

SHAREHOLDER INFORMATION / SHAREHOLDER INFORMATION

Dividends

Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandate forms may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request or downloaded from Equiniti's website www.shareview.com. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Share Prices

The Company's Ordinary Shares are listed on the London Stock Exchange under 'Investment Trusts'. Prices are given daily in The Financial Times, The Times, The Daily Telegraph, The Scotsman and The Evening Standard.

Change of Address

Communications with shareholders are mailed to the last address held on the share register. Any change or amendment should be notified to Equiniti Limited at the address given above, under the signature of the registered holder.

Daily Net Asset Value

The net asset value of the Company's shares can be obtained by contacting Customer Services on 0845 850 0181 or via the website: www.british-empire.co.uk.

Provisional Financial Calendar 2018/2019

19 December 2018	Annual General Meeting
4 January 2019	Final dividend paid on Ordinary Shares
May 2019	Announcement of half year results
June 2019	Interim dividend paid on Ordinary Shares
November 2019	Announcement of annual results
November 2019	Posting of Annual Report
December 2019	Annual General Meeting

SHAREHOLDER INFORMATION / GLOSSARY

Alternative Performance Measure ('APM')

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company.

Comparator Benchmark

The Company's Comparator Benchmark is the MSCI All Country World ex-US Total Return Index, expressed in Sterling terms. The benchmark is an index which measures the performance of global equity markets, both developed and emerging. The weighting of index constituents is based on their market capitalisation.

Dividends paid by index constituents are assumed to be reinvested in the relevant securities at the prevailing market price. The Investment Manager's investment decisions are not influenced by whether a particular company's shares are, or are not, included in the benchmark. The benchmark is used only as a yard stick to compare investment performance.

Cost

The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

Discount/Premium

If the share price is lower than the NAV per share it is said to be trading at a discount. The size of the Company's discount is calculated by subtracting the share price of 764.00p from the NAV per share (with debt at fair value) of 834.58p and is usually expressed as a percentage of the NAV per share (8.46%). If the share price is higher than the NAV per share, this situation is called a premium.

Earnings before Interest and Tax ('EBIT')

A standard measure of operating profits and, therefore, the profits that are available to be distributed to both debt and equity investors. It is often compared with Enterprise Value in the 'EV / EBIT Ratio', similar to the price-to-earnings ratio.

Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA')

A proxy for the cash flow generated by a business – it is most commonly used for businesses that do not (yet) generate operating or shareholder profits.

Enterprise Value ('EV')

Enterprise value is the sum of a company's market value plus debt less cash.

Free Cash Flow Yield ('FCF')

Free cash flow is the amount of cash profits that a business generates, adjusted for the minimum level of capital expenditure required to maintain the company in a steady-state. It measures how much a business could pay out to equity investors without impairing the core business. When free cash flow is divided by the market value, we obtain the free cash flow yield.

Gearing

Gearing refers to the level of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

The gearing of 9.5% represents borrowings of £89,161,000 expressed as a percentage of shareholders' funds of £941,680,000.

The current values of the Debenture Stock and Loan Notes consist of the following:

	Debenture £'000	2036 GBP Loan £'000	2036 EUR Loan £'000	2037 EUR Loan £'000	Total £'000
Value of issue	15,000	30,000	22,962	17,526	85,488
Unamortised issue costs	(36)	(115)	(88)	(135)	(374)
Exchange movement	–	–	3,759	288	4,047
Amortised book cost	14,964	29,885	26,633	17,679	89,161
Market value	18,975	32,493	28,021	17,920	97,409
Redemption value	19,812	40,432	32,974	21,506	114,724

The values of the Loan Notes are calculated using net present values of future cash flows and the yields, taking account of the market spread and exchange rates. The redemption value includes the penalty payable on early redemption. The Debenture Stock is valued from the current listing on the London Stock Exchange and redemption value according to the Trust Deed.

Internal Rate of Return ('IRR')

The IRR is the annualised rate of return earned by an investment, adjusted for dividends, purchases and sales, since the holding was first purchased.