

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

REPORT AND VALUATION

31 DECEMBER 2017

Summary as at 31 December 2017

	Total (US\$)	Typical LP* (US\$)
Commitment	515,890,000 ¹	250,000
Drawdowns	464,301,000	225,000
Distributions	525,176,020	254,500
Unaudited NAV	159,662,798	77,373

* 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

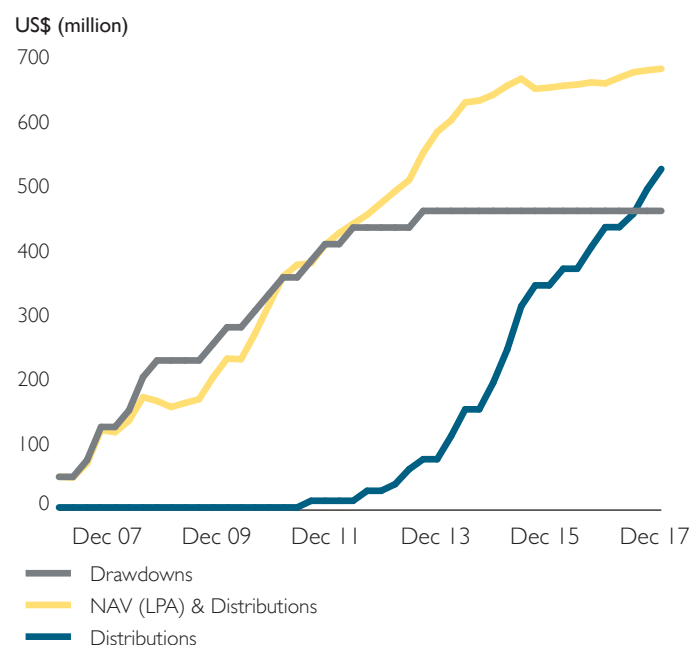
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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	1.13x
IRR	6.3%
% drawn down	90.0% ¹

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

Partnership summary

During the fourth quarter of 2017, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') remained unchanged at 1.47 times cost. The largest valuation movers over the quarter were Carlyle Europe Partners III LP ('CEPIII'), which produced an uplift, and Thomas H Lee Partners VI LP ('THLVI'), which declined in value.

CPELPII was able to make a distribution totalling \$31.0 million to its limited partners over the quarter. This brings total distributions since inception to \$525.2 million, or 113.1% of drawn commitments. With regard to the underlying funds, CPELPII received \$25.0 million in distribution proceeds during the quarter, primarily from Carlyle Partners V LP ('CPV'), THLVI, CEPIII and Apax Europe VII B LP ('AEVII').

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 \$0.2 million from CPELPII, primarily relating to a call from THLVI. 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

The global expansion continued in the fourth quarter of 2017 across a number of regions with robust corporate earnings growth, good financial conditions and higher inflation. The global economy appears to be moving into the mature stages of its current cycle with high valuations across risk assets, supported by slow monetary tightening and low volatility.

The US economy had a strong fourth quarter after a tough third quarter, recovering from a significant hurricane impact to industrial output and home construction. Strong US equity market performance was a highlight of the quarter and a significant contributing factor was the passing of a tax reform bill which is expected to further enhance US growth prospects. The Federal Reserve, for the third time in 2017, lifted interest rates by 25 basis points to 1.5% with at least three more interest hikes anticipated in 2018-2019. The Eurozone had a turbulent quarter with political instability in parts of the region. However, despite some challenging political headwinds, the Eurozone economy is demonstrating its best growth in a decade with data suggesting that GDP may have grown by as much as 2.3% in 2017. Emerging markets continued their strong growth in the fourth quarter, supported by positive political developments and strengthening investment flows. Improving corporate fundamentals and economic reforms have supported stock valuations. The main risks for the region continue to be currency volatility and trade policies.

Private equity transactions continued their long term upward trend with global activity and aggregate deal value both comfortably above post global financial crisis averages. Aggregate deal value increased to \$347bn in 2017, from \$340bn in 2016, while the number of private equity backed buyout deals declined slightly to 4,191 in 2017, from 4,271 in 2016. The 2017 aggregate deal value remains below the post global financial crisis high of \$427bn in 2015, and remains considerably below the all-time high of \$696bn in 2007. Information technology was the favoured sector for capital allocation, followed by Business Services and Industrials.

