

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

QUARTERLY REPORT AND VALUATION

1 JULY 2017 – 30 SEPTEMBER 2017

Summary as at 30 September 2017

	Total (US\$)	Typical LP* (US\$)
Commitment	515,890,000 ¹	250,000
Drawdowns	464,301,000	225,000
Distributions	494,222,620	239,500
Unaudited NAV	188,358,122	91,278

* 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

Portfolio overview

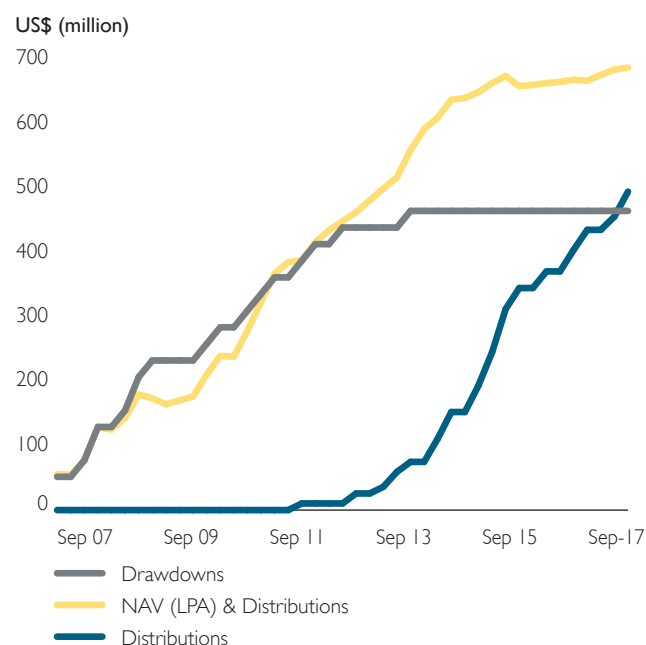
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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.

CPELPII performance: drawdowns, net asset value and distributions



Performance

TVPI	1.47x
DPI	1.06x
IRR	6.3%
% drawn down	90.0% ¹

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

Partnership summary

During the third quarter of 2017, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') increased from 1.46 times cost as at 30 June 2017 to 1.47 times cost as at 30 September 2017. The funds generating the more substantial valuation uplifts over the quarter were Warburg Pincus Private Equity X LP ('WPX'), KKR Asian Fund LP ('KKRA') and Carlyle Partners V LP ('CPV'). Thomas H Lee Fund VI LP ('THLVI') was the only detractor from performance.

CPELPII was able to make two distributions totalling \$38.7 million to its limited partners over the quarter. This brings total distributions since inception to \$494.2 million, or 106.4% of drawn commitments. With regard to the underlying funds, CPELPII received \$6.9 million in distribution proceeds during the quarter, primarily from WPX and PAI Europe V General Partner Limited ('PAIEV').

Following the release of remaining undrawn capital commitments, CPELPII is now considered to be fully drawn and will not be calling further capital from Limited Partners. The underlying funds called \$0.1 million from CPELPII, primarily relating to a call from CPV. All underlying funds have moved beyond their commitment periods and the emphasis is now on realisations and distributions in the underlying portfolios as the funds move into the latter stages of their lives.

