COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II
QUARTERLY REPORT AND VALUATION
1 APRIL 2019 – 30 JUNE 2019

Summary as at 30 June 2019

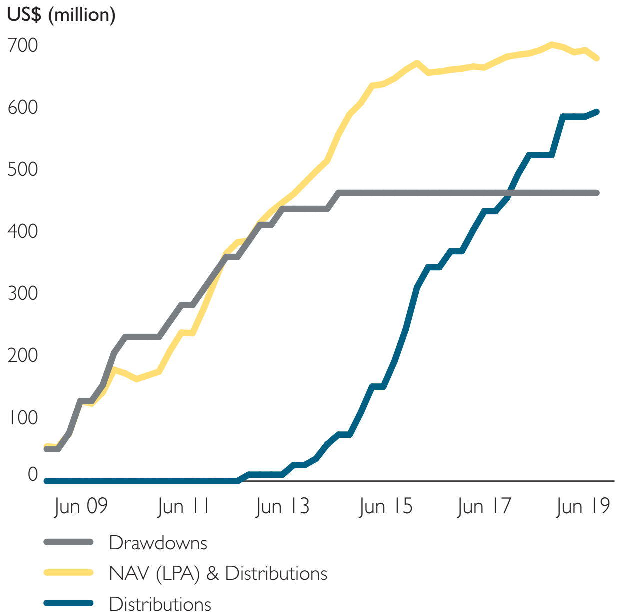
	Total (US$)	Typical LP* (US$)
Commitment	515,890,000	250,000
Drawdowns	464,301,000	225,000
Distributions	594,821,170	288,250
Unaudited NAV	82,161,521	39,815

* 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	1.46x
DPI	1.28x
IRR	5.9%
% 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.

Liquidity Offer

The General Partner of the Partnership sought to capitalize on current strength in the secondary market, and high market valuations more generally, to accelerate liquidity for investors. As at 31 March 2019, the value of the underlying investments in the Partnership was £84.1m held through twelve remaining funds, with four funds representing c.65.8% of this value, leaving a long tail of assets where GPs may find it challenging to exit underlying investments, causing delays to realisations.

With the General Partner's approval, Aberdeen Standard Investments Private Equity mandated an independent secondary advisor to conduct a liquidity offering process, securing a binding offer for the underlying funds after approaching twelve potential investors. The General Partner elected to accept this offer, and transfers of the underlying funds are being progressed timeously.

As at 30 June 2019, CVC Capital Partners Asia Pacific III LP ('CVCAIII'), Doughty Hanson and Co V ('DHV'), PAI Europe V General Partner Limited ('PAIEV'), Blackstone Capital Partners V LP ('BCPV'), Warburg Pincus Private Equity X LP ('WPX') and Fortress Investment Fund V ('FIFV') had been sold. Following 30 June 2019, a further three funds have been sold, namely KKR Asian Fund LP ('KKRA'), TPG Asia V ('TPGAV') and Apax Europe VII ('AEVII'). Proceeds received in respect of transfers completed to date will be distributed on October 8th. Further distributions will be made as proceeds continue to be received for the remaining transfers, subject to maintaining appropriate reserves for expenses and potential future liabilities.

This report reflects the valuation of each of the underlying investments based on sale amounts as agreed between the relevant parties, where an agreement for the sale of such investment was entered into before the reporting date. Reported performance may therefore differ from the performance of the underlying funds in the quarter.

Partnership summary

During the second quarter of 2019, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') decreased from 1.49 times cost to 1.46 times cost. This decrease was predominantly driven by WPX and FIFV, which were exited in the period, and Thomas H Lee Fund VI LP ('THLVI'). These declines were partially offset by increases in Carlyle Europe Partners III ('CEPIII') and Carlyle Partners V LP ('CPV').

CPELPII was able to make a distribution of $7.7 million to Limited Partners over the quarter taking total distributions since inception to $594.8 million, or 128.1% of drawn commitments. Post quarter end, CPELPII was able to make a further distribution of $10.3 million to Limited Partners taking total distributions since inception to $605.1 million, or 130.3% of drawn commitments. With regard to the underlying funds, CPELPII received $40.4 million in distribution proceeds during the quarter, the majority of which was received in respect of exited investments WPX and FIFV, and also from THLVI.

