

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

QUARTERLY REPORT AND VALUATION

1 JANUARY 2018 – 31 MARCH 2018

Summary as at 31 March 2018

	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	165,163,585	80,038

* 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

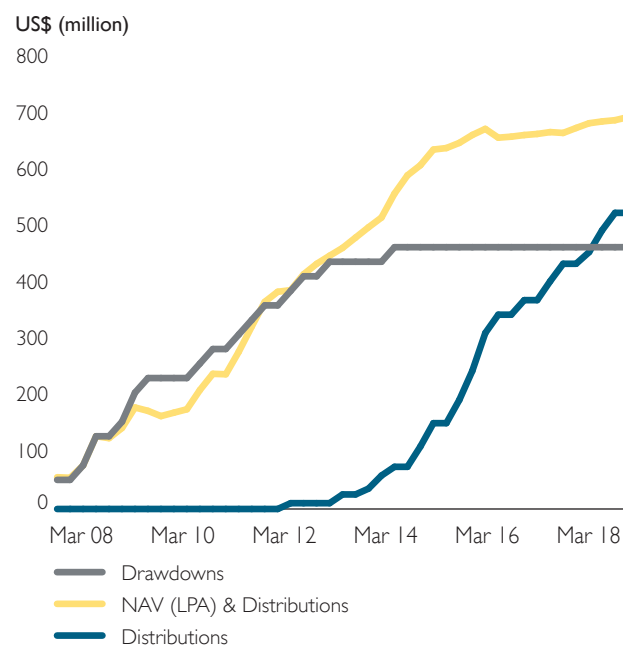
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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 first quarter of 2018, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') increased from 1.47 times cost to 1.49 times cost. The largest valuation movers over the quarter were Fortress Investment Fund V ('FIFV') and Carlyle Europe Partners III LP ('CEPIII'), which both produced uplifts, while the most significant detractor from performance was Apax Europe VII ('AEVII').

CPELPII did not make a distribution over the quarter meaning total distributions since inception remains at \$525.2 million, or 113.1% of drawn commitments. With regard to the underlying funds, CPELPII received \$18.3 million in distribution proceeds during the quarter, most of which was received from CEPIII, Thomas H Lee Partners VI ('THLVI'), KKR Asia Fund ('KKRA'), and Carlyle Partners V LP ('CPV').

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.

Market overview

The first quarter of 2018 was characterised by increased volatility in equity markets. Whilst global growth continues to accelerate, with the IMF forecasting 3.9% GDP growth for the year, concerns over a possible trade war between the US and China have the potential to dampen this growth.

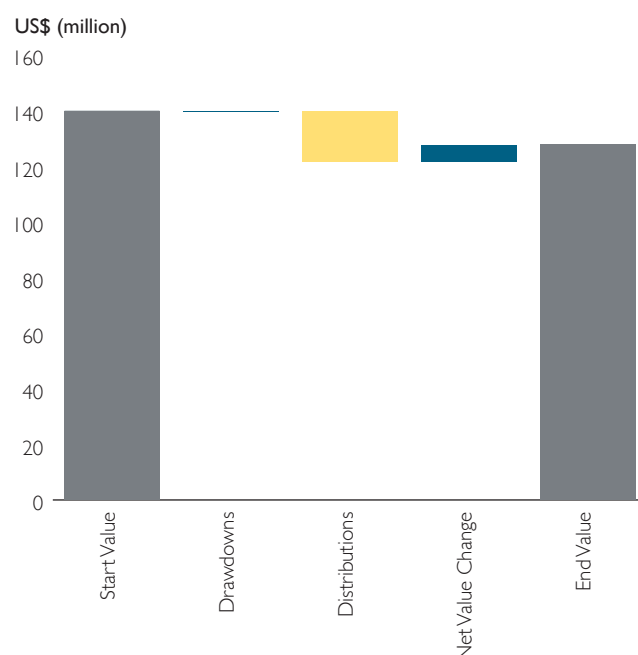
In the US, macroeconomic indicators continued to strengthen creating inflationary pressures leading the Fed to raise interest rates in March by a further 25 basis points to 1.75%. Tax reforms announced in January, at a time when the economy is approaching full employment, may add to these inflationary pressures, potentially prompting investor concern over the pace of US interest hikes. The US also proposed a number of tariffs designed to reduce the country's trade deficit sparking investor fears of a global trade war. The economic backdrop in the Eurozone remained encouraging with GDP growth forecast at 2% for the year. Inflation remained below the ECB's target, however, with Mario Draghi, the Bank's President, reiterating that interest rates would not rise until completion of its current QE programme. Emerging markets continued their positive momentum seen in the fourth quarter despite the rise in market volatility driven by trade tensions.

