COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II
QUARTERLY REPORT AND VALUATION
1 JANUARY 2017 – 31 MARCH 2017

Summary as at 31 March 2017

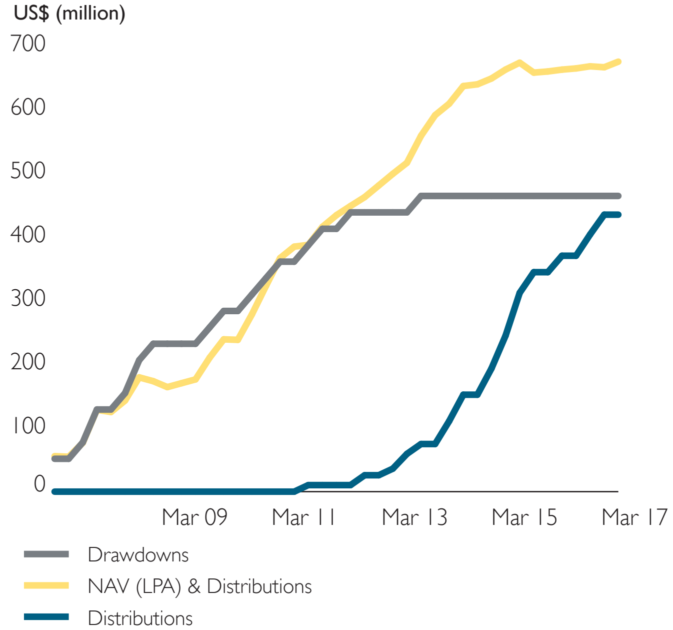
	Total (US$)	Typical LP* (US$)
Commitment	515,890,000[1]	250,000
Drawdowns	464,301,000	225,000
Distributions	434,895,270	210,750
Unaudited NAV	236,105,576	114,417

* Example for a typical limited partner, excluding any Placement Fee as this was not part of the commitment to CPELPII.

Key information

Operational fee	1.25% p.a. of unaudited NAV at quarter end.[2]
Performance fee	10%, with a 10% p.a. hurdle rate
Vintage	2007
First close date	23 April 2007
Final close date	23 April 2007
Domicile, legal structure	Cayman Islands, Closed Ended Exempted LP
Manager	Aberdeen Asset Managers Limited
Financial year end	31 December
Fund currency	USD

CPELPII performance: drawdowns, net asset value and distributions



Performance

TVPI	1.45x
DPI	0.94x
IRR	6.2%
% drawn down	90.0%[1]

Past performance should not be taken as a guide to future performance.

Portfolio overview

Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	Jan 08	USD	20.0
DHV	2007	Buyout	Europe	Jun 07	EUR	40.0
FIFV	2007	Other	North America	May 07	USD	25.0
KKRA	2007	Growth	Asia/Oceania	Jun 07	USD	35.0
PAIEV	2007	Buyout	Europe	Aug 07	EUR	7.5
THLVI	2006	Buyout	North America	Jun 07	USD	50.0
TPGAV	2007	Growth	Asia/Oceania	Jun 07	USD	20.0
WPX	2007	Other	Global	Oct 07	USD	50.0

Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited.
[1] Effective from Q3 2016, CPELPII has released the remaining undrawn capital commitments to the Partnership, equivalent to 10% of Limited Partners' original commitments. This means that Limited Partners are no longer liable for this amount and no further drawdowns will be made.
[2] Change effective from Q1 2016.

Partnership summary

During the first quarter of 2017, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') increased from 1.43 times cost as at 31 December 2016 to 1.45 times cost as at 31 March 2017. The funds generating the more substantial valuation uplifts over the quarter were Carlyle Partners V LP ('CPV'), Warburg Pincus Private Equity X LP ('WPX') and TPG Asia V LP ('TPGAV'). Fortress Investment Fund V ('FIFV') and Apax Europe VII B LP ('AEVII') were the only detractors from performance.