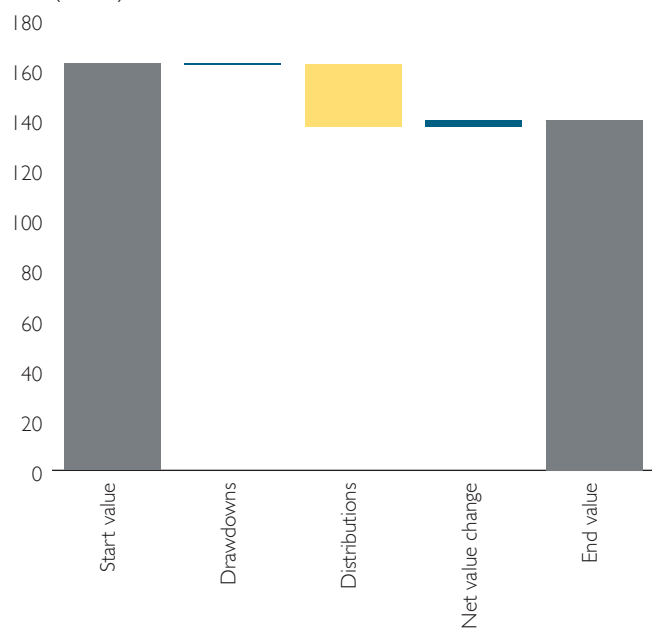
Exits continued to decline for a third year from their all-time high of \$475bn in 2014, with 2017 aggregate exit value of \$250bn also below average for the last ten years, declining significantly from the \$357bn recorded in 2016. The number of global private equity backed exits also declined to 1,674 in 2017, from 1,891 in 2016, although the 2017 numbers are expected to increase as further information becomes available. The reduction in exit value is likely driven by elevated valuations and a trend in businesses remaining private for longer. Trade sales remained the most common exit route, although this type of exit represented a smaller proportion of total exit value, with the proportion of sales to GPs and IPOs increasing.¹

Quarterly portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	10.6	0.0	2.0	-0.1	8.5
BCPV	6.4	0.0	1.1	-0.1	5.2
CEPIII	13.5	0.0	2.4	2.6	13.7
CPV	24.7	0.0	9.5	0.5	15.7
CVCAIII	4.8	0.0	1.3	0.2	3.7
DHV	13.2	0.0	0.0	0.3	13.5
FIFV	14.8	0.0	1.4	-0.5	12.9
KKRA	7.8	0.0	1.6	0.4	6.6
PAIEV	3.3	0.0	1.0	0.3	2.6
THLVI	30.7	-0.2	3.7	-1.7	25.1
TPGAV	8.4	0.0	0.1	0.2	8.5
WPX	24.2	0.0	0.9	0.5	23.8
Total	162.3	-0.2	25.0	2.7	139.8

Figures may not always sum exactly due to rounding.

US\$ (million)

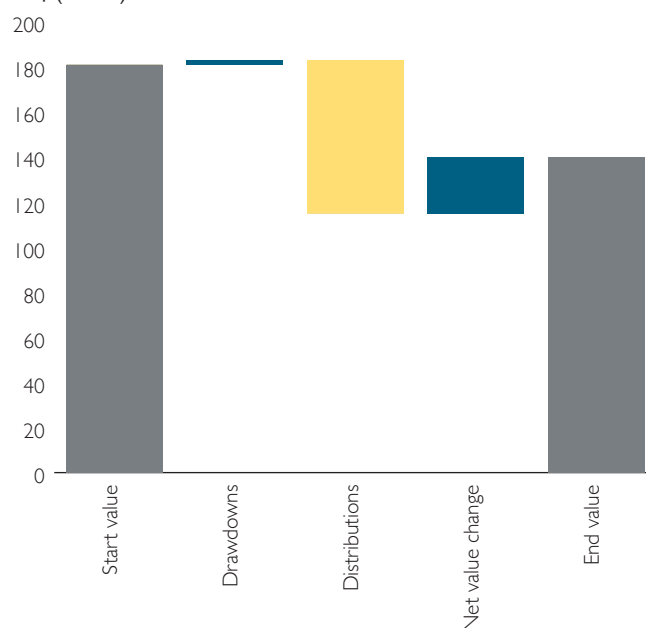


Annual portfolio investment activity (US\$ million)

