COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II
QUARTERLY REPORT AND VALUATION
1 JANUARY 2019 – 31 MARCH 2019

Summary as at 31 March 2019

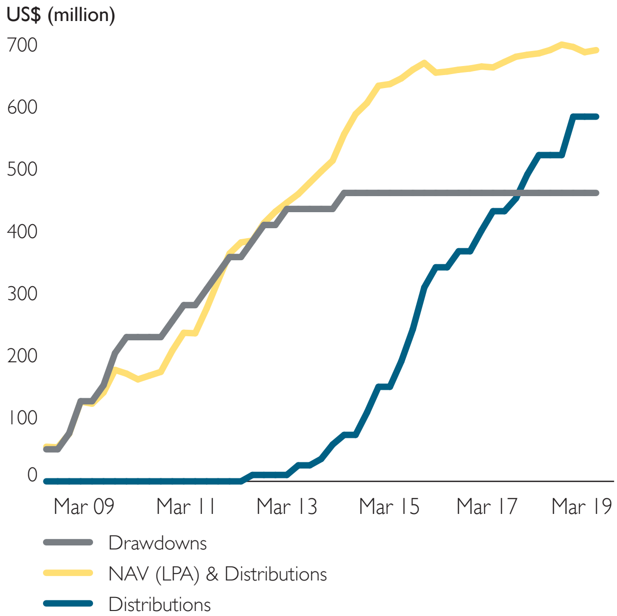
	Total (US$)	Typical LP* (US$)
Commitment	515,890,000	250,000
Drawdowns	464,301,000	225,000
Distributions	587,082,820	284,500
Unaudited NAV	102,965,079	49,897

* 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

CPELPII performance: drawdowns, net asset value and distributions



Performance

TVPI	1.49x
DPI	1.26x
IRR	6.2%
% drawn down	90.0%[2]

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

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 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.

Partnership summary

During the first quarter of 2019, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') increased from 1.48 times cost to 1.49 times cost. This increase was primarily driven by valuation uplifts for Thomas H Lee Fund VI LP ('THLVI') and Warburg Pincus Private Equity X LP ('WPX'). Carlyle Europe Partners III LP ('CEPIII') was the only significant detractor from performance over the quarter.

CPELPII did not make a distribution to Limited Partners in the quarter, meaning total distributions since inception remained at $587.1 million, or 126.4% of drawn commitments. In early April 2019, however, CPELPII 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. A further distribution of $10.3 million was approved in June 2019, and is expected to be paid in July 2019. With regard to the underlying funds, CPELPII received $4.5 million in distribution proceeds during the quarter, the majority of which was received from THLVI, WPX and KKR Asian Fund LP ('KKRA').

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 global economic growth environment remained subdued, with several activity indicators deteriorating in the quarter.
The Eurozone economy has been slowing sharply with GDP growth at just 1.8% in 2018, and is forecast to decline to 1.3% over 2019. Italy fell into recession, and Germany narrowly avoided one. The UK economy slowed sharply in 2018, where growth fell to just 1.4%, the weakest reading for nine years, as Brexit-related uncertainty weighs on the economy. The US economy continues to head for a soft landing, as the effects of the fiscal stimulus unleashed in early 2018 fades. With inflation well-behaved, the Fed has signalled a more cautious approach to policy tightening, reducing the risk of policy error. After a turbulent 2018, the outlook 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.

The first quarter of 2019 saw 1,100 private equity-backed buyout deals recorded globally, totalling $101 billion of enterprise value. This total value is some way off the $130 billion recorded in the first quarter of 2018 and slightly below the fourth quarter of 2018 total of $108 billion. As in prior quarters, the majority of volume came from buyout deals in North America and Europe. However, European activity has slowed in recent quarters, with $19 billion of activity recorded in the first quarter of 2019, down from $27 billion in the fourth quarter of 2018.

