

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

REPORT AND VALUATION

31 DECEMBER 2018

Summary as at 31 December 2018

	Total (US\$)	Typical LP* (US\$)
Commitment	515,890,000	250,000
Drawdowns	464,301,000	225,000
Distributions	587,082,820	284,500
Unaudited NAV	99,572,695	48,253

* 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 ¹
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

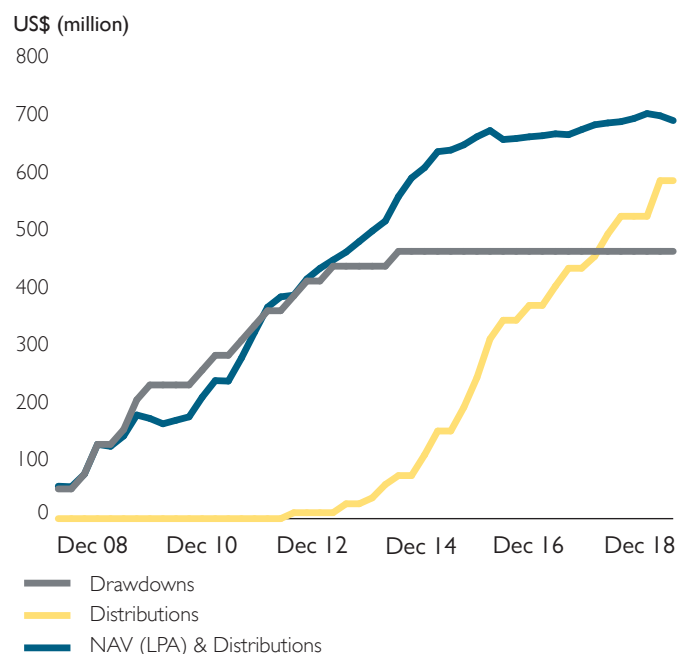
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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 Change effective from Q1 2016.

² Effective from Q3 2016, CPELPII 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.

CPELPII performance: drawdowns, net asset value and distributions



Performance

TVPI	1.48x
DPI	1.26x
IRR	6.2%
% drawn down	90.0% ²

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

Partnership summary

During the fourth quarter of 2018, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') decreased from 1.50 times cost to 1.48 times cost. The largest valuation movers over the quarter were Thomas H Lee Fund VI LP ('THLVI') and Warburg Pincus Private Equity X LP ('WPX') which detracted from performance. Only three funds produced valuation uplifts, the most significant of which was generated by PAI Europe V General Partner Limited ('PAIEV').

CPELPII did not make a distribution to Limited Partners during the quarter meaning total distributions since inception remained at \$587.1 million, or 126.4% of drawn commitments. Post quarter end, however, the fund was able to make a distribution of \$7.7 million taking total distributions since inception to \$594.8 million, or 128.1% of drawn commitments. With regard to the underlying funds, CPELPII received \$5.6 million in distribution proceeds during the quarter, most of which was received from TPG Asia V LP ('TPGAV'), THLVI, WPX and CVC Capital Partners Asia Pacific III LP ('CVCAIII').

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 did not call capital during the quarter. 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. It is currently expected that the underlying funds will exit their remaining investments by the end of 2021.³

Market overview

The global economic growth environment remained subdued, with several activity indicators deteriorating in the fourth quarter. The Eurozone economy slowed sharply, with GDP growth at just 1.8% in 2018, with Italy falling into recession, and with Germany narrowly avoiding one. GDP growth is forecast to decline to 1.3% over 2019. The US economy continues to head for a soft landing, as the effects of the fiscal stimulus unleashed in early 2018 faded. With inflation well-behaved, the Fed signalled a more cautious approach to policy tightening, reducing the risk of policy error. In response to economic indicators pivoting downwards, central banks in developed market economies have put policy tightening on hold, while policymakers in China are adding to stimulus efforts. After a turbulent 2018, the tenet for EM economies has improved as the three main destabilising forces, namely weakening growth in China, rising Fed policy rates, and escalating US-China trade tensions, have abated.