CPELPII did not make a distribution to its limited partners over the quarter. This means total distributions since inception remain at $434.9 million, or 93.7% of drawn commitments. With regard to the underlying funds, CPELPII received $11.1 million in distribution proceeds during the quarter, primarily from Blackstone Capital Partners V LP ('BCPV'), Carlyle Europe Partners III LP ('CEPIII'), KKR Asian Fund LP ('KKRA') and WPX.

Following the release of remaining undrawn capital commitments, CPELPII in now considered to be fully drawn and will not be calling further capital from Limited Partners. The underlying funds called $0.8 million from CPELPII, the most significant of which coming from KKRA. All underlying funds have now moved beyond their commitments periods. The emphasis is now on realisations and distributions in the underlying portfolios as the funds move into the latter stages of their lives.

Market review

The first quarter has been characterised by low volatility driven by a pick-up in global growth, however this has led some market observers to caution over complacency given risks currently present in global markets. In the US, consumer and business sentiment has picked up considerably since the presidential election, allowing the Fed to tighten with a 25bp hike in March. Doubts have arisen more recently over Trump's ability to execute proposed reforms, however, following rejection of the "Obamacare" rewrite which, in turn, has pushed back expectations around the timetable for tax reforms and infrastructure spending. Euro assets have largely underperformed, likely reflecting some concern about the upcoming European elections and particularly those in France and Italy.

Q1 17 saw a decline in the number of deals and aggregate deal value of private equity-backed buyouts globally, with 970 deals worth an estimated $53.4 billion (this figure is expected to increase by up to 5% as new information becomes available), versus Q4 16 which saw approximately 1,060 deals worth an aggregate $87.7 billion. This is broadly flat when compared to Q1 16. While Q1 has consistently historically experienced the lowest deal volume, the decline in aggregate deal value represents the second largest quarter on quarter decline after Q1 16, to levels last seen in Q1 12 and Q1 16. With so much capital ready to deploy, competition among fund managers has put upward pressure on asset pricing making deals less attractive. Business services was the favoured sector for capital allocation during the quarter, closely followed by consumer discretionary.

The number of global private equity backed exits in Q1 17 continued its downward trend to 394 exits at an estimated $47.8 billion, representing a similar number of deals to Q1 16, but the lowest aggregate value of exits in the last five years. Trade sales continued to be the most common route to exit, comprising eight of the ten largest deals in Q1 17. Sales to GPs were the next most prevalent exit route in terms of volumes, followed by IPOs.[1]

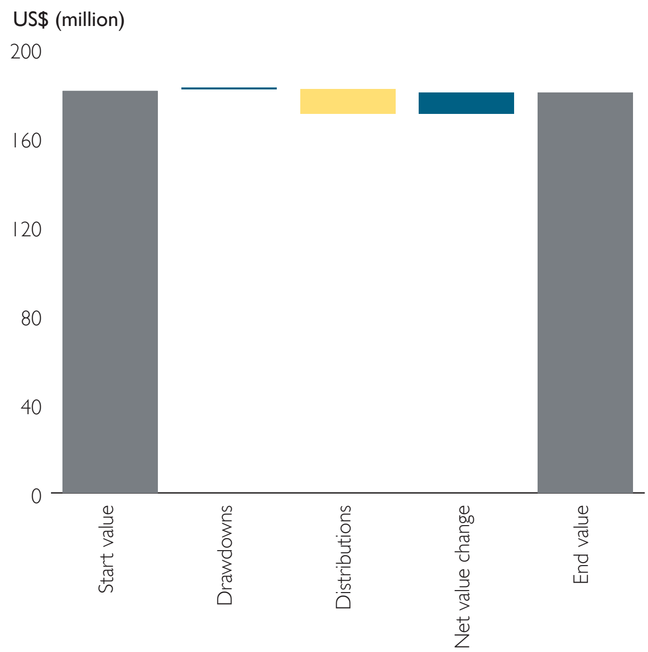
Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited.

[1] Preqin, 'Q1 2017 Private Equity-Backed Buyout Deals and Exits', 4 Apr 2017.