Market overview

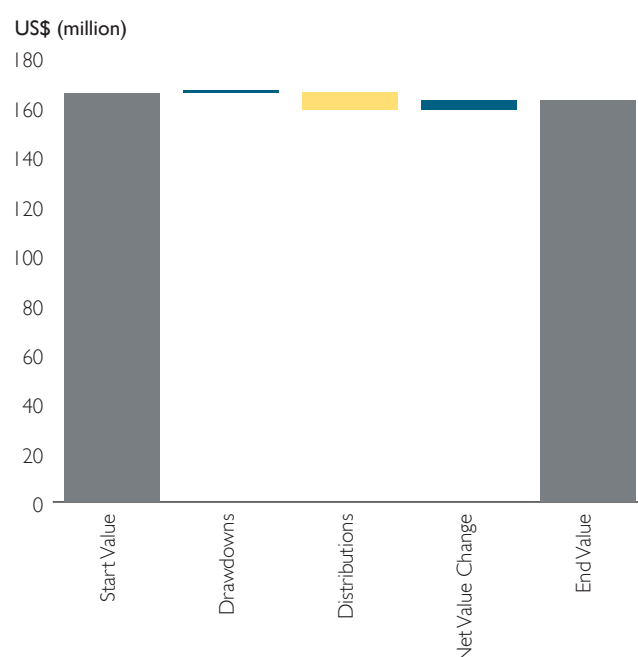
Global trade strengthened across a number of regions in the third quarter with global indicators continuing to point to strong economic activity, underpinned by a turnaround in export-oriented sectors and manufacturing activity. The US economy had a relatively tough third quarter as hurricanes Harvey and Irma impacted home construction and industrial output. Political uncertainty was also a factor due to the Trump administration's inability to fulfil its policy goals despite controlling both houses of Congress. Despite weak inflation, the Federal Open Market Committee (FOMC) confirmed that it will start reducing its balance sheet in October, and is expected to continue on a path of gradual interest rate hikes. The Eurozone's economic data remained robust in the third quarter as the region enjoyed an expansion across both its core and peripheral economies with consumer confidence at multiyear highs. Global demand should continue to benefit Eurozone exports over the rest of this year, however, the strong Euro may limit significant gains. The U.K. economic outlook deteriorated slightly during the third quarter as rising inflation, deteriorating consumer expectations and slow progress on Brexit negotiations increased economic uncertainty. Emerging markets remain one of the key global growth contributors with an increase in commodity prices, a weakening US dollar and continued momentum in Asia and China all contributing.

While the number of private equity backed buyout deals globally declined from 1,001 in Q2 17 to 952 in Q3 17, aggregate deal value increased significantly from \$83bn in Q2 17 to \$92bn in Q3 17. With the Q3 17 numbers expected to increase as further information becomes available, transaction activity is expected to increase to average levels seen over the last six years, though this would represent a slight decline over recent higher volume quarters. Higher transaction values helped aggregate deal value rise significantly above average levels, however. Information technology was the favoured sector for capital allocation by aggregate deal value over the quarter, followed by Industrials and Healthcare.¹

The number of global private equity backed exits remained constant at 381 in Q2 17 and Q3 17, halting a continued decline since Q2 16, meanwhile estimated aggregate exit value increased to \$65.1bn in Q3 17, from \$59.4bn in Q2 17. While these numbers are expected to increase as further information becomes available, exit activity and aggregate exit value remain well below average, although the latter represents the second quarter-on-quarter increase from the Q1 17 low of the last six years. The reduction in exit activity from average levels is likely driven by elevated valuations and a trend in businesses remaining private for longer. Trade sales continued to be the most common exit route, with IPOs and follow-ons decreasing as a proportion of the total.¹

Quarterly portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	10.3	0.0	0.0	0.3	10.6
BCPV	6.3	0.0	0.1	0.2	6.4
CEPIII	13.3	0.0	0.0	0.2	13.5
CPV	23.8	0.2	0.0	0.7	24.7
CVCAIII	4.8	0.0	0.1	0.1	4.8
DHV	12.9	0.0	0.2	0.5	13.2
FIFV	15.3	0.0	0.9	0.4	14.8
KKRA	7.3	0.0	0.2	0.7	7.8
PAIEV	4.1	0.0	1.3	0.5	3.3
THLVI	32.6	0.0	0.7	-1.2	30.7
TPGAV	7.9	0.0	0.0	0.5	8.4
WPX	26.8	0.0	3.5	0.9	24.2
Total	165.3	0.1	6.9	3.8	162.3



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 1.69 times cost to 1.68 times cost. Declines for **Paradigm**, **Tivit** and **One Call / Align** were offset by increases in **Takko** and **Sophos**.

In July 2017, the fund signed the exit of **Bankrate** for an enterprise value of \$1.4 billion. Including proceeds received from the IPO in June 2011 and subsequent share sales, total returns on this investment will be 2.2 times cost. The fund also made a €75 million follow-on investment in **Takko** which will allow the company to execute a refinancing, reduce its cost of debt and execute on the business plan. Post quarter end, AEVII agreed the sale of **Paradigm** to Emerson Electric for an enterprise value of \$510m, resulting in limited returns recovery for equity holders.