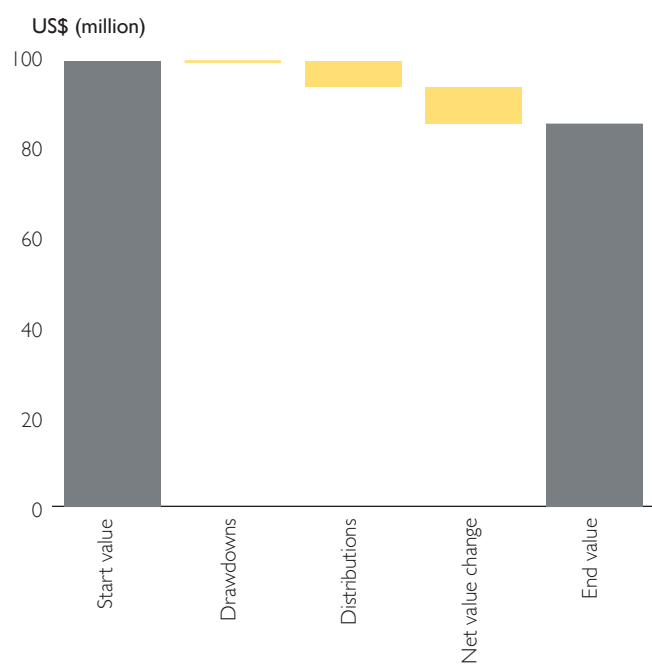
Q4 2018 saw 1,372 private equity-backed buyout deals recorded globally, totalling \$109bn of enterprise value. The activity level was an increase from the previous quarter in terms of number and value of deals (Q3 2018 – 1,205 deals, totalling \$93bn of enterprise value). As in prior quarters, this was largely driven by buyout deals in North America and Europe.

Exit activity remained robust since 2013, with most pre-crisis investments having now been realised with proceeds returned to investors. Exit activity declined in Q4 2018, with 433 private equity-backed companies sold during the quarter – down from 484 in Q3 2018. The value of exits in Q4 2018 was \$53bn, again a decline from Q3 2018, where exit values reached of \$85bn. Over the year, 2018 saw 1,958 buyout backed exits, broadly in line with 2017 which saw 1,977 exits. Trade sales remain the most prominent exit route for fund managers, accounting for c.40% of all exits in terms of volume; this was closely followed by secondary sales to GPs which made up the majority of the remaining exits (c.37%). IPOs remain a small but important component of the exit strategies deployed by private equity firms globally.

Quarterly portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	6.9	0.0	0.1	-0.8	6.0
BCPV	3.7	0.0	0.0	-0.4	3.3
CEPIII	6.8	0.0	0.0	-0.8	6.0
CPV	12.6	0.0	0.1	-0.7	11.8
CVCAIII	3.2	0.0	0.6	0.2	2.8
DHV	1.3	0.0	0.0	-0.1	1.2
FIFV	11.5	0.0	0.0	-0.3	11.2
KKRA	2.6	0.0	0.0	0.0	2.6
PAIEV	2.2	0.0	0.0	0.3	2.5
THLVI	16.5	-0.1	1.1	-2.8	12.5
TPGAV	8.2	0.0	3.0	0.1	5.3
WPX	23.1	0.0	0.7	-2.7	19.7
Total	98.7	-0.1	5.6	-8.2	84.8