Quarterly portfolio investment activity (US$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	11.2	0.0	0.7	-0.1	10.4
BCPV	16.1	0.1	5.8	0.1	10.5
CEPIII	16.9	0.0	1.3	0.8	16.4
CPV	21.7	0.1	0.0	4.1	25.9
CVCAIII	5.1	0.1	0.0	0.2	5.4
DHV	14.2	0.0	0.0	0.3	14.5
FIFV	15.2	0.0	0.0	-0.2	15.0
KKRA	8.5	0.6	1.2	0.6	8.5
PAIEV	6.5	0.0	0.0	0.5	7.0
THLVI	31.8	0.0	0.6	0.8	32.0
TPGAV	8.2	0.0	0.4	1.0	8.8
WPX	25.4	0.0	1.1	1.5	25.8
Total	**180.8**	**0.8**	**11.1**	**9.5**	**180.0**

Figures may not always sum exactly due to rounding.



Apax Europe VII L.P. ('AEVII')

The value of AEVII's portfolio decreased marginally over the quarter from 1.72 times cost to 1.71 times cost. Investments that demonstrated the largest decreases in value were **Acelity**, **Bankrate** and **Tivit**. The only notable increase in value during the quarter came from **Psagot**.

During the quarter, the fund realised €226 million, including €179 milllion from the sale of the fund's remaining shares in **Ascential** and a €47m dividend from **Acelity**. The final sale of shares in publicly-listed **Ascential** has meant that, combined with prior distributions, the investment has returned 1.1 times invested capital.

Blackstone Capital Partners V L.P. ('BCPV')

During the quarter, BCPV's portfolio valuation marginally increased from 1.86 times cost to 1.87 times cost. The public portfolio increased in value by $75 million with **Michaels Stores** being the main driver. The privately-held portfolio increased by $34m with the valuation increase in **RGIS** being somewhat offset by the decline in **Hindustan Power**.

The fund had another active quarter in terms of realisations, generating $2.2 billion in proceeds, primarily from the sale of shares in the portfolio's publicly-listed companies. The fund agreed the sale of **Hilton** to **HNA** group resulting in proceeds of $1.2 billion, and there were significant partial share sell downs in **PFG** and **Michaels Stores**.

Carlyle Europe Partners III L.P. ('CEPIII')

CEPIII's portfolio valuation increased over the quarter from 2.20 times cost as at 31 December 2016 to 2.21 times cost as at 31 March 2017. Valuation uplifts were produced by **Alloheim AG**, **Marelli Motori**, **The Nature's Bounty** (formerly known as NBTY), **Twin Set**. Publicly-listed **Multi Packaging Solutions** also contributed to the increase. **Addison Lee Group** and **mydentist** detracted from performance over the quarter.

In terms of realisation activity, in January CEPIII reached an agreement on the sale of **Multi Packaging Solutions**, Inc. to WestRock Company. WestRock is to acquire all of the outstanding shares of the company for $18 per share in cash, which equates to an enterprise value of $2.3 billion. The transaction closed in June, generating approximately €343 million of new proceeds to the Fund. Carlyle has fully realized its investment in **Multi Packaging Solutions** returning approximately €494 million in proceeds, or 2.63 times invested capital.

Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited.

Carlyle Partners V L.P. ('CPV')

During the quarter, CPV's portfolio increased from 1.96 times cost to 2.04 times cost. This uplift was predominantly driven by the valuation increase produced by **Pharmaceutical Product Development, Inc** which is the fund's largest remaining asset by fair market value. Smaller increases were produced by **The Nature's Bounty Co.** (formerly **NBTY, Inc.**) and **Getty Images**. Somewhat offsetting these gains, the valuation of **Greater China Intermodal Investments LLC** declined and **HCR Manor Care** fell marginally over the quarter.

The fund made one follow-on investment in the quarter and there were no significant liquidity events in the portfolio. In March, Carlyle contributed $20.8 million to **Greater China Industrial Investments LLC.** Post quarter end, the fund completed the sale of its interests in **Pharmaceutical Product Development** and completed a recapitalisation of **Sequa Corporation**.