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. As noted above, the General Partner elected to accept an offer for the underlying funds, and transfers of the underlying funds are being progressed timeously, with nine of twelve transfers completed at the time of writing.

Market overview

The current global economic growth environment remains subdued; several activity indicators have deteriorated in recent months. The US economy continues to head for a soft landing, as the effects of the fiscal stimulus implemented in early 2018 fade. The Federal Reserve remains dovish with further interest rate hikes in 2019 unlikely. With inflation under control, the Fed has signalled a more cautious approach to policy tightening, reducing the risk of policy error. GDP in the Eurozone rose by 0.4% during the first quarter of 2019 and is forecast to increase by 1.2% over the course of the year, and 1.4% in 2020. UK economic growth increased in Q1 2019 with GDP at 0.5%, compared with 0.2% seen in Q4 2018. Growth for 2018 fell to 1.4%, the weakest reading for nine years. This trend is set to continue as forecasts show 1.3% growth for both 2019 and 2020. It is clear that Brexit-related uncertainty is weighing on the economy. After a turbulent 2018, the outlook for EM economies has improved, as the three main destabilising forces, including weakening growth in China, rising Fed policy rates, and escalating US-China trade tensions, have abated to varying degrees.

Q2 2019 saw 1,193 private equity-backed buyout deals recorded globally, totalling $75bn of enterprise value. This is broadly in line with the 1,206 deals recorded in Q1 2019 but the total value is some way off the $102bn recorded in Q1 2019. As in prior quarters, the majority of volume came from buyout deals in North America and Europe. While total deal values in Asia and Europe increased over the quarter, North American activity fell from $68bn to just $38bn. This is the lowest total deal value in a quarter since Q1 2017. This reduction in value was in spite of an increase in the number of deals in North America – rising to 683 in Q2 2019, from 655 in Q1 2019.

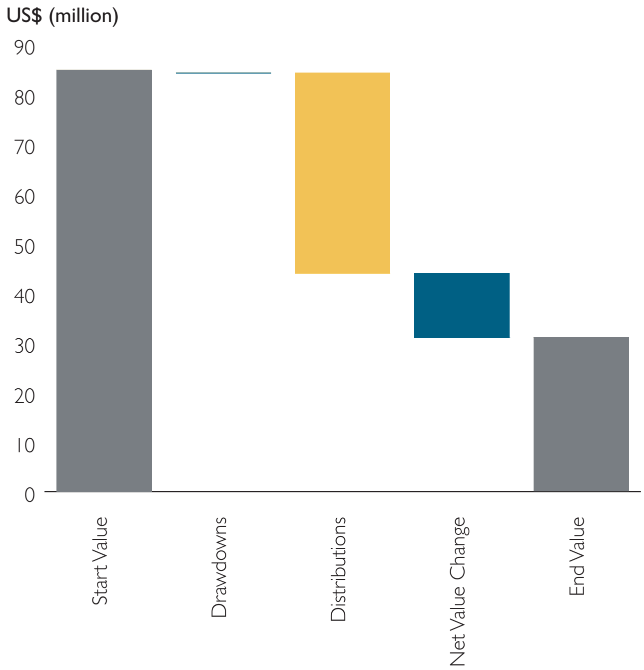
The number of buyout exits announced declined in Q2 2019, to 326, representing the third consecutive quarterly decline in number of exits. Nevertheless, Q2 2019 exit value of $133bn was significantly higher than in Q1 2019, where exits value constituted just $44bn. Q2 2019 value is in line with Q3 2018 and the peak exit market in 2014-2015, suggesting Q1 2019 figures were a dip rather than a trend. The decline in the number of buyout exits is largely as a result of a fall in trade sales, with the number of IPOs and sale to GPs remaining stable.