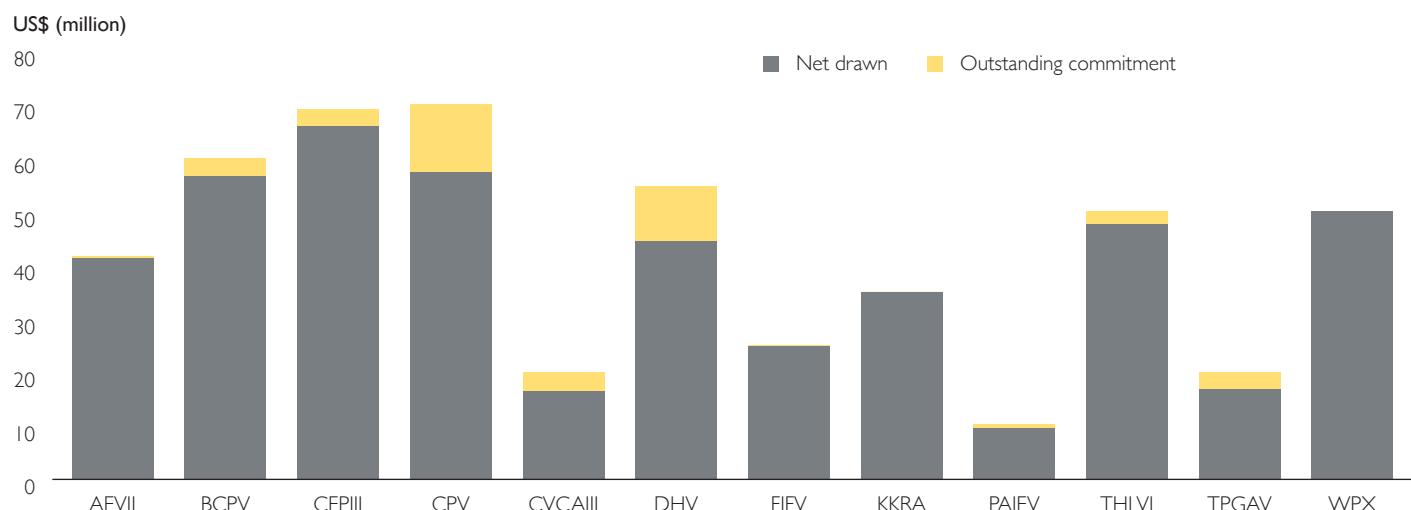
Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	11.2	0.0	2.7	0.0	8.5
BCPV	16.1	0.1	11.4	0.4	5.2
CEPIII	16.9	0.3	8.4	4.9	13.7
CPV	21.7	0.9	13.6	6.7	15.7
CVCAIII	5.1	0.0	2.0	0.6	3.7
DHV	14.2	0.2	3.1	2.2	13.5
FIFV	15.2	0.0	2.3	0.0	12.9
KKRA	8.5	0.6	4.2	1.7	6.6
PAIEV	6.5	0.0	6.2	2.3	2.6
THLVI	31.8	-0.3	5.9	-0.5	25.1
TPGAV	8.2	0.0	2.0	2.3	8.5
WPX	25.4	0.0	6.1	4.5	23.8
Total	180.8	1.9	67.9	25.0	139.8

Figures may not always sum exactly due to rounding.

US\$ (million)



Portfolio commitments and net drawdowns



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

The value of AEWII's portfolio decreased marginally over the quarter from 1.68 times cost to 1.67 times cost. Increases in **Takko**, **Sophos**, and **Aptos** (Epicor spin-off) were more than offset by declines for **One Call / Align** and **Acelity** (Kinetic Concepts).