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

During the quarter, BCPV's portfolio valuation increased from 1.87 times cost to 1.88 times cost. The public portfolio increased by \$145 million following share price uplifts for **Hilton** and **Michaels Stores**, while the privately-held portfolio decreased by \$21 million as a result of a mark down in **RGIS**.

The fund generated \$282 million in proceeds with the sale of **Hilton** shares accounting for \$247 million of this sum. Further proceeds were also received from release of a **GeoSouthern** escrow and excess cash flow off the balance sheet of **The Weather Channel**.

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

CEPIII's portfolio valuation remained unchanged during the quarter at 2.21 times cost. Valuation uplifts for **Alloheim AG** and **Twin Set** were offset by declines for **The Nature's Bounty Co.**, **mydentist**, and **Marelli Motori Group**.

Following the prior sale of **The Nature's Bounty Co.**'s Holland & Barrett segment, CEPIII closed the sale of the remaining business, Consumer Products Group, to affiliates of KKR. The investment has realised 1.5 times invested capital to date, with 30% of CPG still being retained by the fund. Post-quarter end, the fund agreed the sale of **Alloheim AG** to Nordic Capital which will generate 7.0 times invested capital upon expected closing in February 2018.

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

During the quarter, CPV's portfolio increased marginally from 2.05 times cost to 2.06 times cost. This uplift was driven by the valuation increases of **Greater China Intermodal Investments**, **Accudyne Industries** and the preferred equity of **Sequa Corporation**. No investments declined in value over the quarter.

As with CEP III, following the prior sale of **The Nature's Bounty Co.**'s Holland & Barrett segment, CPV closed the sale of the remaining business, Consumer Products Group, to affiliates of KKR. The investment has realised 1.5 times invested capital to date, with 30% of CPG still being retained by the fund. Additionally, deferred proceeds were received from the previously reported recapitalisation of **Pharmaceutical Product Development**. Subsequent to quarter end, CPV reached an agreement to sell their stake in **TCW Group** expecting to return approximately 4.3 times invested capital.

CVC Capital Partners Asia Pacific III ('CVCAIII')

CVC Asia III's portfolio value increased from 1.98 times cost to 1.99 times cost over the quarter with very little movement in the underlying portfolio.

The only distribution activity was a return of \$23 million in proceeds from Magnum Corporation in July 2017.

Doughty Hanson & Co.V ('DHV')

The value of the Doughty Hanson V portfolio remained unchanged during the quarter at 1.65 times cost. The fund has two unrealised portfolio companies, **TMF Group** and **ASCO Group**, which did not change materially in value over the quarter.

There was no realisation activity during the quarter in DHV.

Fortress Investment Fund V ('FIFV')

During the quarter, FIFV's main portfolio valuation increased largely driven by an uplift in the valuation of publicly-listed **OneMain**. There were smaller uplifts recorded by **Florida Investments** and **Mapeley**, which drove the co-investment portfolio marginally higher over the quarter.

As communicated last quarter, the sale of **Florida East Coast Rail** ('FECR') to Grupo Mexico was closed at the end of June with proceeds being distributed in July. Proceeds were also received from **CW Financial** over the quarter, following the company's sale of Auction.com. Post quarter end, FIFV completed the partial sell down in shares of **OneMain**.

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation increased from 2.19 times cost to 2.21 times cost. This increase was driven by uplifts in publicly-listed **China International Capital Corporation** ('CICC') and **Magma Fincorp**, and by privately-held **Aricent** and **MMI Holdings**. Somewhat offsetting these gains, publicly-listed **Coffee Day Resorts** saw its share price decline during the quarter.

KKRA received proceeds totalling \$24 million during the quarter, primarily related to **Oriental Brewery** which was sold in April 2014. Dividend income from **Riverview Property Investment Platform** was also received. Post quarter end, KKRA completed a partial sale of shares in publicly-listed **CICC**.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAIEV increased from 2.38 times cost to 2.42 times cost. The primary driver of this uplift was an increase in **Kiloutou**, partially offset by a decline for **Marcolin**. The other two remaining investments, **ADB Safegate** and **Froneri** remained broadly unchanged over the quarter.

