and thus we expect further gains upon final completion of the transaction.

A larger than expected redemption by JPEL Private Equity was announced in April. Following the sales of Innovia and Datamars, a dividend recapitalisation at Celerion, and distributions from one of its Australian fund holdings, JPEL Private Equity was able to pay out almost 19% of NAV to shareholders via a mandatory redemption at NAV. Trading activity for BTEM was limited in April. We continued to build a new position in a deeply discounted Japanese company, and funded this and other purchases by reducing our holdings in Jardine Strategic and Aker which have seen marked discount contraction.

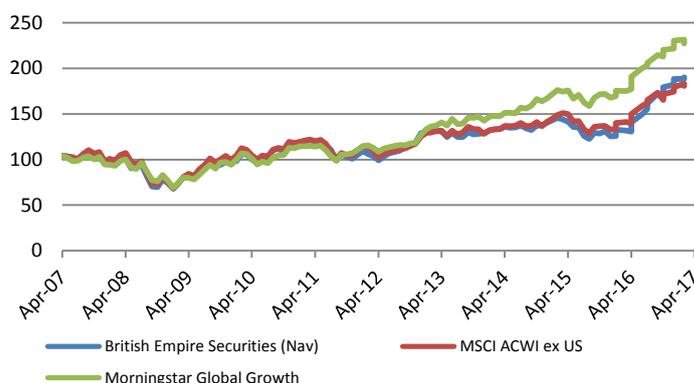
Investment Objective: To achieve capital growth through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying net asset value.

Performance Total Return

This investment management report relates to performance figures to 30 April 2017.

	Month	Financial Yr* to date	Calendar Yr to date
BTEMNAV ¹	0.7%	15.8%	6.0%
MSCI ACWI ExUS ³	-1.2%	9.5%	5.4%
MSCI ACWI ExUS Value ¹	-1.9%	12.5%	3.5%
MSCI ACWI ¹	-1.8%	10.6%	3.9%
Morningstar Global Growth ¹	0.4%	12.3%	8.7%

Performance Total Return APR 2007- APR 2017



Top Ten Equity Holdings

Holding	%
Wendel	7.1
Investor AB-A SHS	5.7
Jardine Strategic Holdings	5.6
JPEL Private Equity	5.5
NB Private Equity	5.5
Pargesa Holdings	5.4
Riverstone Energy	5.3
Symphony International	4.8
Adler Real Estate	4.4
Tetragon Financial Group	4.3
TOTAL	53.6

Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) TR ²	667.0	0.8	45.1	44.7	83.6
Net Asset Value TR ¹	752.4	0.7	43.0	40.9	79.1
MSCI ACWI ex US TR ³		-1.2	28.1	35.7	64.9
MSCI ACWI ex US Value ¹		-1.9	29.8	30.1	61.9
MSCI ACWI TR ¹		-1.8	31.1	54.8	98.1
Morningstar Global Growth TR ³		0.4	32.5	54.9	100.2

Fiscal Yr Total Returns (%)	2016	2015	2014	2013	2012
Price ¹	34.3	-9.5	8.9	13.8	6.2
Net Asset Value ¹	31.0	-8.3	6.8	13.1	9.6
MSCI ACWI ex US (£) ³	28.0	-5.6	5.1	16.6	11.0
MSCI ACWI ex US Value ¹	25.5	-9.8	5.7	17.1	10.2
MSCI ACWI ¹	31.3	0.4	11.8	18.0	17.4
Morningstar Global Growth ³	26.9	3.7	8.7	18.9	13.7

Capital Structure

Ordinary Shares	129,526,165
Shares held in Treasury	9,795,500
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

Gross Assets/Gearing

Gross Assets	£978mil.
Debt par value	£70.0mil.
Actual Gearing (Debt less cash divided by net asset value)	5.7%

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.

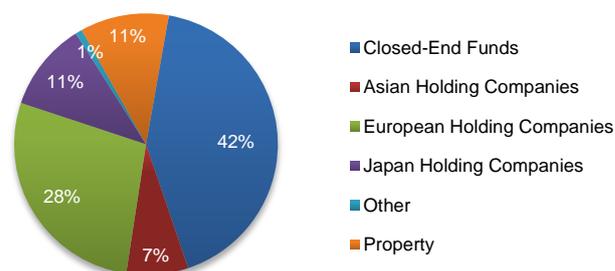
** Last audited figure updated annually

Contributors / Detractors (in GBP)

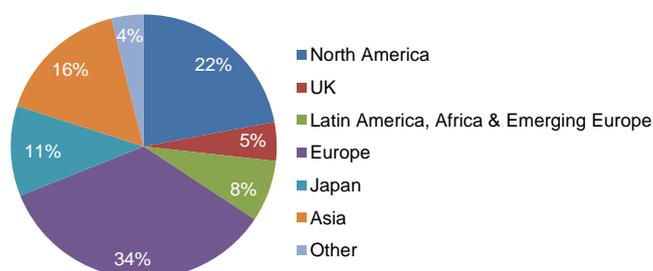
Largest Contributors	1 month contribution bps	Percent of Assets
WENDEL	44	7.1%
HUDSON'S BAY CO	31	3.6%

Largest Detractors	1 month contribution bps	Percent of Assets
SYMPHONY INTERNATIONAL	-20	4.8%
NB PRIVATE EQUITY	-19	5.5%

Sector Breakdown (% of invested assets)



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



[#]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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