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	-0.4	5.6
BCPV	3.2	0.0	3.9	0.7	0.0
CEPIII	5.8	0.2	0.0	2.3	8.3
CPV	11.9	0.0	2.9	2.2	11.2
CVCAIII	2.6	0.0	1.8	-0.8	0.0
DHV	1.2	0.0	0.9	-0.3	0.0
FIFV	11.2	0.0	7.1	-4.1	0.0
KKRA	2.1	0.0	0.4	-0.6	1.1
PAIEV	2.6	0.0	2.2	-0.4	0.0
THLVI	12.4	0.0	5.0	-4.9	2.5
TPGAV	5.4	0.0	1.4	-1.6	2.4
WPX	19.8	0.0	14.8	-5.0	0.0
Total	**84.1**	**0.2**	**40.4**	**-12.9**	**31.0**

Figures may not always sum exactly due to rounding.



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

The value of AEVII's portfolio valuation increased marginally from 1.65 times cost to 1.66 times cost over the quarter. This valuation increase was driven by **Cengage Learning** following the introduction of Cengage Unlimited, the industry's first educational content subscription service.

There were no calls or distributions during the quarter.

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

CEPIII's portfolio valuation decreased from 2.26 times cost to 2.25 times cost over the quarter. **Twin Set** and **Addison Lee Group** both declined in the quarter, partially offset by an increase for **The Nature's Bounty Co.**. The fund has five portfolio companies remaining following the exit of **Marelli Motori**.

During the quarter, CEPIII closed on the sale of **Marelli Motori** to Langley Holdings. The deal covers all outstanding debt, with no proceeds due to CEPIII as a result of the business' poor performance.

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

During the quarter, CPV's portfolio value increased from 2.10 times cost to 2.11 times cost. **Dynamic Precision Group**, **Sundyne** and **The Nature's Bounty Co**. generated small uplifts over the quarter. **Pharmaceutical Product Development** was the only investment to detract from performance.

In May, **Accudyne Industries** completed the sale of its Precision Flow Systems business for approximately $1.5 billion. With net proceeds from this sale and a model recapitalisation, CPV received $563.1 million, returning 0.87 times invested capital, while still retaining ownership of **Sundyne** on a standalone basis. CPV also received $0.7 million of cash proceeds related to a dividend payment from **Greater China Intermodal Investments.**

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation decreased marginally from 2.21 times cost to 2.20 times cost. There are three remaining investments in the portfolio, including a listed position **Coffee Day Resorts**, which decreased in value over the quarter, and privately held **MMI Holdings** and **Santanol,** which both remained constant.

KKRA distributed proceeds of $61 million in the quarter following a partial exit of **MMI Holdings**.

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

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

The value of THLVI decreased marginally over the quarter but remained valued at 1.89 times cost. Performance was predominantly driven by valuation declines of **Ceridian HCM Holdings,** Inc ('Ceridian') and **Party City. MoneyGram International** was the only material uplift over the period. All three of these assets are publicly-listed.

THLVI generated $938 million in the second quarter following the closing of the secondary sale of its interests in **Syneos Health**, **Univision, 1-800 Contacts**, **Prime Risk Partners** and **Juvare** to a THL-managed fund. Post quarter end, the fund also completed a further secondary offering of **Ceridian** stock generating $165 million for Limited Partners**.**

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation declined from 1.71 times cost to 1.70 times cost. This performance was driven by modest but broad based declines across the portfolio, particularly in the listed positions.

Realisation activity over the quarter included $305 million of proceeds received from further secondary share sales of **China International Capital Corporation**, and $71 million of proceeds received from further secondary share sales of, and dividends from, **Ingham's**.

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	5.6	1.12	1.24	-0.01	4.2
BCPV	56.7	94.5	0.0	1.64	1.64	0.01	8.9
CEPIII	66.4	96.2	8.3	1.53	1.65	0.02	11.3
CPV	57.3	81.9	11.2	1.60	1.75	0.03	12.8
CVCAIII	16.6	83.0	0.0	1.55	1.55	-0.04	12.9
DHV	53.0	97.1	0.0	1.23	1.23	0.00	4.2
FIFV	24.9	99.5	0.0	0.83	0.83	-0.17	-2.0
KKRA	35.0	100.0	1.1	1.72	1.75	-0.01	13.8
PAIEV	9.6	94.1	0.0	1.63	1.63	-0.02	8.9
THLVI	47.6	95.3	2.5	1.47	1.52	-0.05	6.8
TPGAV	16.8	83.8	2.4	1.21	1.34	-0.08	5.5
WPX	50.0	100.0	0.0	1.47	1.47	-0.07	7.0
Total investments	**475.4**	**94.0**	**31.0**	**1.45**	**1.51**	**-0.02**	**8.1**
Cash, accruals and other assets			51.2				
Total fund	**464.3**	**90.0**	**82.2**	**1.28**	**1.46**	**-0.02**	**5.9**