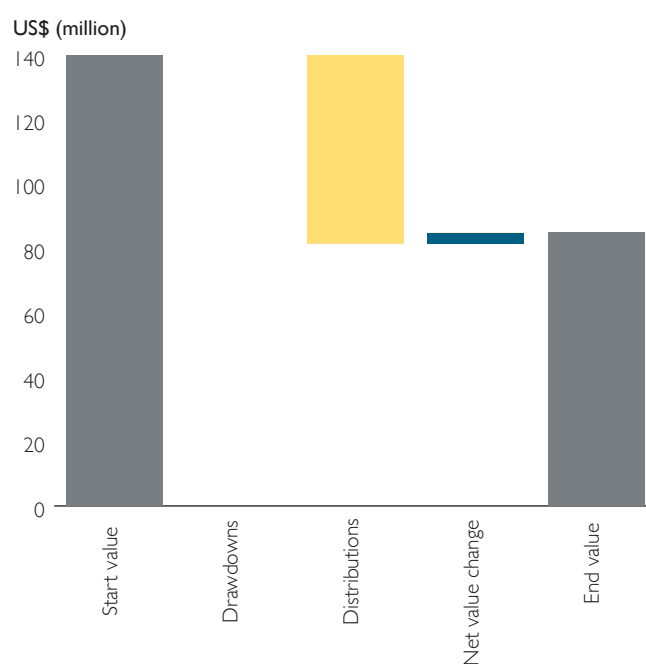
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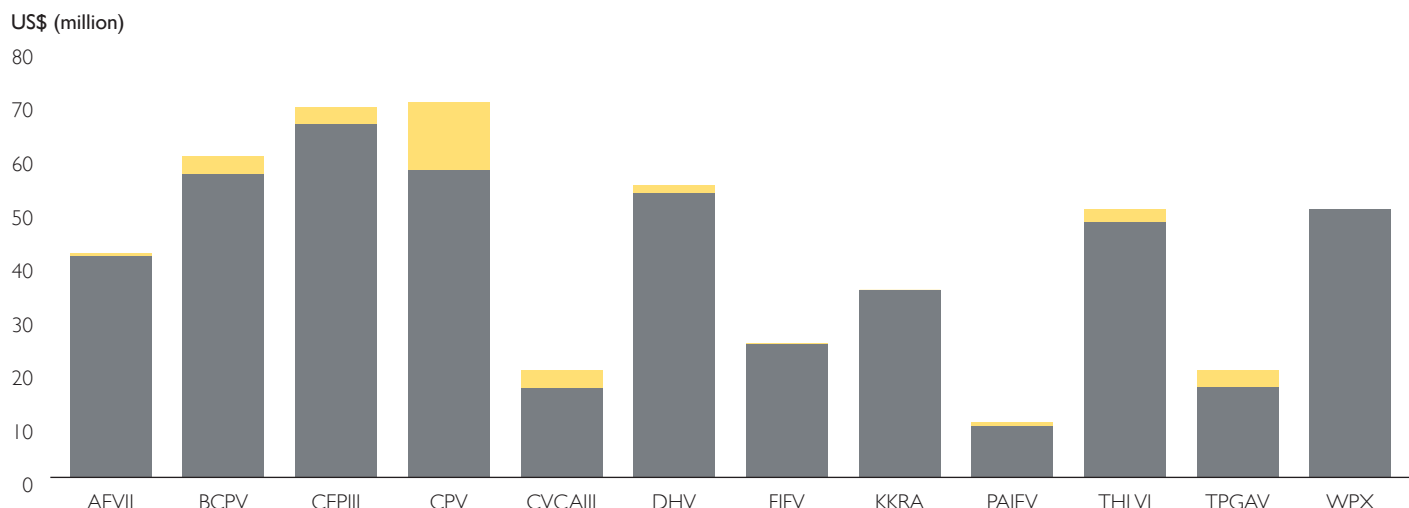
Annual portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	8.5	0.0	1.3	-1.2	6.0
BCPV	5.2	0.0	1.2	-0.7	3.3
CEPIII	13.7	0.0	8.3	0.6	6.0
CPV	15.7	0.0	5.6	1.7	11.8
CVCAIII	3.7	0.0	0.6	-0.3	2.8
DHV	13.5	0.8	12.9	-0.2	1.2
FIFV	12.9	0.0	3.8	2.1	11.2
KKRA	6.6	-0.1	4.5	0.6	2.6
PAIEV	2.6	0.0	0.8	0.7	2.5
THLVI	25.1	-0.8	11.5	-0.3	12.5
TPGAV	8.5	0.0	3.4	0.2	5.3
WPX	23.8	0.0	4.6	0.5	19.7
Total	139.8	0.0	58.4	3.4	84.8

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Portfolio commitments and net drawdowns



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

The value of AEVII's portfolio decreased from 1.67 times cost to 1.65 times cost over the quarter. Declines were broad based across the portfolio, but the larger value decreases were generated by **One Call / Align**, **Psagot** and **Sophos**.