AEVII received €693 million of proceeds during the quarter. €420 million relates to the completion of the previously announced sale of **Bankrate** which, combined with previous distributions, generated 2.2 times cost for the Fund. A further €238 million was received following the sale of approximately 50% of AEWII's holding in publicly-listed **Sophos** in November, taking realised proceeds to 2.8 times invested capital with the Fund continuing to hold 34 million shares that are subject to a further 90-day lock up period and will be monetised opportunistically. A further €22 million was received from **Takko**.

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

During the quarter, BCPV's portfolio valuation increased marginally but remained valued at 1.88 times cost. The public portfolio increased by \$44 million following share price uplifts for **Michaels Stores** and **Hilton** while **Summit Materials** and **PBF Energy** declined. The privately-held portfolio remained broadly flat.

The Fund generated \$127 million in proceeds predominantly driven by the sale of the remaining Park Hotels & Resorts Inc. shares, part of the investment in **Hilton**.

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

CEP III's portfolio valuation increased from 2.21 times cost to 2.26 times cost over the quarter primarily as a result of valuation uplifts for **Alloheim AG**, **AMEOS Group Holdings** and **Twin Set**.

There was no realisation activity over the quarter. Post quarter end, the sale of **Alloheim** to Nordic Capital closed for an enterprise value of €1,125 million, generating €744 million or 7.1 times cost for CEP III. Additionally, in March, **Twin Set** completed a refinancing, returning €48 million to the Fund.

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

During the quarter, CPV's portfolio increased marginally from 2.06 times cost to 2.07 times cost. This uplift was driven by the valuation increases of **Syniverse Technologies**, **The TCW Group, Inc** and the preferred equity of **Sequa Corporation**. No investments declined in value over the quarter.

As previously communicated, CPV closed the sale of **TCW Group** generating proceeds of \$554 million for the Fund which equates to 4.3 times cost and a gross IRR of 37%. The transaction also includes a potential post-close tax benefit to be received in 2018, representing approximately \$11 million of additional value for the Fund. Additionally, in October, CPV received \$4.7 million from an earn-out payment related to **Pharmaceutical Product Development, Inc.**'s venture portfolio.

CVC Capital Partners Asia Pacific III ('CVCAIII')

CVC Asia III's portfolio value increased from 1.99 times cost to 2.00 times cost over the quarter with the uplift largely driven by **QSR Brands** and **PT Link Net Tbk**.

CVCAIII fully divested SPi Global over the quarter resulting in proceeds of \$223 million in December. A further, \$61 million was also received from a recapitalisation of Sun Hung Kai & Co. Ltd, and a dividend of \$7 million was received from PT Link Net Tbk.

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 had two unrealised portfolio companies at the start of the quarter, **TMF Group** and **ASCO Group**, both of which marginally increased in value over the quarter.

In October, an agreement was signed to sell **TMF Group** to funds advised by CVC Capital Partners for €1.75 billion. The transaction is expected to close in the first half of 2018 and will generate total proceeds of approximately €875 million for DHV, representing a gross multiple of 1.9 times cost.

Fortress Investment Fund V ('FIFV')

During the quarter, the valuation of FIFV decreased marginally predominantly as a result of a decline in publicly-listed **OneMain**, which saw its share price fall by c.8%.

The Fund completed a number of partial sales of **OneMain**'s listed shares over the quarter and, post quarter-end, entered into an agreement to sell its remaining shares to a third party. The sale is subject to regulatory approval and other closing conditions. Smaller proceeds were also received from **CW Financial** over the period.

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation increased from 2.21 times cost to 2.23 times cost. This increase was driven by uplifts in publicly-listed **China International Capital Corporation** ('CICC') and **Coffee Day Resorts**, and by privately-held **Aricent** and **Riverview Property Investment Platform**. **Magma Fincorp** and **Santanol** detracted from performance over the quarter.

KKRA received proceeds totalling \$187 million during the quarter following the partial sale of shares in **CICC**. The fund sold 90.4 million shares in a secondary offering at a net price of approximately \$2.06 per share. The fund continues to hold 76.4 million shares in the company.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAIEV increased from 2.42 times cost to 2.50 times cost. The remaining three investments, **Kiloutou**, **Marcolin** and **Froneri**, all generated valuation uplifts during the quarter.