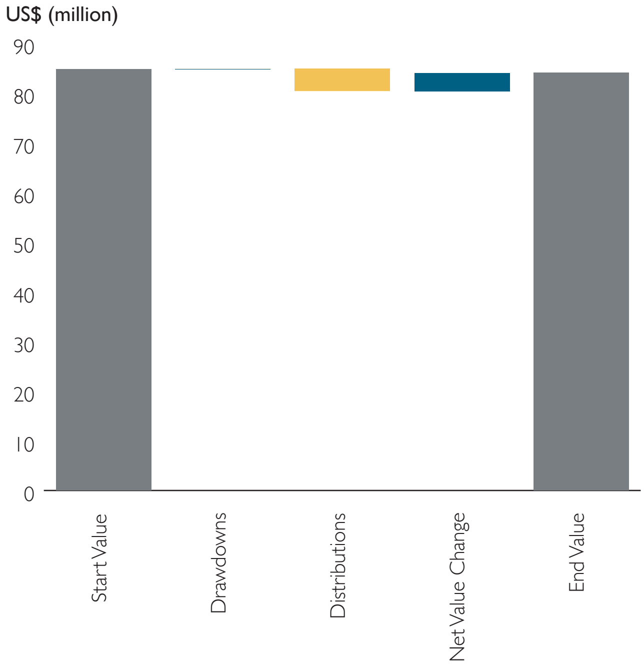
Challenging deal-making conditions often make for a favourable exit environment, but the number of buyout exits announced declined in the first quarter of 2019, largely due to a 27% fall in the number of trade sales from the fourth quarter of 2018. The total value of exits was also considerably lower at $37 billion in the first quarter of 2019 compared with $67 billion the previous quarter – in fact, the quarter is expected to mark a five-year low in both the number and total value of PE exits. Despite a fall in the quarter, trade sales remained the most prominent exit route for fund managers in the first quarter of 2019, accounting for circa 56% of all exits in terms of volume; secondary sales to GPs made up the majority of the remaining exits (circa 37%). IPOs remain a small but important component of the exit strategies deployed by private equity firms globally.

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

Quarterly portfolio investment activity (US$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	6.0	0.0	0.0	0.0	6.0
BCPV	3.3	0.0	0.0	-0.1	3.2
CEPIII	6.0	0.3	0.0	-0.5	5.8
CPV	11.8	0.0	0.0	0.1	11.9
CVCAIII	2.8	0.0	0.2	0.0	2.6
DHV	1.2	0.0	0.0	0.0	1.2
FIFV	11.2	0.0	0.0	0.0	11.2
KKRA	2.6	0.0	0.6	0.1	2.1
PAIEV	2.5	0.0	0.1	0.2	2.6
THLVI	12.5	-0.2	2.3	2.4	12.4
TPGAV	5.3	0.0	0.0	0.1	5.4
WPX	19.7	0.0	1.3	1.4	19.8
Total	84.8	0.1	4.5	3.7	84.1

Figures may not always sum exactly due to rounding.



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

The value of AEVII's portfolio valuation increased marginally but remained at 1.65 times cost over the quarter. This valuation increase was predominantly driven by **Acelity** and **Psagot,** however **One Call / Align, Sophos** and **Cengage Learning** declined over the period.

There were no calls or distributions during the quarter.

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

During the quarter, BCPV's portfolio valuation increased marginally but remained unchanged at 1.87 times cost. Appreciation in the private portfolio driven by **Apria Healthcare** and **GatewayRail** was offset by public portfolio declines driven by **Michaels' Stores** and **Summit.**

The fund generated $761 million in proceeds predominantly in relation to the sales of **DJO, Gateway Rail** and **Caesars Entertainment. DJO** was sold to Colfax, **Gateway Rail** completed its final sale to Gateway Distriparks Limited and Blackstone sold BCPV's remaining **Caesars Entertainment** shares in the public markets. Nine unrealised or partially unrealised companies remain in the portfolio excluding those with escrows remaining.

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

CEPIII's portfolio valuation decreased from 2.27 times cost to 2.26 times cost over the quarter. **Addison Lee Group** was the only value mover over the quarter with the investment declining in value following poor trading performance. The fund has six portfolio companies remaining.

During the quarter, there were no proceeds received but CEPIII funded a further £15 million to **Addison Lee** which has seen a reduction in its cash balance and funding headroom versus prior quarters. The cash position continues to be monitored closely both by the company and Carlyle.

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

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

During the quarter, CPV's portfolio value increased marginally but remained unchanged at 2.10 times cost. **Accudyne Industries** and **Dynamic Precision Group** were the primary drivers of the uplift. There were no negative value movers during the period.

CPV received $9 million of cash proceeds during the quarter related to a dividend payment and release of escrow proceeds from **Greater China Intermodal Investments LLC.** In February, **Accudyne Industries** announced the sale of its Precision Flow Systems business for approximately $1.5 billion. This transaction is expected to close in the second quarter of 2019. With net proceeds from this sale and a modest recap at Sundyne, Carlyle expects to return 0.8 times cost while still retaining ownership of Sundyne.

