

30 September 2015 Stock Exchange Announcement

BRITISH EMPIRE SECURITIES AND GENERAL TRUST PLC (BEST)

Mr Joe Bauernfreund to succeed Mr John Pennink to Become BEST's Third Portfolio Manager in 30 Years

Joe Bauernfreund, effective 1st October, will become BEST's named portfolio manager, continuing the natural progression that has seen only three portfolio managers at British Empire Securities and General Trust in the last 30 years. Joe joined BEST's investment managers, Asset Value Investors (AVI), in 2002 and has been an influential member of the investment team assisting the current portfolio manager, John Pennink, for the past 8 years. Over the past two years, Joe has taken on increasing responsibility for the portfolio composition as co-manager alongside John Pennink. Joe's experience and expertise has demonstrated his ability to manage the investment strategy and the Directors and John Pennink have together decided that it is appropriate that he should become the sole portfolio manager. Joe will succeed John Pennink as CIO at AVI.

John Pennink has been the portfolio manager since October 2002 and has achieved an impressive average annual return of nearly 11%¹ per annum over the period of his tenure. He joined AVI in 1999 and worked with the previous portfolio manager John Walton for four years before assuming the role. John Pennink continues as CEO of AVI and will continue to be involved in the investment process.

Chairman's comment

The Chairman of British Empire Securities and General Trust, Strone Macpherson, commented:

"This initiative will provide a strong basis for enhanced investment performance in the future.

"The Board would like to thank John Pennink for his impressive contribution of an average annual return of nearly 11%¹ per annum to BEST's investment portfolio. We are confident that Joe Bauernfreund has the expertise and experience to navigate BEST's investment portfolio successfully through the volatile and challenging equity markets that we face today. We see his appointment as a natural succession and are confident in his ability, supported by the team at AVI, to produce strong investment returns over the long term.

"BEST has delivered returns averaging nearly 12%² per annum over the past 30 years, since AVI assumed management responsibility. A significant factor in this performance is BEST's natural progression of portfolio managers with only 3 people having held that role over the last 30 years.

"Joe will continue to utilise a bottom up, high conviction approach in the management of the fund, with stock selection driven by long term company fundamentals. He will continue to invest in companies that are undervalued and characterised by low investor expectations with the belief that,

over the long term, the market will recognise their fair value. John Pennink will continue to be involved in the investment process and his experience will be available to Joe in the future.

“We believe that British Empire Securities and General Trust’s “value based” investment approach is well suited to capitalise on current market opportunities.”

“Furthermore, the Board is happy to note that AVI have announced today a strategic partnership with Goodhart Partners LLP. The intention is for Goodhart Partners to take a minority stake in AVI and provide resources to support its growth. Goodhart Partners fully endorse AVI’s investment strategy and we view this as a very positive step in the development of AVI.”

www.assetvalueinvestors.com

¹Source: Morningstar, 30 SEP 2002 to 31 AUG 2015

²Source: Morningstar, 30 JUN 1985 to 31 AUG 2015

AVI is authorised and regulated by the Financial Conduct Authority. Past performance does not guarantee future performance. The price of investments and the income may fall as well as rise and investors may not get back the full amount invested. British Empire uses gearing techniques (leverage) which will exaggerate market movements both down and up which could mean sudden and large falls in market value.

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Notes to Editors:

Biographies:

Joe Bauernfreund, Bsc, Msc

With effect from 1st October 2015, Joe Bauernfreund will be the named portfolio manager of the British Empire Securities and General Trust. He joined BEST’s investment manager, Asset Value Investors in July 2002 as an Investment Analyst, following completion of a Masters in Finance from the London Business School. At first, Joe worked closely with John Walton in focusing on the European Holding Companies. He then covered the entire portfolio and became joint manager with John Pennink. Prior to joining Asset Value Investors, Joe worked six years for a real estate investment organisation in London

John Pennink, LLB, CFA

John Pennink is CEO of Asset Value Investors. He joined Asset Value Investors in 1999. He worked closely with the previous portfolio manager John Walton on British Empire Securities and General Trust for 4 years and was the manager of the Trust for 12 years from 2002-2014. John spent 3 years as an analyst and a fund manager in Hong Kong with Regent Pacific from 1994 to 1997. Subsequently, John spent two years investing in emerging European markets while based in Moscow with Regent Pacific and EPIC Securities.

John has a law degree from the University of British Columbia and qualified as a Chartered Financial Analyst in 1999.

For further information:

Kimberly Lau
Director
Asset Value Investors Ltd
kimberly.lau@assetvalueinvestors.com
020 7659 4800

Lansons
Caroline Church-Taylor: 020 7294 3625
Tony Langham: 07979 692 287

Assetvalueinvestors@lansons.com