During the quarter, PAI completed the disposal of IPH receiving net proceeds of €376 million, equivalent to 3.0 times invested capital. Post quarter-end, the fund closed the sale of **ADB Safegate** to Carlyle, generating a return of 3.3 times invested capital, and engaged in exclusive negotiations for the sale of a majority stake in Kiloutou which is expected to close in February 2018, generating approximately 2.9 times cost for the fund.

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

The value of THLVI decreased over the quarter from 1.91 times cost to 1.88 times cost. Share price declines of 13% for **Party City** and 11% for **INC Research**, which closed its merger with **inVentiv Health** in August, were the main contributors to the decrease. Smaller decreases in value were experienced by **Univision Communications** and **Intermedix Corporation** generated smaller decreases in value. **CompuCom Systems, Inc** and **Black Knight Financial Services** produced the only significant valuation uplifts over the period.

The fund generated \$113 million of realisations over the quarter, derived primarily from the partial secondary sale of publicly-listed **First BanCorp** and a significant dividend from **Prime Risk Partners**.

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation increased from 1.54 times cost to 1.65 times cost. This was principally driven by valuation increases for privately held **Vishal Megamart** and publicly-listed **CICC**. No portfolio company generated a notable decline in value during the quarter.

\$30 million was received during the quarter resulting primarily from proceeds received from the release of an **HCP Packaging** expense reserve, but also from dividends received from a number of portfolio companies.

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

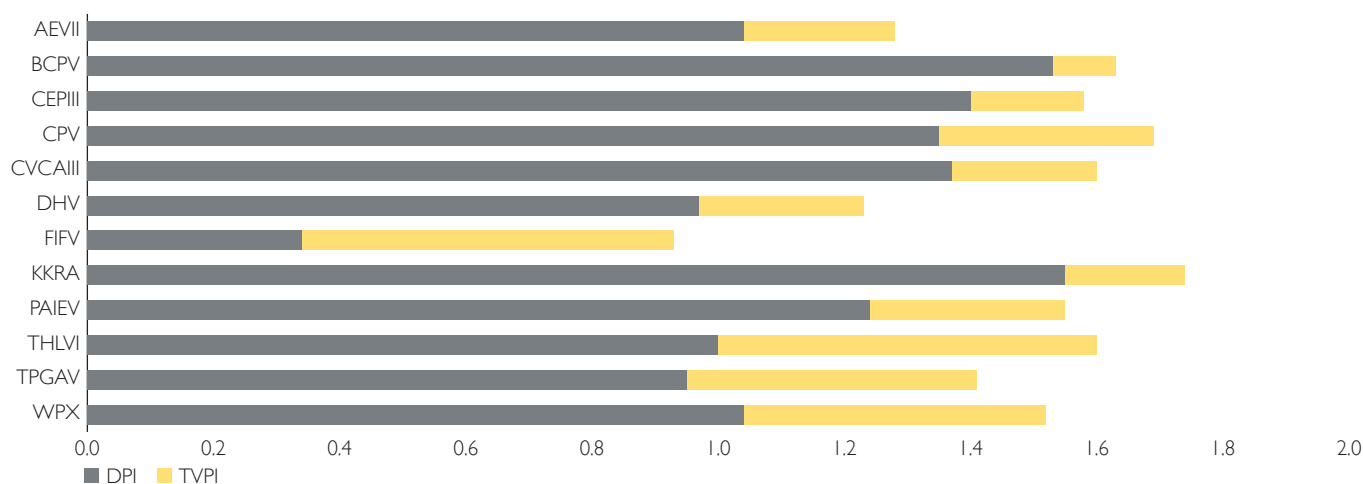
The valuation of WPX's portfolio increased by \$383.5 million in the third quarter, meaning the valuation of the portfolio increased from 1.74 times cost to 1.76 times cost during the quarter. The three primary valuation increases were produced by **ESR Cayman Limited**, **AU Small Finance Bank Limited** upon its IPO, and **Laredo Petroleum, Inc**, while **Antero Resources Corporation** was the only significant detractor from performance in the quarter.