AEVII received €17 million of proceeds during the quarter, including €7 million from the refinancing of **Tivit** in 2017, €6 million in proceeds from the partial realisation of **Golden Jaguar**, and €4m from other exited investments.

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

During the quarter, BCPV's portfolio valuation declined from 1.89 times cost to 1.87 times cost. While both the private and the public portfolios declined in the quarter, the private portfolio declined most significantly driven by **DJO** and **Hidustan Power**. In the public portfolio, the largest decrease was in **Michaels' Stores**. The only material valuation uplift over the period came from **Gateway Rail** in the private portfolio.

The fund generated \$48 million in proceeds predominantly in relation to a distribution from **Gateway Rail** following a first tranche sale of compulsorily convertible preference shares to its parent company, GDL. A release of escrow proceeds from the sale of **Bluestar** was also received.

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

CEPIII's portfolio valuation decreased from 2.29 times cost to 2.27 times cost over the quarter. **Twin Set**, **Addison Lee Group** and **Marelli Motori Group** declined in value over the quarter while **The Nature's Bounty Co.** increased marginally. The fund has six portfolio companies remaining.

During the quarter, proceeds were received from a partial escrow release related to the fund's partial exit of **The Nature's Bounty Co.**'s CPG business. Including proceeds from prior distributions, CEPIII has received \$2.4 billion in proceeds from its investment in **The Nature's Bounty Co.**, or 1.56 times cost, and continues to hold a 30% stake in the business. There were two small follow-on investments in **Marelli Motori Group** and **Addison Lee Group** in the quarter.

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

During the quarter, CPV's portfolio decreased from 2.12 times cost to 2.10 times cost. This decline was driven by the valuation decrease of **Syniverse Technologies**, more than offsetting uplifts in **Accudyne Industries**, **Dynamic Precision Group** and a marginal increase in **The Nature's Bounty Co.**

CPV received \$23 million of cash proceeds during the quarter. \$10 million was received from a working capital adjustment related to the December 2017 sale of **TCW Group**, \$7 million was received in relation to the recapitalisation of **Pharmaceutical Product Development** which occurred in 2017, and \$5 million was generated from escrow proceeds following the fund's partial exit of **The Nature's Bounty Co.**'s CPG business, with the remainder being received from a dividend payment from **Greater China Intermodal Investments LLC**.

CVC Capital Partners Asia Pacific III ('CVCAIII')

CVC Asia III's portfolio value increased from 1.97 times cost to 1.98 times cost over the quarter. This increase was largely attributable to **PT Link Net Tbk** following share price appreciation, and **QSR Brands** following a recapitalisation and partial sell-down, while **Sun Hung Kai & Co. Ltd** detracted from gains.

In December, CVC completed a recapitalisation and partial sell-down of **QSR Brands**, generating proceeds of \$45m, in addition to completing a partial sell-down of **Magnum Corporation**, generating \$47m of proceeds.

Doughty Hanson & Co.V ('DHV')

The value of the Doughty Hanson V portfolio decreased marginally from 1.65 times cost to 1.64 times cost. The Fund has one remaining unrealised portfolio company, **ASCO Group**, which declined from 0.47 times cost to 0.41 times cost.

There were no distributions during the quarter.

Fortress Investment Fund V ('FIFV')

During the quarter, the valuation of FIFV marginally decreased from 1.77 times cost to 1.76 times cost. This decline resulted from small decreases in value across the portfolio but was driven by **Florida Investments** and **Mapeley**.

There was no realisation activity during the quarter. The fund has four remaining portfolio companies left within the main portfolio and two within the co-investment portfolio.

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation increased marginally but remained at 2.21 times cost. There are four remaining investments in the portfolio, including listed positions in **China International Capital Corporation** ('CICC') and **Coffee Day Resorts**, both of which increased in value over the quarter, and privately held **MMI Holdings** and **Santanol**, which both remained constant.

There was no realisation activity during the quarter.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAIEV increased from 2.56 times cost to 2.63 times cost. There are two remaining investments in the fund; **Froneri** increased significantly from 4.9 times cost to 5.8 times cost during the quarter, offsetting a marginal decline for **Marcolin**.