In what is typically one of the weaker quarters for buyout activity, private equity transactions recorded a record first quarter aggregate deal value of \$116bn, almost double the \$61bn recorded in the first quarter of 2017, continuing a long term upward trend. The number of private equity backed buyout deals declined modestly to 1,023 in the first quarter of 2018, however, from 1,083 in the first quarter of 2017, with the proportion of deals above \$1bn increasing significantly. Food and agriculture was the favoured sector for capital allocation, followed by TMT and Energy and Utilities, a notable shift towards more defensive sectors.¹

Exits, on the other hand, continued their long term downward trend, with aggregate exit value of \$52.3bn well below average and on a par with the first quarter of 2017, when the lowest aggregate exit value in the last five years was registered. The number of global private equity backed exits also declined significantly to 354 in the first quarter of 2018, from 459 in the first quarter of 2017. The reduction in exit activity is likely driven by elevated valuations and a trend in businesses remaining private for longer. Trade sales remained the most common exit route, however the proportion of sales to GPs increased significantly with a reduction in the proportion of IPOs.¹

Quarterly portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	8.5	0.0	0.7	-0.7	7.1
BCPV	5.2	0.0	0.0	0.1	5.3
CEPIII	13.7	0.0	8.1	1.5	7.1
CPV	15.7	0.0	2.5	0.8	14.0
CVCAIII	3.7	0.0	0.0	-0.1	3.6
DHV	13.5	0.0	0.0	0.4	13.9
FIFV	12.9	0.0	0.0	2.7	15.6
KKRA	6.6	-0.1	2.7	-0.5	3.3
PAIEV	2.6	0.0	0.8	0.1	1.9
THLVI	25.1	-0.2	2.8	0.8	22.9
TPGAV	8.5	0.0	0.4	0.2	8.3
WPX	23.8	0.0	0.0	0.8	24.6
Total	139.8	-0.3	18.0	6.1	127.6



Figures may not always sum exactly due to rounding.

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

The value of AEVII's portfolio decreased from 1.67 times cost to 1.64 times cost over the quarter. This decline was largely attributable to **Psagot, Sophos, Cengage Learning, One Call / Align** and **Acelity**. Valuations of the fund were also significantly impacted by a sharp decline in public markets in the last few weeks of March 2018, together with adverse currency movements as the Euro continued to strengthen against the US Dollar.

AEVII received €234 million of proceeds during the quarter, including €154 million relating to completion of the sale of **Genex**, generating 2.8 times cost for the fund, €46 million from a margin loan on **Huarong**, and €34m from release of an escrow relating to the sale of **iGate** in July 2015.

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

During the quarter, BCPV's portfolio valuation decreased marginally but remained valued at 1.88 times cost. The publicly-held portfolio decreased \$85 million predominantly as a result of a share price decline for **Michaels Stores**. This was partially offset by an increase of \$68 million in the privately-held portfolio following the uplift upon exit for **The Weather Channel**.

The Fund generated \$136 million in proceeds predominantly driven by the sale of **The Weather Channel's** TV business to ESN. A small portion of the realisation proceeds remains held in escrow. **Bayview** also received its final escrow payment of \$60.8 million during the quarter.