WPX received \$1,488 million in proceeds primarily related to the sale of **A Place for Mom, Inc.**, which generated \$573 million upon closing, and from the sale of **WP Safety-Kleen**, which generated \$461 million for the fund. Smaller proceeds were also received from **Financial Engines**, **China Jinmao Holdings**, **Omega Energia Renovavel** and **AU Small Finance Bank Limited**.

Portfolio performance for the quarter

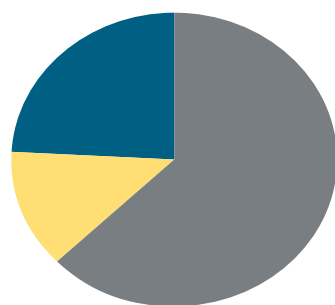
Investee fund	Net drawn (US\$ million)	% drawn	NAV (US\$ million)	DPI	TVPI	Quarter TVPI change	IRR (%)
AEVII	41.3	99	10.6	1.04	1.28	0.00	4.9
BCPV	55.5	93	6.4	1.53	1.64	0.00	9.0
CEPIII	65.9	95	13.5	1.40	1.58	0.00	10.8
CPV	57.3	82	24.7	1.35	1.69	0.01	12.6
CVCAIII	16.5	83	4.8	1.37	1.60	0.00	13.8
DHV	44.4	81	13.2	0.97	1.23	0.00	4.4
FIFV	24.9	100	14.8	0.34	0.93	0.01	-0.8
KKRA	35.0	100	7.8	1.55	1.74	0.02	13.9
PAIEV	9.6	94	3.3	1.24	1.55	0.05	8.4
THLVI	47.6	95	30.7	1.00	1.60	-0.02	8.0
TPGAV	16.9	85	8.4	0.95	1.40	0.03	6.8
WPX	50.0	100	24.2	1.04	1.52	0.02	8.0
Total investments	465.1	92	162.3	1.20	1.51	0.00	8.4
Cash, accruals and other assets			26.0				
Total fund	464.3	90	188.4	1.06	1.47	0.01	6.3

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

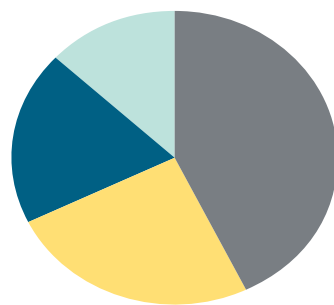


Portfolio breakdown by underlying fund

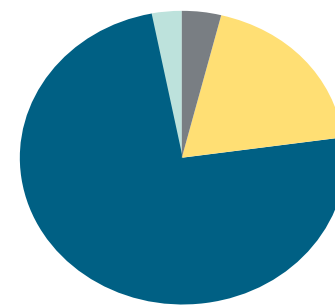
Fund strategy



Fund geography



Fund vintage



Buyout 63
Growth 13
Other 24

North America 43
Europe 25
Global 19
Asia/Oceania 13

2005 4
2006 19
2007 74
2008 3

All amounts are as a percentage of total investment NAV at 30 September 2017. Figures may not always sum exactly to 100 due to rounding.

Portfolio breakdown by underlying portfolio company

Geographic breakdown

United States of America	57.7	
China	7.6	
Netherlands	7.2	
India	5.8	
United Kingdom	3.4	
Germany	2.9	
Canada	2.4	
Italy	2.1	
Indonesia	1.6	
Israel	1.3	
Australia	1.3	
Switzerland	1.1	
Brazil	1.0	
Belgium	1.0	
Malaysia	<1.0	
Bermuda	<1.0	
Philippines	<1.0	
Singapore	<1.0	
Hong Kong	<1.0	
France	<1.0	
Vietnam	<1.0	
Spain	<1.0	
Denmark	<1.0	
Norway	<1.0	

Sector breakdown

Financials	30.9	
Health Care	15.7	
Industrials	13.5	
Consumer Services	12.2	
Consumer Goods	9.6	
Oil & Gas	7.5	
Technology	4.8	
Telecommunications	4.1	
Basic Materials	<1.0	
Utilities	<1.0	
Other	<1.0	

All amounts are as a percentage of total investment NAV at 30 September 2017. Figures may not always sum exactly to 100 due to rounding.

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.

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.

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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.

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