

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

QUARTERLY REPORT AND VALUATION

1 APRIL 2018 – 30 JUNE 2018

Summary as at 30 June 2018

	Total (US\$)	Typical LP* (US\$)
Commitment	515,890,000	250,000
Drawdowns	464,301,000	225,000
Distributions	525,176,020	254,500
Unaudited NAV	168,671,870	81,738

* 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

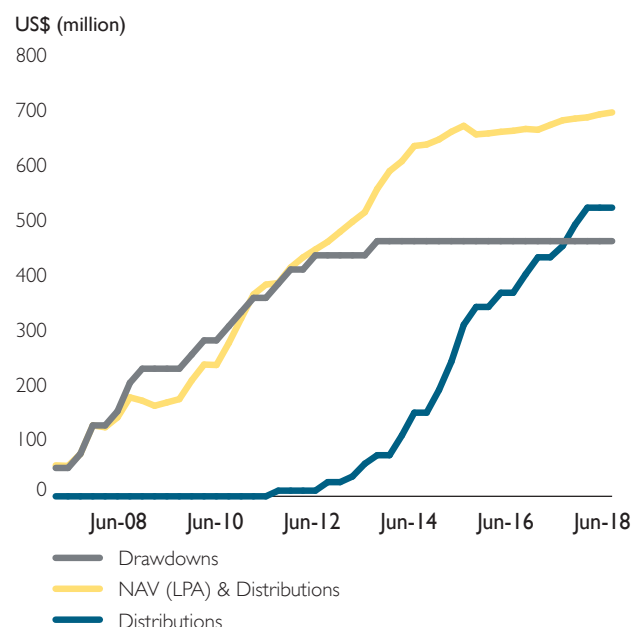
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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	1.49x
DPI	1.13x
IRR	6.4%
% drawn down	90.0% ¹

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

Partnership summary

During the second quarter of 2018, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') remained unchanged at 1.49 times cost. The largest valuation movers over the quarter were Warburg Pincus X ('WPX'), Carlyle Partners V ('CPV'), Apax Europe VII ('AEVII'), and Thomas H Lee Fund VI ('THLVI'), which produced uplifts, while the most significant detractor from performance was Doughty Hanson and Co V ('DHV').

CPELPII did not make a distribution over the quarter but was able to make a distribution of \$54.2 million post-quarter end. This brings total distributions since inception to \$579.3 million, or 124.8% of drawn commitments. With regard to the underlying funds, CPELPII received \$27.5 million in distribution proceeds during the quarter, most of which was received from DHV, THLVI and Fortress Investment Fund V ('FIFV').

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 \$0.5 million of capital during the quarter primarily related to DHV fees. 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

Despite continued concerns over trade wars and other political risks, most equity markets have been resilient during the second quarter after a first quarter characterised by volatility. Overall, growth still looks healthy and earnings are growing strongly, but there are a number of potential political risks to markets over the second half of the year.

In the US, further good news on the macroeconomic front confirmed that first quarter weakness in US consumption was a temporary blip as US retail sales grew by over 6% year-on-year. Economists expect this trend to continue with the US tax overhaul providing a further boost to spending on discretionary items. Unemployment in the US also fell to 3.8%, the lowest reading since 1969, giving the Federal Reserve the confidence to raise interest rates again in June to a 1.5% to 1.75% range, and to signal two further hikes this year, followed by three more next year.