There was no realisation activity during the quarter. Post quarter end, however, there has been a distribution following liquidation of the holding company that owned the investment in **Atos**.

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

The value of THLVI decreased over the quarter from 1.90 times cost to 1.84 times cost. This negative performance was predominantly driven by **Ceridian HCM Holdings, Inc** ('Ceridian'), however there were other significant declines for **Party City**, **MoneyGram International**, and **Syneos Health, Inc** following the downdraft in public equity markets in the quarter, and in **Univision Communications**. Losses in the public portfolio have largely been recovered, however, as markets improved in the first quarter of 2019.

THLVI generated \$155 million in the fourth quarter from **Ceridian** which completed a secondary offering at a net price of \$34.70 per share. Subsequent to year-end, a further partial sale was completed at a net price of \$48.99 per share, with THLVI receiving \$377 million.

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation increased from 1.65 times cost to 1.68 times cost. This was driven by uplifts in **Vishal Megamart** following realisation, publicly traded **Ingham's** and **PT BFI Finance**, and privately held **Shriram Capital**. The only material detractor over the period was generated by publicly-held **Delta Dunia**.

Proceeds of \$638 million were received during the quarter, \$615 million of which related to the aforementioned sale of **Vishal Megamart**, resulting in total proceeds of 4.0 times invested capital. The remainder was received from dividends from **Ingham's**, **PT BFI Finance**, and **Shriram Capital**.

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

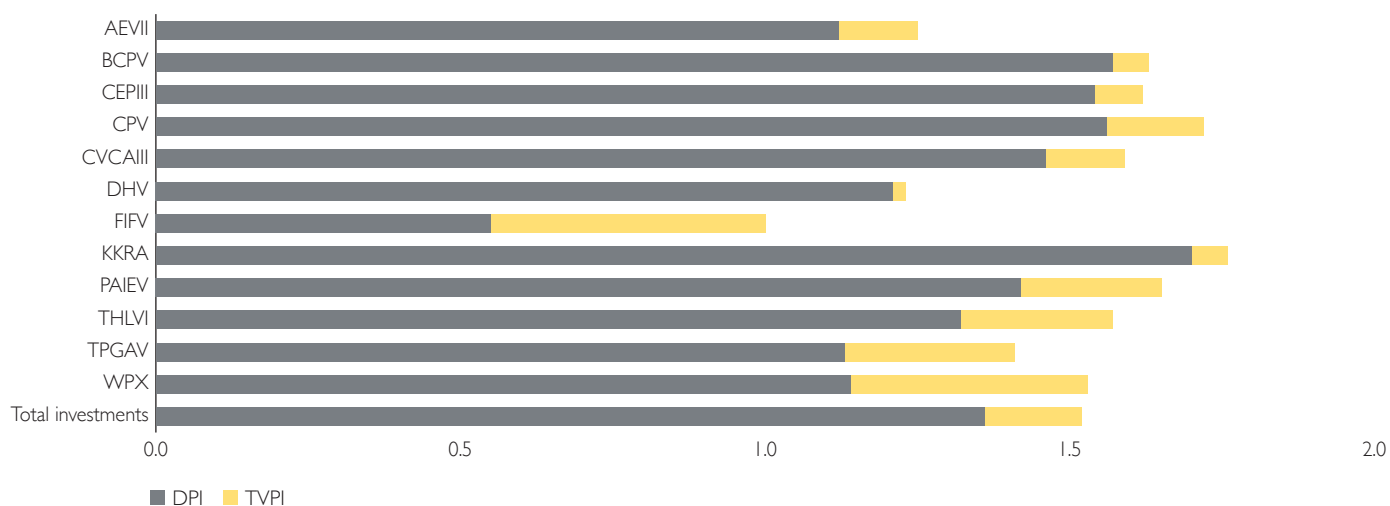
The valuation of WPX's portfolio decreased by \$1.0 billion in the fourth quarter, meaning the valuation of the portfolio decreased from 1.85 times cost to 1.78 times cost. The three primary valuation detractors were all in the energy sector, including **Antero Resources**, **Canbriam Energy** and **Laredo Petroleum**.