During the quarter, PAI completed the disposal of **ADB Safegate** to Carlyle, generating proceeds of €542 million, a return of 3.3 times invested capital. Additionally, PAIEV received net proceeds of €167 million following a refinancing of **Froneri**, and a further €21 million from equalisation payments as part of the formation of a 50/50 joint venture between R&R and Nestle Ice cream business. Post quarter end, the Fund closed the sale of **Kiloutou** to HLD and HLDI generating €298 million, a return of 2.9 times invested capital.

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

The value of THLVI decreased over the quarter from 1.88 times cost to 1.84 times cost. This decline was driven by **Syneos Health**, Inc (formerly known as INC Research), which saw its share price decline by 17%, **Intermedix**, reflecting the price of the company's announced sale of its Healthcare business, and Phillips **Pet Food & Supplies** and **CTI Foods** following disappointing recent financial performance. Finally, **Univision Communications Inc** was marked down as a result of declines in market comparables and operating softness. These declines were partially offset by a significant increase in **Ceridian HCM** after a draft registration statement was submitted for a proposed IPO of its common stock.

THLVI generated \$272 million in the fourth quarter from sales of public stocks in three companies: \$152 million from a secondary sale of **Black Knight Financial Services**, \$72 million from a block sale of **Party City**, and \$48 million from the sale of the remaining shares of **First BanCorp**.

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation increased from 1.65 times cost to 1.69 times cost. This was principally driven by valuation increases for privately held **Shriram Capital**, **UTAC** and publicly-listed **PT BFI Finance**. Publicly-listed **Delta Dunia** and **Ingham's** somewhat detracted from gains during the quarter.

There was no realisation activity during the quarter but small proceeds were received from a dividend paid on **Shriram Capital** shares and residual proceeds from the **Alinta** strategic sale.

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

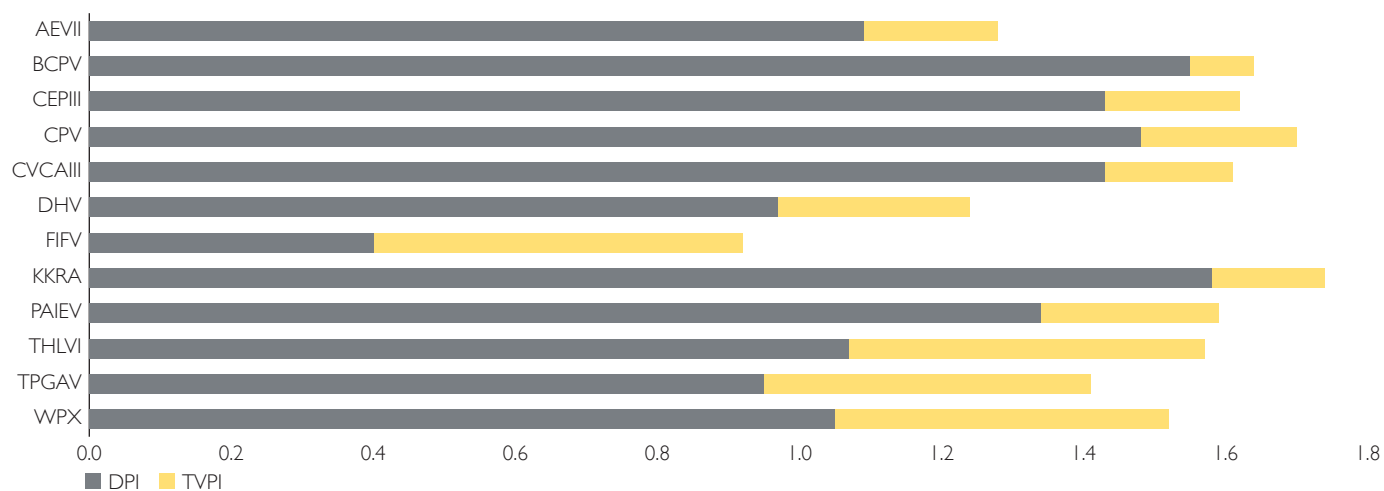
The valuation of WPX's portfolio increased by \$193.0 million in the fourth quarter, meaning the valuation of the portfolio increased from 1.76 times cost to 1.77 times cost during the quarter. The three primary valuation increases were produced by **The Gordian Group**, **Triton International Limited** and **AU Small Finance Bank Limited**, while **Laredo Petroleum** was a significant detractor from performance in the quarter.