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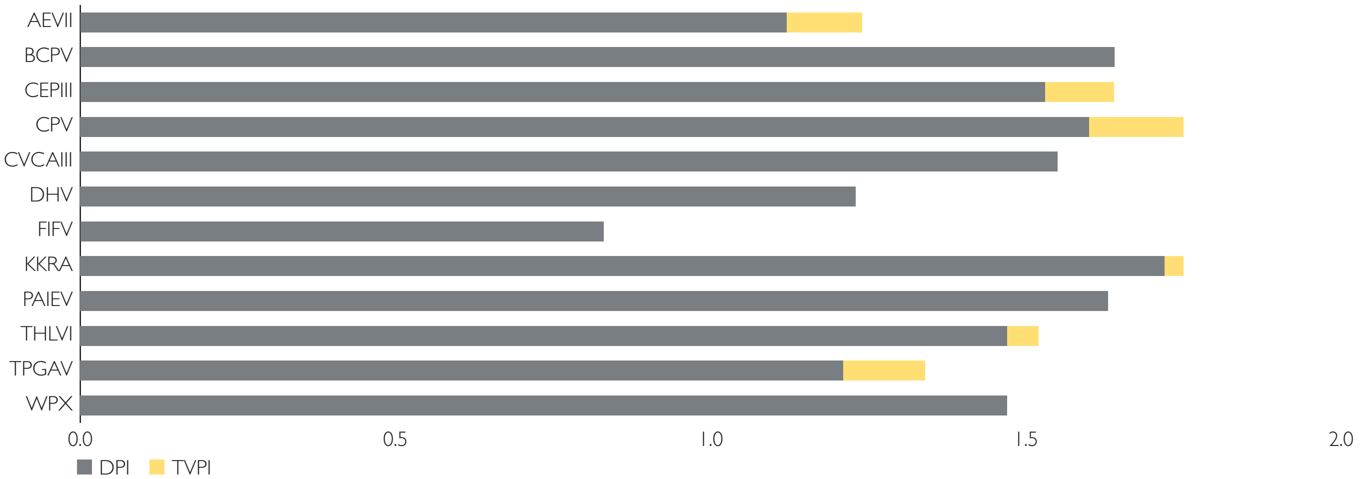
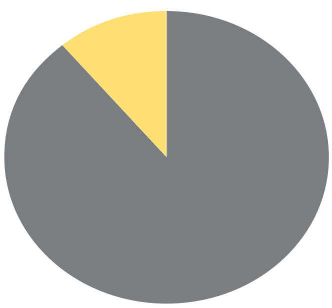


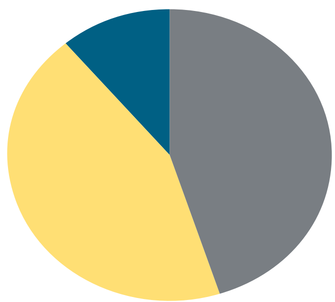
Portfolio breakdown by underlying fund

Fund strategy



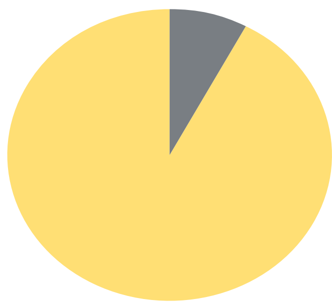
■	Buyout	89
■	Growth	11

Fund geography



■	Europe	45
■	North America	44
■	Asia/Oceania	11

Fund vintage



■	2006	8
■	2007	92

All amounts are as a percentage of total investment NAV at 30 June 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
Philippines	<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	<1.0

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.

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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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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