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

CEPIII's portfolio valuation increased from 2.26 times cost to 2.28 times cost over the quarter primarily as a result of valuation uplifts for **Alloheim AG, Twin Set**, and **AMEOS Group Holdings**. No investments declined in value over the quarter.

The sale of **Alloheim AG** to Nordic Capital closed in February for an enterprise value of €1,125 million, generating €744 million, or 7.1 times cost, for CEPIII. 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 from 2.07 times cost to 2.09 times cost. This uplift was driven by the valuation increases of **Pharmaceutical Product Development**, **Syniverse Technologies**, **Accudyne Industries** and publicly-traded **Greater China Intermodal Investments LLC ('GCI')**. No investments declined in value over the quarter.

In March 2018, Carlyle signed and closed on the merger of **GCI** with Seaspan Corporation. CPV received a total consideration of \$262 million, or approximately 0.90 times invested capital, of which \$12 million has been placed in escrow, and approximately \$35 million will be received in Seaspan preferred shares. Additionally, CPV received \$16 million of proceeds in a partial escrow release related to the September 2017 partial sale of the CPG business of **The Nature's Bounty Co.**

CVC Capital Partners Asia Pacific III ('CVCAIII')

CVC Asia III's portfolio value remained unchanged at 2.00 times cost over the quarter. Uplifts generated by **QSR Brands** and **Magnum Corporation** were offset by valuation decreases in **PT Link Net Tbk** and **Sun Hun Kai & Co. Ltd** following share price declines.

There was no realisation activity during the quarter.

Doughty Hanson & Co.V ('DHV')

The value of the Doughty Hanson V portfolio increased marginally from 1.65 times cost to 1.66 times cost. The Fund had two unrealised portfolio companies at the start of the quarter, **TMF Group** and **ASCO Group**, both of which increased in value over the quarter.

In October 2017, an agreement was signed to sell **TMF Group** to funds advised by CVC Capital Partners for €1.75 billion, generating proceeds of approximately €875 million, or 1.9 times cost, for DHV. Proceeds from this sale were distributed in May 2018. Seven of the eight investments have now been realised, but a sale of **ASCO Group** is not anticipated in the short term.

Fortress Investment Fund V ('FIFV')

During the quarter, the valuation of FIFV increased from 1.66 times cost to 1.77 times cost. This uplift was driven solely by the fund's **Florida East Coast** investments.

In January 2018, 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 estimated proceeds of approximately \$1.3 billion. This sale, together with prior share sales, will bring 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 marginally from 2.23 times cost to 2.22 times cost. Publicly-listed **China International Capital Corporation ('CICC')** and **Coffee Day Resorts**, as well as privately held **Aricent** and **MMI Holdings**, increased in value over the quarter, while **Magma** and **Santanol** detracted from performance.

KKRA received \$324 million in distribution proceeds during the quarter predominantly resulting from the sale of the fund's entire stake in **Riverview**, returning 1.3 times cost. \$99 million was also received following the partial sale of shares in **CICC**. The fund sold 43.0 million shares in a secondary offering at a net price of approximately \$2.31 per share, and continues to hold 33.4 million shares in the company. Additionally, post quarter end, the fund was able to fully realise its positions in **Aricent** and **Magma**, as well as complete a partial exit of **Coffee Day Resorts**.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAIEV remained unchanged at 2.50 times cost. The remaining two investments, **Marcolin** and **Froneri**, both increased marginally during the quarter, as did **Kiloutou**, which was exited in the quarter.

As noted in prior quarter, the fund closed the sale of **Kiloutou** to HLD and HLDI in February, generating net proceeds of €298 million, a return of 2.9 times invested capital and 18% IRR.