WPX received \$226.8 million in proceeds during the quarter following the partial sales of **Antero Resources Corporation** and **Triton International Limited**.

Portfolio performance

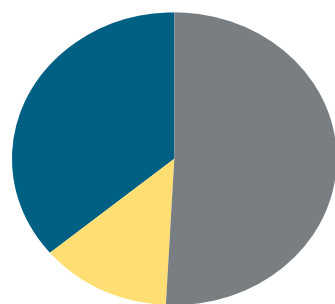
Investee fund	Net drawn (US\$ million)	% drawn	NAV (US\$ million)	DPI	TVPI	Quarter TVPI change	Annual TVPI change	IRR (%)
AEVII	41.4	99.0	6.0	1.12	1.25	-0.02	-0.03	4.4
BCPV	56.7	94.5	3.3	1.57	1.63	0.00	-0.01	8.8
CEPIII	66.0	95.6	6.0	1.54	1.63	-0.01	0.01	11.1
CPV	57.3	81.9	11.8	1.56	1.72	-0.01	0.02	12.6
CVCAIII	16.6	82.8	2.8	1.46	1.59	0.00	-0.02	13.4
DHV	53.0	97.1	1.2	1.21	1.23	0.00	-0.01	4.3
FIFV	24.9	99.5	11.2	0.55	1.00	-0.01	0.09	0.0
KKRA	35.0	100.0	2.6	1.70	1.76	0.00	0.01	13.9
PAIEV	9.6	94.1	2.5	1.42	1.65	0.03	0.06	9.1
THLVI	47.6	95.3	12.5	1.32	1.57	-0.05	0.00	7.3
TPGAV	16.8	84.1	5.3	1.13	1.42	0.00	0.01	6.6
WPX	50.0	100.0	19.7	1.14	1.54	-0.05	0.01	7.8
Total investments	474.9	93.9	84.8	1.36	1.53	-0.01	0.01	8.3
Cash, accruals and other assets			14.8					
Total fund	464.3	90.0	99.6	1.26	1.48	-0.02	0.01	6.2