CVC Capital Partners Asia Pacific III ('CVCAIII')

CVC Asia III's portfolio value decreased marginally but remained unchanged at 1.98 times cost over the quarter. A share price decline of **PT Link Net Tbk** public stock and a decrease in earnings and multiples at **QSR Brands** contributed to negative performance, while **Sun Hung Kai & Co. Ltd** and **Magnum Corporation** generated modest gains over the quarter.

In March, CVC completed the sale of its final tranche of **Magnum Corporation** shares. Together with prior distributions, this investment has returned 2.4 times cost.

Doughty Hanson & Co.V ('DHV')

The value of the Doughty Hanson V portfolio increased from 1.64 times cost to 1.65 times cost. The Fund has one remaining unrealised portfolio company, **ASCO Group**, which appreciated from 0.41 times cost to 0.43 times cost.

There were no distributions during the quarter.

Fortress Investment Fund V ('FIFV')

During the quarter, the valuation of the main FIFV portfolio increased moderately but remained unchanged at 1.76 times cost. There are four remaining assets in the portfolio, two of which increased in value (**Florida Investments** and **Mapeley**), and two of which declined (**Kramer Junction** and **CW Financial**). The two remaining assets in the co-investment portfolio are **Florida Investments** and **Mapeley,** so this portfolio generated a portfolio uplift over the period.

There was no realisation activity during the quarter.

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation remained constant at 2.21 times cost. Following the exit of **China International Capital Corporation ('CICC'),** there are three remaining investments in the portfolio, including a listed position in **Coffee Day Resorts,** which increased marginally in the quarter, and privately held **MMI Holdings** and **Santanol,** both of which remained constant.

The fund sold down its remaining shareholding in publicly listed **China International Capital Corporation,** generating 1.2 times cost for the fund including prior distributions.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAIEV increased from 2.63 times cost to 2.67 times cost. There are two remaining investments in the fund; **Froneri** increased significantly further from 5.8 times cost to 6.4 times cost during the quarter, offsetting a marginal decline for **Marcolin.**

In terms of realisation activity, there was a net €16 million distribution following liquidation of a holding company that owned the previously exited investment in **Atos.**

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

Reflecting the rebound in public markets in the first quarter of 2019, the value of THLVI increased from 1.84 times cost to 1.89 times cost. This performance was predominantly driven by **Ceridian HCM Holdings, Inc** (**'Ceridian'**). Smaller uplifts were generated by **FleetCor Technologies** and **Syneos Health** whilst **Party City, 1-800 Contacts** and **Prime Risk Partners** declined in value.

THLVI generated $381 million in the first quarter and announced an additional $936 million subsequent to quarter end. **Ceridian** completed secondary offerings in March and May, selling 33% of THL VI's remaining shares and realising $541 million in proceeds. As communicated previously, THL VI also signed a definitive agreement to sell its interests in **Syneos Health, Univision, 1-800 Contacts, Prime Risk Partners** and **Juvare,** other than certain excluded assets, for a gross purchase price of $764 million.

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

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation increased from 1.68 times cost to 1.71 times cost. This was predominantly driven by an uplift in publicly traded **CICC,** while there were smaller increases for **Ingham's, Delta Dunia,** and privately held **Shriram Capital.** The only detractors over the period were **UTAC** and **Northstar II.**

There were no material distributions received during the quarter.

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

The valuation of WPX's portfolio increased by $543 million in the first quarter, meaning the valuation of the portfolio increased from 1.78 times cost to 1.82 times cost. The three primary valuation contributors were **CrowdStrike Holdings, Silk Road Medical** and **Antero Resources.**