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

The value of THLVI increased over the quarter from 1.84 times cost to 1.86 times cost. This uplift was predominantly driven by **Ceridian HCM Holdings, Inc** following its initial public offering post quarter end, with other positive contributions from **Fogo de Chao** and **Party City**. Somewhat offsetting these gains, **Univision Communications Inc**, **MoneyGram International, Inc** and **Phillips Pet Food & Supplies** declined in value.

THLVI generated \$469 million in the first quarter, realising \$366 million from the sale of **Black Knight Financial Services** public stock, and a further \$102 million from the fund's leveraged investment in **iHeartMedia**. Also in the quarter, **Intermedix** entered into a definitive agreement to sell its RCM, practice management and analytics business lines to R1 RCM Inc for \$460 million in cash. Post quarter end, the fund fully exited its position in **Fogo de Chao** for 2.0 times invested capital, and **Black Knight Financial Services** following as secondary offering of the fund's remaining shares for 5.8 times invested capital. A partial exit of **Party City** was also completed in May 2018.

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation increased from 1.69 times cost to 1.70 times cost. This was principally driven by valuation increases for publicly-listed **PT BFI Finance** and **Delta Dunia**. The only material detractor from performance was publicly-listed **CICC**.

Proceeds of \$72 million were received during the quarter, primarily related to the partial secondary sale of shares in **Ingham's**.

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

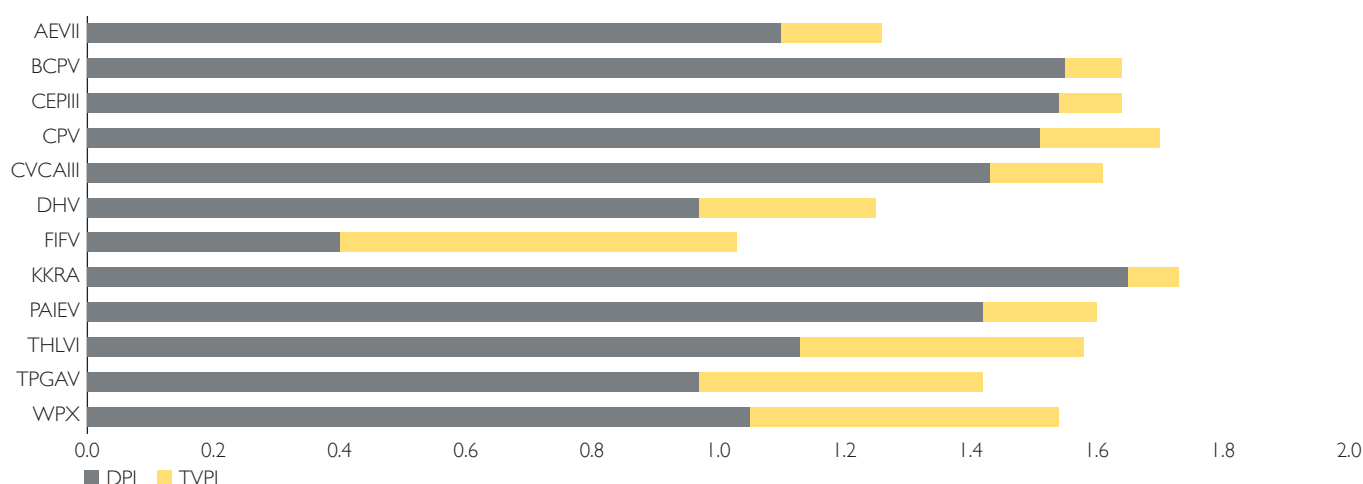
The valuation of WPX's portfolio increased by \$323.9 million in the first quarter, meaning the valuation of the portfolio increased from 1.77 times cost to 1.79 times cost. The three primary valuation increases were produced by **CrowdStrike Holdings, Inc**, **Extant Components Group Holdings, Inc** and **Dongjiu**, while **Antero Resources** and **Laredo Petroleum** were significant detractors from performance.