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



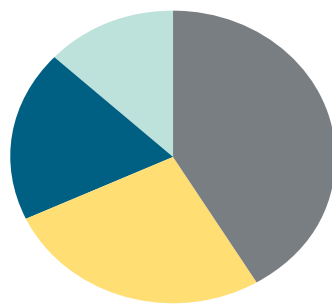
Portfolio breakdown by underlying fund

Fund strategy



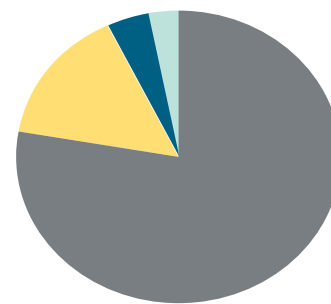
Buyout	51
Growth	13
Other	36

Fund geography



North America	42
Global	27
Europe	19
Asia/Oceania	13

Fund vintage

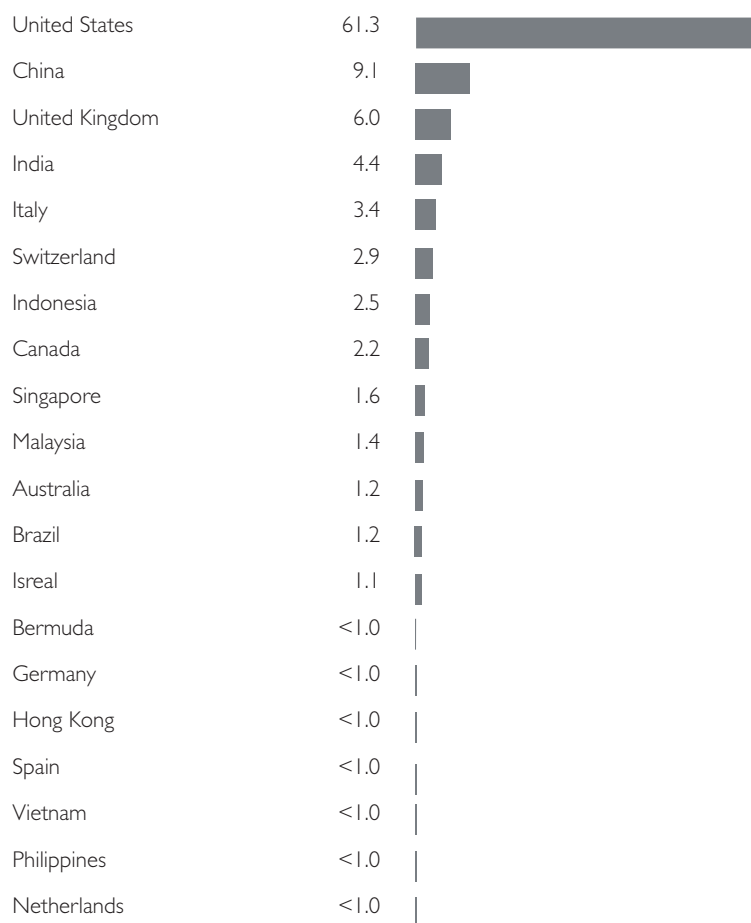


2007	78
2006	15
2005	4
2008	3

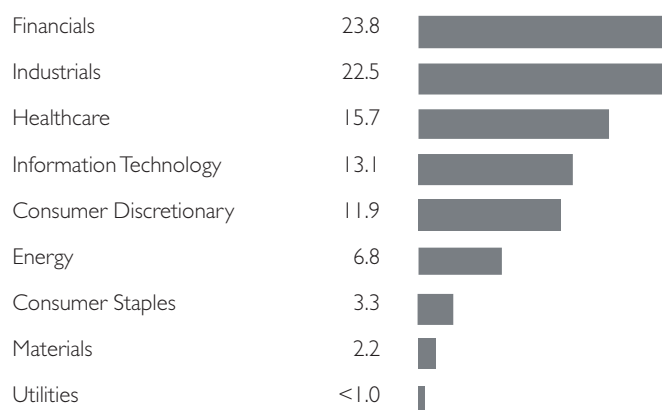
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All amounts are as a percentage of total investment NAV at 31 December 2018.

Portfolio breakdown by underlying portfolio company

Geographic breakdown



Sector breakdown



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Top 20 underlying holdings by FMV

Company	Fund	Geography	Sector	% of FMV
Flagler (Iron Horse)	Fortress V	United States	Financials	9.1
Ceridian Corporation	TH Lee VI	United States	Industrials	7.5
Acelity (fka Kinetic Concepts)	Apax VII	United States	Healthcare	5.7
Syniverse Technologies, Inc.	Carlyle V	United States	Information Technology	4.7
Shanghai e-Shang Warehouse Services Co.,	Warburg Pincus X	China	Industrials	3.9
Accudyne Industries (fka Hamilton Sundstrand Industrial)	Carlyle V	United States	Industrials	3.7
Consolidated Precision Products, Inc.	Warburg Pincus X	United States	Industrials	3.1
CrowdStrike Holdings, Inc.	Warburg Pincus X	United States	Information Technology	3.0
Ameos AG	CEP III	Switzerland	Healthcare	2.9
Twin Set	CEP III	Italy	Consumer Discretionary	2.6
Antero Resources	Warburg Pincus X	United States	Energy	2.4
China International Capital Corporation	TPGAV / KKR Asian	China	Financials	2.3
Froneri	PAIV	United Kingdom	Consumer Discretionary	2.2
China Industrial Group Companies: Dongjiu	Warburg Pincus X	China	Financials	2.2
NBTY, Inc.	Carlyle V / CEP III	United States	Consumer Staples	2.0
Sequa Corp.	Carlyle V	United States	Industrials	1.9
DJO (fka ReAble Therapeutics)	Blackstone V	United States	Healthcare	1.9
Party City	TH Lee VI	United States	Consumer Discretionary	1.8
Shriram Capital	TPGAV	India	Financials	1.6
PT Link Net (Asia Link Dewa Pte Ltd)	CVC Asia III	Indonesia	Information Technology	1.4
Total				66.0

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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 CPELP II 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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