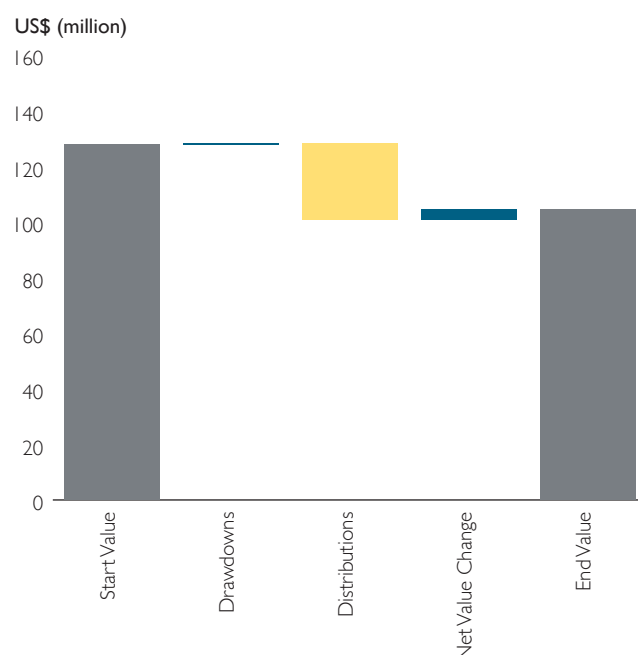
The Eurozone suffered from political uncertainty during the quarter with a vote of no-confidence in Spain's President Rajoy leading to his ousting by the Socialist-led opposition. In Italy, months of political deadlock came to an end as a new populist coalition government was formed, however this has raised concerns around Italy's future in the EU and its increasing debt burden. Signs of cracks in Germany's coalition government also became apparent on concerns over immigration. Moreover, after disappointing data and still low core inflation, the European Central Bank announced that they will not hike interest rates until at least the summer of next year, although they did confirm that quantitative easing would come to an end by the end of this year.

Buyout activity continued its strong upward momentum, recording aggregate deal value of \$118bn in the second quarter of 2018, on track to be the strongest post-crisis quarter for deal value with the exception of the fourth quarter of 2015. The number of buyout deals remained healthy, declining marginally to 1,149 in the second quarter of 2018, down from 1,182 in the first quarter of 2018, but up from the same quarter in prior year when 1,132 deals were recorded. Healthcare and IT were the favoured sectors for capital allocation by deal value, followed by Industrials.¹

After four consecutive quarters of declines in exit activity, and against a longer term downward trend, exit activity increased significantly in the second quarter of 2018, both in terms of aggregate exit value and number of exits. Aggregate exit value increased to \$103bn, up from \$61bn in prior quarter, and \$82bn in the second quarter of 2017, while the number of exits increased to 470 in the second quarter of 2018, up from 414 in prior quarter, and broadly consistent with the second quarter of 2017 when 471 exits were recorded. Trade sales remained the most common route to exit, with the proportion of sales to GPs and IPOs remaining broadly constant.¹

Quarterly portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	7.1	0.0	0.5	0.7	7.3
BCPV	5.3	0.0	1.1	-0.2	4.0
CEPIII	7.1	0.0	0.0	-0.2	6.9
CPV	14.0	0.0	1.2	0.7	13.5
CVCAIII	3.6	0.0	0.0	-0.2	3.4
DHV	13.9	0.8	12.9	-0.5	1.3
FIFV	15.6	0.0	3.8	0.0	11.8
KKRA	3.3	0.0	1.7	-0.1	1.5
PAIEV	1.9	0.0	0.0	0.2	2.1
THLVI	22.9	-0.3	4.9	0.6	18.3
TPGAV	8.3	0.0	0.0	0.0	8.3
WPX	24.6	0.0	1.5	3.0	26.1
Total	127.6	0.5	27.5	3.8	104.4



Figures may not always sum exactly due to rounding.

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

The value of AEVII's portfolio increased from 1.64 times cost to 1.68 times cost over the quarter. This increase was largely attributable to publicly-held **Acelity**, which has produced strong trading year-to-date. Other significant upward movers included **Sophos** and **One Call / Align**, while **Psaqot** and **Takko** detracted from performance.

AEVII received €103 million of proceeds during the quarter following a €67 million dividend recapitalisation at **Psaqot** and a €36 million escrow release from **Acelity's** sale of its Lifecell division in 2017.

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

During the quarter, BCPV's portfolio valuation increased from 1.88 times cost to 1.89 times cost. The publicly-held portfolio increased very marginally over the quarter but quarterly performance from the privately-held portfolio, specifically the fund's investment in **DJO**, drove the fund's valuation uplift.

The Fund generated \$297 million in proceeds predominantly driven by the sale of the remaining shares in publicly-listed **Hilton Worldwide**. Combined with previous distributions, Hilton generated a 3.1 times cost return for the fund. Smaller final proceeds were also received from **Nuziveedu Seeds** over the quarter.