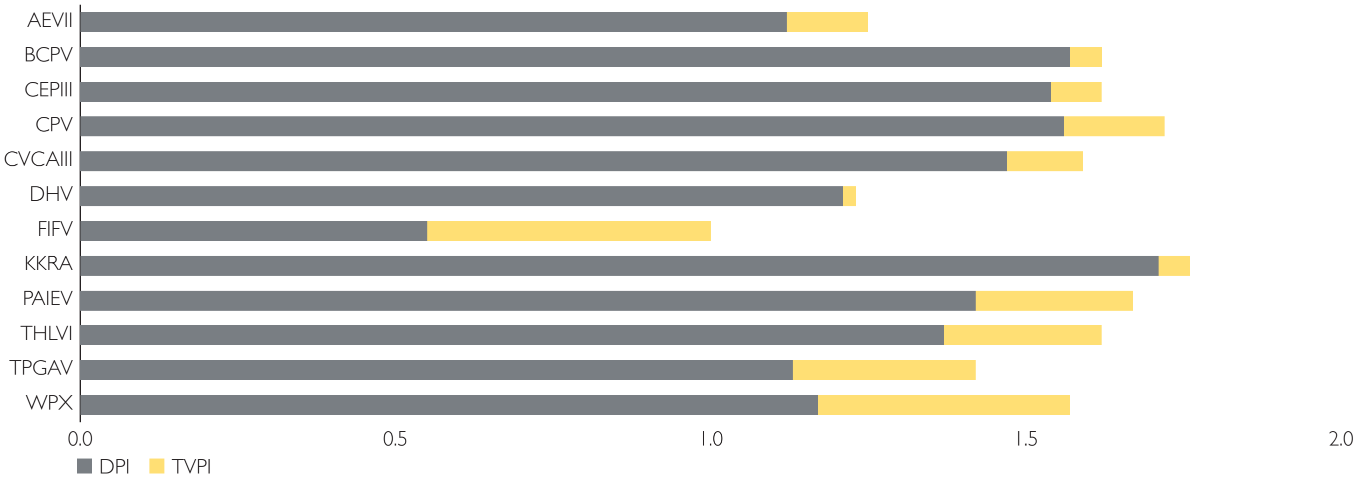
WPX received $483 million in proceeds during the quarter following full exits of **Triton International Limited** and **MEG Energy,** and partial exits of **Antero Resources Corporation** and **China Resources Retail JV.**

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

Portfolio performance for the quarter

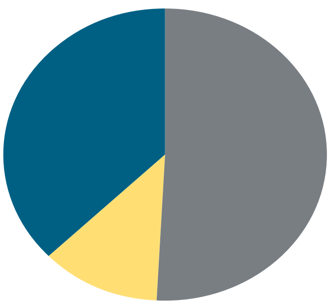
Investee fund	Net drawn (US$ million)	% drawn	NAV (US$ million)	DPI	TVPI	Quarter TVPI change	IRR (%)
AEVII	41.4	99.0	6.0	1.12	1.25	0.00	4.4
BCPV	56.7	94.5	3.2	1.57	1.62	-0.01	8.8
CEPIII	66.3	96.0	5.8	1.54	1.62	-0.01	11.0
CPV	57.3	81.9	11.9	1.56	1.72	0.00	12.6
CVCAIII	16.6	83.0	2.6	1.47	1.59	0.00	13.3
DHV	53.0	97.1	1.2	1.21	1.23	0.00	4.3
FIFV	24.9	99.5	11.2	0.55	1.00	0.00	0.0
KKRA	35.0	100.0	2.1	1.71	1.76	0.00	13.9
PAIEV	9.6	94.2	2.6	1.42	1.67	0.02	9.2
THLVI	47.6	95.3	12.4	1.37	1.62	0.05	7.6
TPGAV	16.8	84.1	5.4	1.13	1.42	0.00	6.6
WPX	50.0	100.0	19.8	1.17	1.57	0.03	8.0
Total investments	**475.2**	**94.0**	**84.1**	**1.37**	**1.53**	**0.00**	**8.4**
Cash, accruals and other assets			18.8				
Total fund	**464.3**	**90.0**	**103.0**	**1.26**	**1.49**	**0.01**	**6.2**

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



Portfolio breakdown by underlying fund

Fund strategy

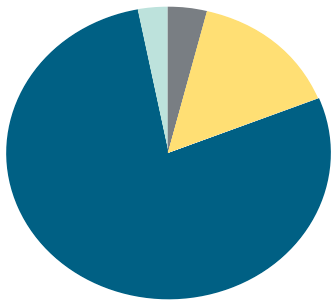


■	Buyout	51
■	Growth	12
■	Other	37

Fund geography

■	North America	42
■	Global	27
■	Europe	19
■	Asia/Oceania	12

Fund vintage



■	2005	4
■	2006	15
■	2007	78
■	2008	3

All amounts are as a percentage of total investment NAV at 31 March 2019.
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	62.5
China	9.2
United Kingdom	6.2
India	4.4
Italy	3.4
Switzerland	2.9
Indonesia	2.5
Canada	1.7
Singapore	1.5
Australia	1.3
Israel	1.2
Malaysia	1.2
Brazil	1.2
Germany	<1.0
Hong Kong	<1.0
Spain	<1.0
Vietnam	<1.0
Phillippines	<1.0
Netherlands	<1.0

Sector breakdown

Financials	24.1
Industrials	23.3
Healthcare	15.0
Information Technology	14.3
Consumer Discretionary	10.9
Energy	6.0
Consumer Staples	3.3
Materials	2.2
Utilities	0.8

All amounts are as a percentage of total investment NAV at 31 March 2019.
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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.

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

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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