

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 Commentary

This investment management report relates to performance figures as at 29 February 2008.

Over the month NAV was up 2.3%¹. This compares to an increase of 1.7%² in the benchmark and 0.8%¹ for the FTSE All Share, and a decrease of 0.6%¹ for the MSCI World (£) index.

Financial* year to date, net asset value fell 5.3%¹ compared to a decrease of 5.5%² for the Datastream index, 8.1%¹ for the MSCI World (£) and 8.3%¹ for the FTSE All Share.

Over three years NAV is up 56.9%¹ while the FTSE All Share is up 32.9%¹.

Manager's Comment

Equity markets continue to be adversely affected by the negative sentiment towards the state of credit markets. Further rate cuts are expected from the US Fed. Discounts remain wide in the investment holding companies and property companies. Although our liquidity stands at over 10% we are adding to positions where we see attractive discounts as we position the portfolio for good future performance.

Statistics

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Price (£) ¹	447.0	2.5	2.1	41.8	198.8
Net Asset Value ¹	474.5	2.3	2.3	51.9	173.7
Net Asset Value Total Return ¹		2.3	3.5	56.9	186.4
Benchmark ² (£)		1.7	3.3	42.7	110.8
Annual Returns (%)	2007	2006	2005	2004	2003
Price ¹	-2.8	0.3	51.7	36.0	41.6
MSCI World ¹	7.7	5.8	23.0	7.2	20.6

1 Source: Fundamental Data

2 Datastream Global Growth Investment Trust Index(TR) Source: Thomson Financial

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.

*British Empire Securities & General Trust financial year commences on the 1st of October.

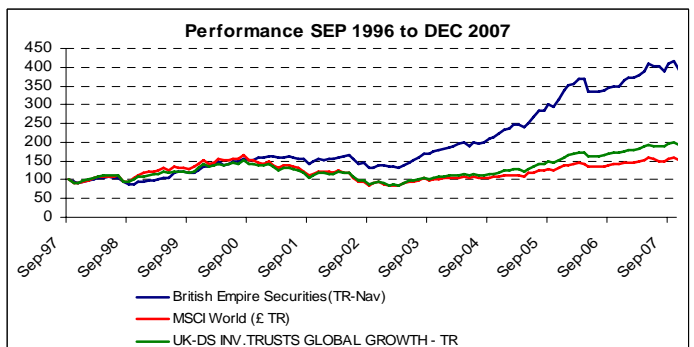
** Last audited figure updated annually

Information may be found on the following websites.

www.british-empire.co.uk or www.assetvalueinvestors.com

Top Ten Equity Holdings

	%
Investor AB	3.72
Sofina	3.68
Jardine Strategic	3.53
Jardine Matheson	2.94
Electra Private Equity	2.92
GBL	2.89
Deutsche Wohnen	2.59
Holmen	2.37
Lundberforetagen	2.35
Paris Orléans	2.27
TOTAL	29.26



Capital Structure

Ordinary Shares	160,080,089
10 3/8% Debenture stock 2011	£8,514,940
8 1/8% Debenture stock 2023	£15,000,000
Equities index unsecured loan stock 2013**	2,730,231

Gross Assets/Gearing

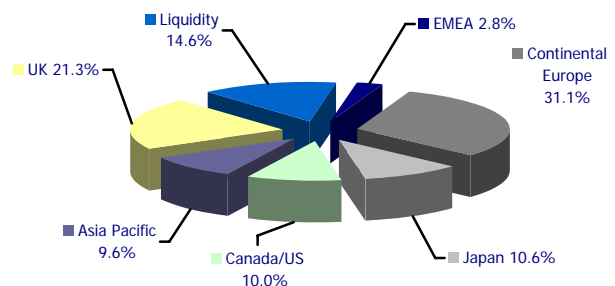
Gross Assets	£790 mil.
Debt	£ 27.9 mil.
Actual Gearing (Debt less cash divided by net asset value)	-11.1%

Fund Codes

Bloomberg
BTEM

Reuters Ticker / ISIN
GB0001335081

Geographic Breakdown (% of total assets)



Asset Value Investors

All figures as at 29 February 2008 unless otherwise stated. All sources Asset Value Investors Ltd unless otherwise stated. British Empire Securities Trust is managed by Asset Value Investors Ltd. The price of shares and the income from them may go down as well as up; they can be affected by exchange rate movements between currencies and it is possible that investors may not get back the full amount invested on disposal of the shares. Past performance is no guarantee of future performance. Investments in emerging markets carries a greater degree of risk, in particular the volatility of the markets and the local custody and registration arrangements, which may be less developed than in more mature markets. There is no guarantee that the market price of shares in Investment Trusts will fully reflect their underlying Net Asset Value (NAV). This Investment Trust should be considered only as part of a balanced portfolio, of which it should not form a disproportionate part. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments. Issued by Asset Value Investors Ltd., which is authorised and regulated by the Financial Services Authority.