WPX received just \$9 million in proceeds during the quarter related to dividend income from **Triton International Limited** and **Antero Resources Corporation**.

Portfolio performance for the quarter

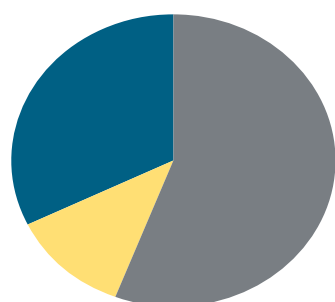
Investee fund	Net drawn (US\$ million)	% drawn	NAV (US\$ million)	DPI	TVPI	Quarter TVPI change	IRR (%)
AEVII	41.3	98.9	7.1	1.10	1.26	-0.02	4.6
BCPV	56.7	94.5	5.3	1.55	1.64	0.00	9.0
CEPIII	65.8	95.3	7.1	1.54	1.64	0.02	11.3
CPV	57.3	81.9	14.0	1.51	1.71	0.01	12.7
CVCAIII	16.5	82.7	3.6	1.43	1.61	0.00	13.7
DHV	44.2	80.5	13.9	0.97	1.25	0.01	4.5
FIFV	24.9	99.5	15.6	0.40	1.03	0.12	0.3
KKRA	35.0	100.0	3.3	1.65	1.73	-0.02	13.7
PAIEV	9.6	93.7	1.9	1.42	1.59	0.00	8.7
THLVI	47.6	95.2	22.9	1.13	1.58	0.01	7.6
TPGAV	16.9	84.7	8.3	0.97	1.42	0.01	6.8
WPX	50.0	100.0	24.6	1.05	1.54	0.01	8.1
Total investments	466.0	92.1	127.6	1.29	1.53	0.01	8.5
Cash, accruals and other assets			37.6				
Total fund	464.3	90.0	165.2	1.13	1.49	0.02	6.4

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

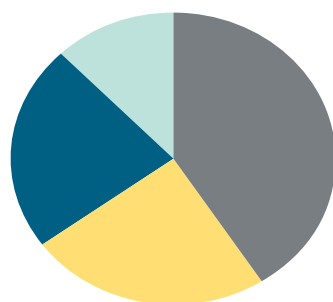


Portfolio breakdown by underlying fund

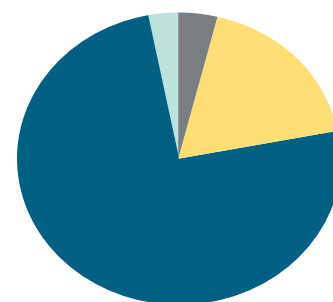
Fund strategy



Fund geography



Fund vintage

























■ Buyout	56	■ North America	41	■ 2005	4
■ Growth	12	■ Europe	24	■ 2006	18
■ Other	32	■ Global	23	■ 2007	75
		■ Asia/Oceania	12	■ 2008	3

All amounts are as a percentage of total investment NAV at 31 March 2018. Figures may not always sum exactly to 100 due to rounding.











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

Portfolio breakdown by underlying portfolio company

Geographic breakdown

United States of America	50.9	
Netherlands	8.8	
China	7.8	
India	7.3	
Germany	5.5	
United Kingdom	3.4	
Canada	2.7	
Italy	2.5	
Indonesia	1.9	
Israel	1.5	
Switzerland	1.4	
Australia	1.2	
Brazil	1.2	
Malaysia	1.1	
Singapore	<1.0	
Bermuda	<1.0	
France	<1.0	
Hong Kong	<1.0	
Vietnam	<1.0	
Spain	<1.0	
Denmark	<1.0	
Philippines	<1.0	

Sector breakdown

Financials	32.9	
Health Care	14.5	
Industrials	14.5	
Consumer Services	13.2	
Oil & Gas	8.0	
Consumer Goods	6.4	
Technology	5.3	
Telecommunications	3.6	
Utilities	<1.0	
Basic Materials	<1.0	

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

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.