CVC Capital Partners Asia Pacific III ('CVCAIII')

CVC Asia III's portfolio value increased from 1.96 times cost to 1.97 times cost over the quarter. The primary drivers of this uplift were **PT Link Net** and **Sun Hung Kai & Co.** Smaller gains were produced by **QSR Brands**, **Stella Group** and **Magnum Corporation**. No investments declined in value during the quarter.

There was no realisation or add-on activity during the quarter.

Doughty Hanson & Co.V ('DHV')

The value of the Doughty Hanson V portfolio remained unchanged during the quarter at 1.65 times cost. Valuation adjustments in the three remaining unrealised investments of **LM Wind Power**, **ASCO** and **TMF Group** were minimal.

An agreement to sell **LM Wind Power** to GE was signed in October 2016 for an enterprise value of €1.5 billion. The transaction, which is expected to close in the second quarter of 2017, will produce a gross multiple of 0.7 times cost.

Fortress Investment Fund V ('FIFV')

During the quarter, FIFV's main portfolio valuation increased from 1.59 times cost to 1.62 times cost while the co-investment portfolio valuation decreased over the quarter. The increase in the main portfolio was almost solely driven by the share price increase in publicly listed **OneMain** (formerly Springleaf). Although not significant, the largest decline in value over the quarter was produced by the two Florida Investments, **FECI** and **FECR**, which were the cause for the co-investment portfolio valuation decline during the quarter.

During the quarter, the fund entered into a definitive agreement to sell **Florida East Coast Rail** ('FECR') to Ferrocarril Mexicano. The transaction has received CFIUS approval and is expected to close by the end of June.

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation increased from 2.15 times cost to 2.17 times cost. This increase was driven by **Dalmia** and **Oriental Brewery**, as well as publicly-listed **CICC**, **Coffee Day Resorts** and **Magma**. Somewhat offsetting these gains, **Riverview Property Investment Platform** and **Santanol** were written down.

KKRA received proceeds totalling $146.0 million during the quarter, primarily related to the sale of **TVS Logistics** and the partial sale of **Oriental Brewery**. **KKR** entered into an agreement to sell the entire investment in TVS which will result in approximately 1.8 times invested capital. The fund also contributed $68.2 million as a follow-on investment into **Santanol**.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAI Europe V increased from 2.18 times cost to 2.26 times cost. The drivers of this uplift include **Cerba Healthcare**, **Kiloutou**, **IPH** and **ADB Safegate**. There were no material valuation declines during the quarter.

There was no realisation activity during the quarter, however post quarter-end PAI completed the disposals of **Xella** and **Cerba Healthcare**. The total proceeds for these two transactions have amounted to €1.3 billion in distributions back to investors, taking DPI to 140%. The fund has also entered exclusive discussions to sell **IPH** to Advent-backed Brammer in May.

Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited.

Thomas H. Lee Parallel Fund VI ('THLVI')

The value of THLVI increased over the quarter from 1.85 times cost to 1.87 times cost. The largest valuation increases were produced by **inVentiv Health, Inc** and **MoneyGram International, Inc**, followed by a smaller increase in **Fogo de Chao**. Somewhat offsetting these gains were declines in valuation for **Intermedix Corporation** and **CTI Foods**, which were the largest detractors in performance during the quarter.

The fund generated $108 million of realisations over the quarter, derived primarily from the secondary sale of publicly-listed **First BanCorp**. Post quarter-end, the fund is expected to generate approximately $400 million in proceeds from the sale of **MoneyGram** to Ant Financial which is expected to close in the second half of 2017. **West Corporation** also announced an agreement to be acquired by Apollo Global Management post quarter-end.

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation increased from 1.44 times cost to 1.50 times cost. This was principally driven by valuation increases for privately held **Shriram Capital** and **Vishal Megamart**, and share price increases for **Delta Dunia** and **PT BFI Finance**. No portfolio companies produced significant declines in valuation during the quarter.

$71 million was received from the partial exit of the fund's investment in **Li Ning** over the quarter.