WPX received \$377 million in proceeds primarily related to the partial sale of shares in publicly-listed portfolio companies **Antero Resources Corporation** and **Triton International Limited**, and the private sale of **Datong International Holdings Ltd.**

Portfolio performance

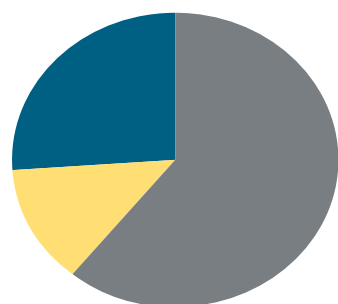
Investee fund	Net drawn (US\$ million)	% drawn	NAV (US\$ million)	DPI	TVPI	Quarter TVPI change	Annual TVPI change	IRR (%)
AEVII	41.3	99.0	8.5	1.09	1.28	0.00	0.00	4.9
BCPV	56.7	94.5	5.2	1.55	1.64	0.00	0.01	9.0
CEPIII	65.9	95.4	13.7	1.43	1.62	0.04	0.07	11.1
CPV	57.3	81.9	15.7	1.48	1.70	0.01	0.09	12.6
CVCAIII	16.5	82.7	3.7	1.43	1.61	0.01	0.02	13.8
DHV	44.4	80.9	13.5	0.97	1.24	0.01	0.04	4.5
FIFV	24.9	99.5	12.9	0.40	0.91	-0.02	-0.01	-1.1
KKRA	35.0	100.0	6.6	1.58	1.75	0.01	0.03	13.9
PAIEV	9.6	93.8	2.6	1.34	1.59	0.04	0.22	8.7
THLVI	47.6	95.2	25.1	1.07	1.57	-0.03	-0.01	7.6
TPGAV	16.9	84.7	8.5	0.95	1.41	0.01	0.12	6.8
WPX	50.0	100.0	23.8	1.05	1.53	0.01	0.09	8.0
Total investments	466.2	92.2	139.8	1.25	1.52	0.01	0.05	8.4
Cash, accruals and other assets			19.8					
Total fund	464.3	90.0	159.7	1.13	1.47	0.00	0.04	6.3