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

CEPIII's portfolio valuation increased from 2.28 times cost to 2.29 times cost over the quarter as a result of valuation uplifts for **AMEOS Group Holdings** and **The Nature's Bounty Co.** **Addison Lee** was the only investment to decline marginally over the quarter.

During the quarter, partial escrow release proceeds were received in relation to the fund's partial exit of **The Nature's Bounty Co.** Including proceeds from prior distributions, CEPIII has received \$2.3 billion in proceeds from its investment in the company, or 1.49 times cost, and continues to hold a 30% stake in CPG, in addition to warrants representing 7.5% of the business.

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

During the quarter, CPV's portfolio increased from 2.09 times cost to 2.10 times cost. This uplift was primarily driven by the valuation increases of **Accudyne Industries** and **Dynamic Precision Group**. No investments declined materially in value over the quarter.

CPV received \$49 million of proceeds as a result of a transaction tax benefit paid out by **Pharmaceutical Product Development** ('PPD'). Including proceeds from prior distributions, CPV has received \$3.4 billion from its investment in PPD, or 4.0 times cost. The fund continues to have ownership in the company's carved-out assets, X-Chem and X-Rx.

CVC Capital Partners Asia Pacific III ('CVCAP III')

CVC Asia III's portfolio value decreased from 2.00 times cost to 1.98 times cost over the quarter. The uplift generated by publicly-listed **Magnum Corporation** was more than offset by share price declines of **PT Link Net Tbk** and **Sun Hun Kai & Co. Ltd.**

There was no realisation activity during the quarter.

Doughty Hanson & Co. V ('DHV')

The value of the Doughty Hanson V portfolio decreased marginally from 1.66 times cost to 1.65 times cost. The Fund has one remaining unrealised portfolio company, **ASCO Group**, which declined from 0.5 times cost to 0.4 times cost over the quarter as oil companies continue to exert significant price pressure on supply chains.

Proceeds from the previously announced **TMF Group** sale were distributed in May 2018. A sale of **ASCO Group** is not anticipated in the short term but the company successfully divested its 75% subsidiary Oniqua to a strategic buyer in June for a total enterprise value of \$35 million. A follow-on investment was required to extend **ASCO Group's** financing facilities.

Fortress Investment Fund V ('FIFV')

During the quarter, the valuation of FIFV marginally decreased from 1.77 times cost at 31 March 2018. This was predominantly driven by a small valuation adjustment to **Florida East Coast**.

As noted in the prior quarter, Fortress entered into an agreement to sell the fund's remaining shares in **OneMain** to a consortium led by Apollo for \$26 per share, for proceeds of approximately \$1.3 billion. This transaction completed in June 2018. This sale, together with prior share sales, brings total fund proceeds to nearly \$1.8 billion, equivalent to 14.4 times invested capital.

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation declined from 2.22 times cost to 2.20 times cost. Publicly-listed **China International Capital Corporation** ('CICC') and **Coffee Day Resorts** were the drivers of the quarterly decline, while **MMI Holdings** generated a valuation uplift during the period.

KKRA received \$218 million in distribution proceeds during the quarter, with \$85 million generated from the sale of the fund's entire stake in **Magma Fincorp Limited**, generating 1.3 times cost, \$82 million generated from the sale of the fund's entire stake in **Aricent Group**, generating 2.7 times cost, \$41 million generated following a partial sale of **Coffee Day Resorts**, which is currently valued at 1.2 times cost, and \$10 million received in respect of additional reserves held back in **Alliance Tire Group**. These sales mean that just four portfolio companies with significant value remain in the fund.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAIEV increased from 2.50 times cost to 2.55 times cost. There are two remaining investments in the fund, **Marcolin** and **Froneri**, both of which increased during the quarter. **Froneri** increased from 4.0 times cost to 4.6 times cost while **Marcolin** increased from 1.4 times cost to 1.5 times cost.

There was no realisation activity during the quarter.

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

The value of THLVI increased over the quarter from 1.86 times cost to 1.88 times cost. This uplift was predominantly driven by publicly-listed **Syneos Health** (formerly INC Research and inVentiv Health) following strong results, and **Ceridian HCM Holdings, Inc** following its successful initial public offering in April. Somewhat offsetting these gains, **Univision Communications Inc**, **MoneyGram International, Inc** and **CTI Foods** declined in value.