Warburg Pincus Private Equity X L.P. ('WPX')

The valuation of WPX's portfolio increased by $673.7 million in the first quarter, meaning the valuation of the portfolio increased from 1.67 times cost to 1.71 times cost during the quarter. The three primary valuation increases were produced by **ESR Cayman Limited** (formerly e-Shang Redwood Limited), **Antero Resources Corporation** and **Triton International Limited**.

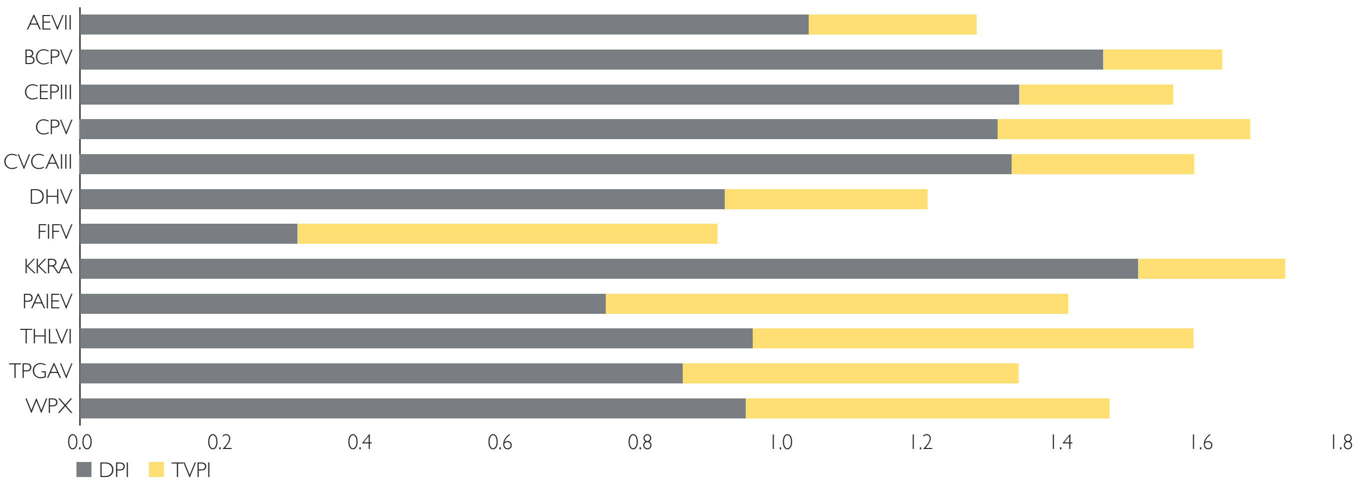
During the quarter, WPX received $410.2 million in proceeds, primarily related to the sale of **Accriva Diagnostics Holdings** which returned 2.7 times capital invested, and the partial sale of shares in, and dividend income proceeds from, **Financial Engines**. There were two small calls for capital during the quarter, related to the fund's investments in **Osum Oil Sands Corp** and **First Green Holdings, LLC**.

Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited.

Portfolio performance for the quarter

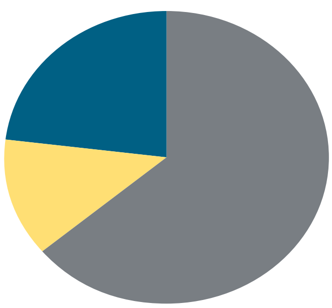
Investee fund	Net drawn (US$ million)	% drawn	NAV (US$ million)	DPI	TVPI	Quarter TVPI change	IRR (%)
AEVII	41.2	98.6	10.4	1.04	1.28	0.00	5.0
BCPV	55.5	92.6	10.5	1.46	1.63	0.00	9.0
CEPIII	66.0	95.6	16.4	1.34	1.56	0.01	10.6
CPV	56.6	80.8	25.9	1.31	1.67	0.06	12.5
CVCAIII	16.6	82.8	5.4	1.33	1.59	0.00	13.9
DHV	44.9	82.8	14.5	0.92	1.20	0.00	4.0
FIFV	24.9	99.5	15.0	0.31	0.91	-0.01	-1.2
KKRA	35.0	100.0	8.5	1.51	1.72	0.00	13.8
PAIEV	9.6	94.4	7.0	0.75	1.41	0.04	6.9
THLVI	47.6	95.2	32.0	0.96	1.59	0.01	8.1
TPGAV	17.1	85.5	8.8	0.86	1.34	0.05	6.2
WPX	50.0	100.0	25.8	0.95	1.47	0.03	7.7
Total investments	**464.9**	**92.0**	**180.0**	**1.14**	**1.49**	**0.02**	**8.3**
Cash, accruals and other assets			56.1				
Total fund	**464.3**	**90.0**	**236.1**	**0.94**	**1.45**	**0.02**	**6.2**