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



Portfolio breakdown by underlying fund

Fund strategy



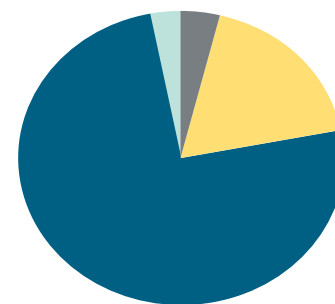
Buyout	61
Growth	13
Other	26

Fund geography



North America	39
Europe	27
Global	21
Asia/Oceania	13

Fund vintage

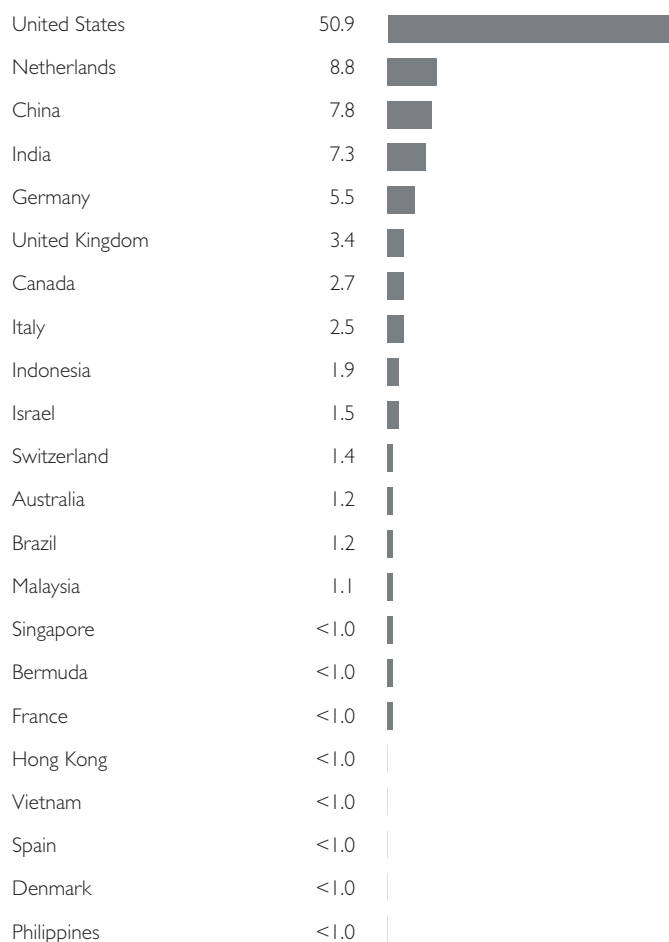


2005	4
2006	18
2007	75
2008	3

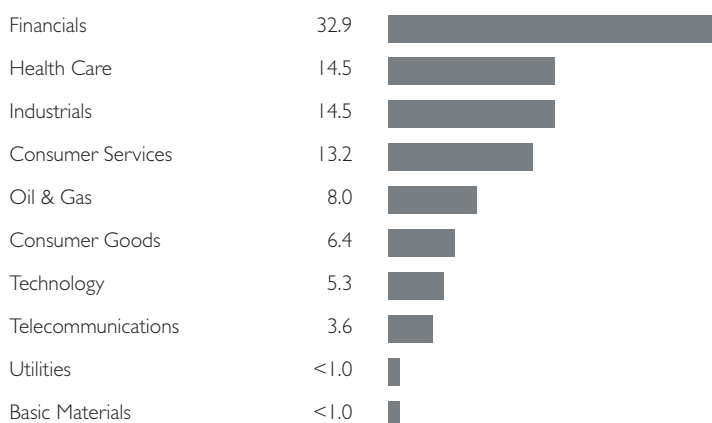
Figures may not always sum exactly to 100 due to rounding.
All amounts are as a percentage of total investment NAV at 31 December 2017.

Portfolio breakdown by underlying portfolio company

Geographic breakdown



Sector breakdown



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Top 20 underlying holdings by value

Company	Fund	Geography	Sector	% of FMV
TMF Group	DHV	Netherlands	Financials	8.8
Alloheim AG	CEPIII	Germany	Health Care	4.9
Flagler (Iron Horse)	FIFV	USA	Financials	3.7
Syniverse Technologies, Inc.	CPV	USA	Telecommunications	3.6
Antero Resources LLC	WPX	USA	Oil & Gas	3.3
Ceridian Corporation	THLVI	USA	Industrials	3.0
Party City	THLVI	USA	Consumer Goods	2.5
One Main (Springleaf Financial fka American General)	FIFV	USA	Financials	2.5
Acelity (Kinetic Concepts)	AEVII	USA	Health Care	2.4
Black Knight financial services	THLVI	USA	Financials	2.4
inVentiv Health Inc.	THLVI	USA	Health Care	2.1
China International Capital Corporation	KKRA;TPGAV	China	Financials	2.0
Shanghai e-Shang Warehouse Services Co.,	WPX	China	Industrials	2.0
Twin Set	CEPIII	Italy	Consumer Services	1.9
Vishal Megamart	TPGAV	India	Consumer Services	1.9
The TCW Group, Inc.	CPV	USA	Financials	1.8
Univision Communications, Inc.	THLVI	USA	Consumer Services	1.7
Accudyne Industries (fka Hamilton Sundstrand Industrial)	CPV	USA	Industrials	1.7
Psagot	AEVII	Israel	Financials	1.5
AMEOS Group Holdings	CEPIII	Switzerland	Health Care	1.4
Total				55.3

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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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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.

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