THLVI generated \$822 million in the second quarter. In April, **Fogo de Chao** completed its previously announced go-private sale generating \$262 million for the fund. Combined with prior realisations, the investment has delivered \$329 million, or 2.0 times invested capital. In May, THLVI completed a secondary offering of its remaining shares in **Black Knight Financial Services** generating \$290 million, or \$923 million including prior realisations; a return of 5.5 times invested capital. Also in May, Party City completed a partial sale of stock in publicly-listed **Party City**, resulting in net cash proceeds of approximately \$180 million.

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation decreased from 1.70 times cost to 1.68 times cost. This was principally driven by declines in the public portfolio, with **CICC**, **PT BFI Finance** and **Delta Dunia** all decreasing in value. Partially offsetting these declines was **Vishal Megamart** which increased from 3.7 times cost to 4.0 times cost over the quarter.

Proceeds of \$10 million were received during the quarter, related dividend payments from **PT BFI Finance** and **Ingham's**, as well as liquidation proceeds from the TPGAV's investment in **Wumart**.

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

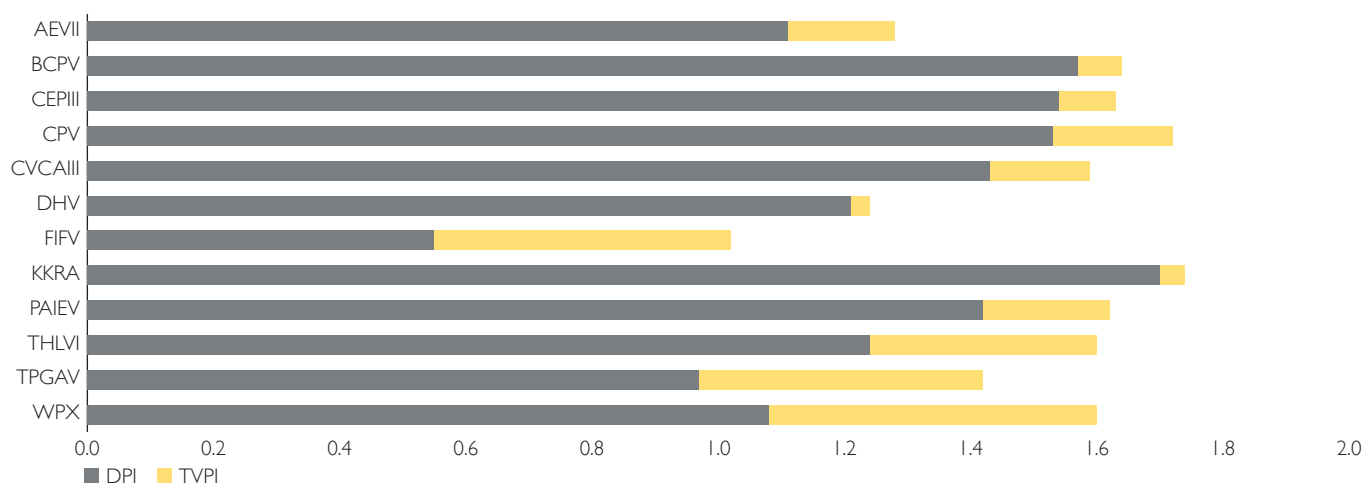
The valuation of WPX's portfolio increased by \$1,198.8 million in the second quarter, meaning the valuation of the portfolio increased from 1.79 times cost to 1.86 times cost. The three primary valuation increases were produced by **CrowdStrike Holdings, Inc**, **ESR Cayman Limited** and **Antero Resources**, while **Canbriam Energy Inc.** was the only material detractor from performance.

WPX received \$621 million in proceeds during the quarter following the sales of **Extant Components Group** and **FacilitySource**. WPX received \$363.3 million from the sale of **Extant Components Group**, an aerospace company based in Florida, to TransDigm Group Incorporated. Together with prior dividend proceeds, WPX has realised total proceeds of \$378 million, representing a multiple of 6.1x cost and 27% gross IRR. The fund also received \$238 million from the sale of **FacilitySource**, a leading provider of outsourced facility maintenance solutions, to CBRE Group. Together with prior proceeds and including the estimated full release of escrow, WPX will have realised \$242 million, representing a multiple of 3.6 times cost and 28% gross IRR.