Past performance should not be taken as a guide to future performance.



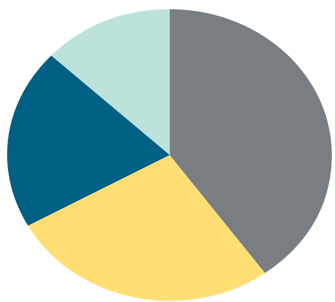
Portfolio breakdown by underlying fund

Fund strategy



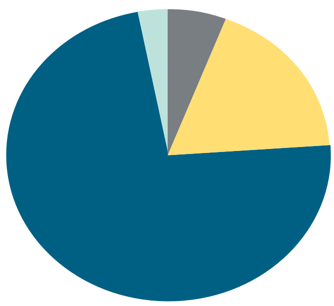
■	Buyout	64
■	Growth	13
■	Other	23

Fund geography



■	North America	40
■	Europe	27
■	Global	20
■	Asia/Oceania	13

Fund vintage



■	2005	6
■	2006	18
■	2007	73
■	2008	3

All amounts are as a percentage of total investment NAV at 31 March 2017.
Figures may not always sum exactly to 100 due to rounding.

Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited, underlying funds.

Portfolio breakdown by underlying portfolio company

Geographic breakdown

United States of America	57.2
China	6.2
Netheralnds	5.8
United Kingdom	5.4
India	5.1
Germany	2.6
Canada	2.2
Australia	1.9
Italy	1.9
France	1.8
Denmark	1.5
Indonesia	1.4
Switzerland	1.4
Brazil	1.1
Israel	1.1
Malaysia	0.8
Philippines	0.5
Belgium	0.5
Bermuda	0.5
Hong Kong	0.4
Singapore	0.4
Vietnam	0.1
Japan	0.1
Spain	<0.1
Norway	<0.1

Sector breakdown

Financials	25.2
Health Care	17.6
Industrials	15.6
Consumer Services	12.5
Consumer Goods	9.3
Oil & Gas	7.7
Telecommunications	3.8
Technology	3.8
Utilities	2.7
Basic Materials	1.2
Other	0.6

Figures may not always sum exactly to 100 due to rounding.
All amounts are as a percentage of total investment NAV at 31 March 2017.

Glossary

Unaudited NAV The unaudited net asset value as defined in the Limited Partnership Agreement (LPA). Unaudited net asset values calculated in accordance with International Financial Reporting Standards (IFRS) available upon request.

Vintage Year of fund's first investment.

TVPI Total Value to Paid In (TVPI) is calculated by adding the remaining (reported) value and the distributions received (cash out) and subsequently dividing that amount by the total capital contributed (cash in).

DPI Distribution to Paid In (DPI) is calculated by taking the distributions received (cash out) and dividing that amount by the total capital contributed (cash in).

IRR The internal rate of return is the annualised effective compounded rate of return over the life of an investment.

Net Value Change Although drawdowns and distributions from underlying funds will affect their value there will be an offsetting impact on the partnership's cash levels; 'Net Value Change' shows the change in Net Asset Value of the portfolio which is not accounted for by drawdown and distribution activity, primarily unrealised valuation changes, foreign exchange movements and fees and expenses in the underlying portfolios.

Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited, underlying funds.

Important information

This report supplements the information contained in the Confidential Information Memorandum for the Coutts Private Equity Limited Partnership II (the "Partnership") published in February 2006, as amended or updated from time-to-time.