Portfolio performance for the quarter

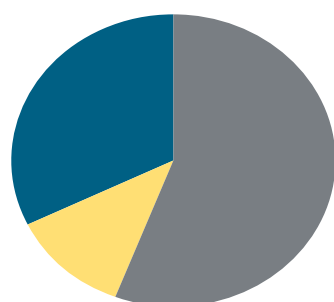
Investee fund	Net drawn (US\$ million)	% drawn	NAV (US\$ million)	DPI	TVPI	Quarter TVPI change	IRR (%)
AEVII	41.4	99.0	7.3	1.11	1.28	0.02	4.8
BCPV	56.7	94.5	4.0	1.57	1.64	0.00	8.9
CEPIII	65.9	95.5	6.9	1.54	1.64	0.00	11.2
CPV	57.3	81.9	13.5	1.53	1.72	0.01	12.7
CVCAIII	16.5	82.7	3.4	1.43	1.59	-0.02	13.5
DHV	53.0	97.0	1.3	1.21	1.23	-0.02	4.4
FIFV	24.9	99.5	11.8	0.55	1.02	-0.01	0.2
KKRA	35.0	100.0	1.5	1.70	1.73	0.00	13.7
PAIEV	9.6	94.0	2.1	1.42	1.62	0.03	8.9
THLVI	47.6	95.2	18.3	1.24	1.60	0.02	7.6
TPGAV	16.9	84.7	8.3	0.97	1.42	0.00	6.7
WPX	50.0	100.0	26.1	1.08	1.60	0.06	8.6
Total investments	475.0	93.9	104.4	1.34	1.54	0.01	8.5
Cash, accruals and other assets			64.3				
Total fund	464.3	90.0	168.7	1.13	1.49	0.00	6.4

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

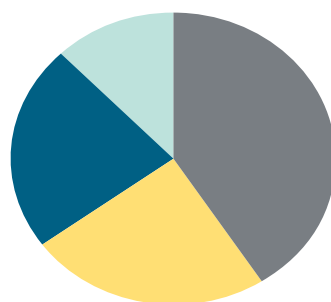


Portfolio breakdown by underlying fund

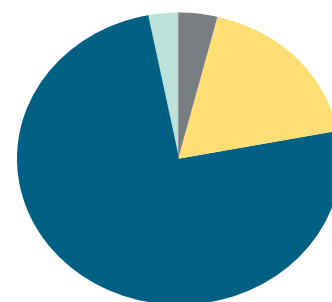
Fund strategy



Fund geography



Fund vintage



■ Buyout 51
■ Growth 13
■ Other 36




















■ North America 41
■ Global 29
■ Europe 17
■ Asia/Oceania 13

■ 2005 4
■ 2006 18
■ 2007 75
■ 2008 3










All amounts are as a percentage of total investment NAV at 30 June 2018. Figures may not always sum exactly to 100 due to rounding.

Portfolio breakdown by underlying portfolio company

Geographic breakdown

United States	61.4	
China	7.7	
India	7.6	
United Kingdom	5.3	
Italy	3.1	
Canada	2.7	
Switzerland	2.1	
Indonesia	2.1	
Malaysia	1.5	
Brazil	1.3	
Singapore	1.1	
Israel	1.1	
Australia	<1.0	
Bermuda	<1.0	
Germany	<1.0	
Hong Kong	<1.0	
Spain	<1.0	
Vietnam	<1.0	
Phillippines	<1.0	

Sector breakdown¹

Financials	22.1	
Industrials	19.3	
Consumer Discretionary	15.9	
Healthcare	14.1	
Information Technology	13.1	
Energy	10.2	
Consumer Staples	2.7	
Materials	1.7	
Utilities	<1.0	

All amounts are as a percentage of total investment NAV at 30 June 2018.

Figures may not always sum exactly to 100 due to rounding.

¹ Sector breakdown has been reclassified in line with current Global Industry Classifications Standards (GICS).

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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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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