This report is prepared by Aberdeen Asset Managers Limited (the "Investment Manager") on behalf of Aberdeen General Partner CPELPII Limited (the "General Partner"), the general partner of the Partnership. The General Partner has appointed the Investment Manager to provide investment management services to it. Pursuant to a novation agreement dated 31 March 2016, the provision of investment management services to the General Partner is undertaken by the Investment Manager. Aberdeen Asset Managers Limited is authorised and regulated by the Financial Conduct Authority in the UK. Registered office: 10 Queens Terrace, Aberdeen, Aberdeenshire, AB10 1YG. No. SC108419. Prior to the 31 March 2016 the provision of investment management services to the General Partner was undertaken by Aberdeen Private Equity Managers Limited, a wholly owned subsidiary of Aberdeen Asset Management PLC.

In considering any performance information contained in this report, investors should remember that past performance is not a guide to future results. The value of investments and the income from them can go down and you may get back less than the amount invested. Investments in emerging markets are subject to certain special risks, which include, for example: a certain degree of political instability, relatively unpredictable financial market trends and economic growth patterns, a financial market that is still in the development stage and a weak economy. Alternative investments, derivative or structured products are complex instruments that typically involve a high degree of risk and are intended for sale only to investors who are capable of understanding and assuming the risks involved. In the case of some investments, there is no recognised market for them and it may therefore be difficult for you to deal in them or obtain reliable information about their value or the extent of the risks to which they are exposed.

Financial results are subject to a number of uncertainties, such as changes in exchange rates, which may cause the value of foreign investments to rise or fall. Your attention is drawn to the section in the Confidential Information Memorandum entitled 'Investment considerations and risk factors' for further information.

The financial illustrations and illustrative investor returns contained in these materials do not constitute forecasts and should not be construed as such. Accordingly, no assurance or representation can be made as to actual future returns on the securities described herein. Nothing contained herein should be relied upon as a promise or representation as to the future.

No information contained herein constitutes investment, tax, legal or any other advice, or an invitation to apply for securities in any jurisdiction where such an offer or invitation is unlawful, or in which the person making such an offer is not qualified to do so. Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. We recommend that you seek financial advice prior to making an investment decision.

All information in this report has been compiled by the Investment Manager including, without limitation, its parent company and various subsidiaries and associates thereof. Certain information contained in this report has been provided by The Carlyle Group and Ipes (Guernsey) Limited, the administrator.

To the best knowledge and belief of the Investment Manager, the information in this report is correct at the time of publication but it cannot be guaranteed. Opinions constitute the Investment Manager's judgement as at the date of issue and are subject to change without notice.

+As these products are not registered with the Swiss Financial Market Supervisory Authority ("FINMA"), this document may not be made available in connection with an advertisement, offering, distribution or sale of the products, and investors do not benefit from the protection under the Swiss Collective Schemes Act (CISA) or supervision by FINMA.

Before contemplating a transaction in any investment product, you should have read the relevant prospectus and consulted with your financial advisor.

Neither this document nor any copy thereof may be sent to or taken into the United States or distributed in the United States or to a US person. In certain other jurisdictions, the distribution may be restricted by local law or regulation.

The products are not regulated by the Financial Conduct Authority. Accordingly, as regards your relationship with the product, you will not be protected by the rules and regulations made under the Financial Services and Markets Act 2000 ("FSMA") and by the Financial Conduct Authority.

None of the overseas companies performing functions relating to the Partnership is an Authorised Person subject to the rules and regulations made under the Financial Services Act 2012 for the protection of investors, and compensation under the Financial Services Compensation Scheme will not be available in respect of business transacted with them.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Partnership is a collective investment scheme but is not authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong by the Securities and Futures Commission of Hong Kong. Accordingly the placement of interests in Hong Kong, is restricted. This report may only be distributed, circulated or issued to persons who are professional investors under the Securities and Futures Ordinance and any rules made under that Ordinance or as otherwise permitted by the Securities and Futures Ordinance.

This report has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this report and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of interests may not be circulated or distributed, nor may interests be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.