

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

REPORT AND VALUATION

31 DECEMBER 2019

Summary as at 31 December 2019

	Total (US\$)	Typical LP* (US\$)
Commitment	515,890,000	250,000
Drawdowns	464,301,000	225,000
Distributions	651,569,070	315,750
Unaudited NAV	24,975,772	12,103

* 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

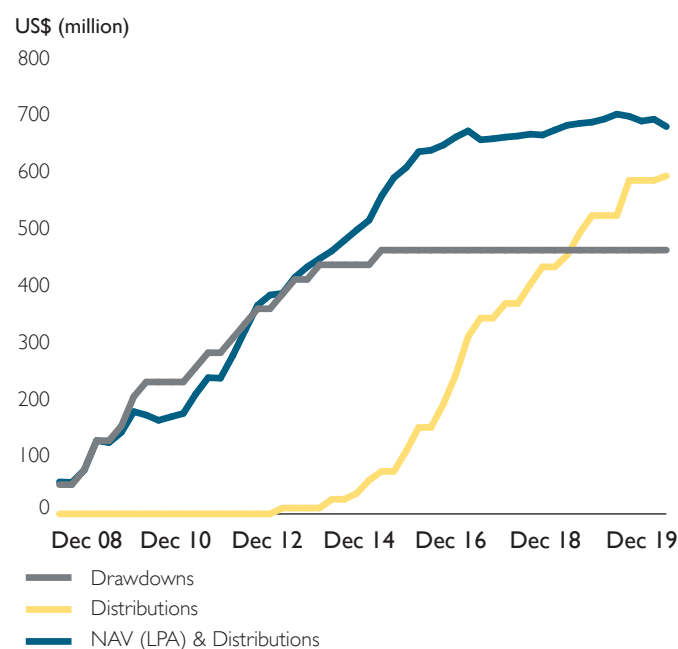
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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	1.46x
DPI	1.4x
IRR	5.9%
% drawn down	90.0% ²

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

Please note that any valuation, performance and/or portfolio review information included in this Report, unless expressly stated, does not reflect the recent outbreak of COVID-19 and subsequent events related thereto.

Liquidity Offer

As mentioned in prior quarters, in the second quarter of 2019, the General Partner of the Partnership sought to capitalize on strength in the secondary market, and high market valuations more generally, to accelerate liquidity for investors. 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 which the General Partner elected to accept, with transfers of the underlying funds being progressed as timeously as possible.

As at 31 December 2019, there were three remaining funds to be transferred: Carlyle Europe Partners III ('CEPIII'), Carlyle Partners V LP ('CPV') and Thomas H Lee Fund VI LP ('THLVI'). Despite the best efforts of the Investment Manager, unfortunately, the final three transfers could not be executed as a result of the COVID-19 crisis. The Investment Manager will continue to review the market for secondary opportunities.

This report reflects the valuation of each of the underlying investments based on sale amounts as agreed between the relevant parties in local currency, as adjusted by interim cashflows until such time as the underlying investments are transferred. Reported performance in this report may therefore differ from the performance of the underlying funds in the quarter.

Partnership summary

During the fourth quarter of 2019, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') remained unchanged at 1.46 times cost. This reflects prices agreed under the liquidity offer.

CPELPII was able to make a distribution of \$46.4 million to Limited Partners over the quarter taking total distributions since inception to \$651.6 million, or 140.3% of drawn commitments. With regard to the underlying funds, CPELPII received \$0.9 million in distribution proceeds during the quarter, predominantly following further distributions from THLVI, and also following a distribution from 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. The remaining 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 2022³

Market overview

The global economy remained subdued, having been heavily impacted by the US and China trade tensions. However, tensions showed signs of easing towards the end of the quarter, with a preliminary deal signed in December 2019 and news out of Washington that a fifth wave of planned tariffs had been shelved, although many material issues remained unresolved.

The combination of the trade tensions and weaker near-term activity had prompted further downward revisions to global growth forecasts. In the UK, Brexit remained a contentious issue. The UK Prime Minister's strong domestic mandate provided some clarity around the next steps in the Brexit process, however a trade deal with the EU remains to be agreed. Elsewhere, the US growth rate was revised up from prior forecasts, with the economy expected to grow by 2.0% in 2020. In the Eurozone and Japanese economies, growth is expected to be low.

The emerging market economies remained sluggish, driven principally by China. Issues such as currency, high levels of debt and economic rebalancing have the potential to go awry. A deleveraging campaign combined with the untimely trade tensions led to a slowdown in Chinese activity and a significantly weakened RMB which will inevitably have a knock on effect across other emerging markets.

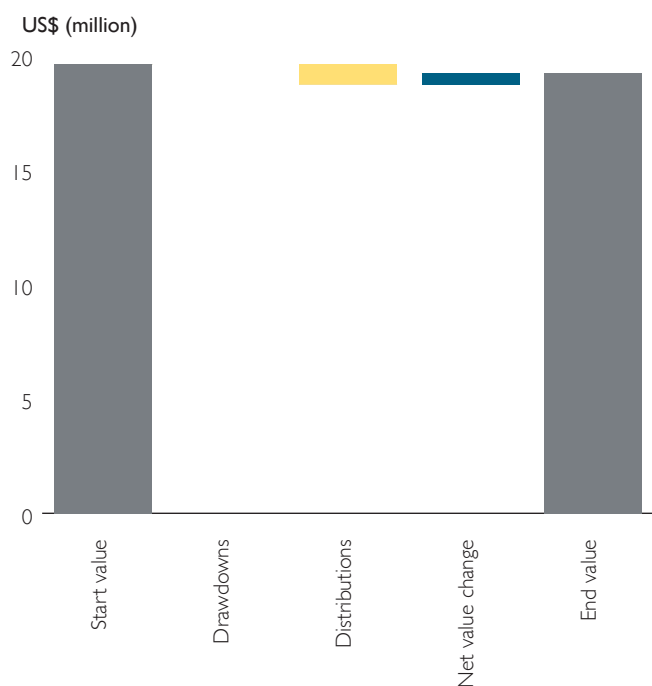
The fourth quarter of 2019 saw 1,072 private equity-backed buyout deals recorded globally, totalling \$100bn of enterprise value. This marks a fall in number of deals from the 1,279 recorded in Q3 2019 but there has been an increase from the Q3 value of \$94bn. As in prior quarters, the majority of the volume came from buyout deals in North America and Europe, which represented 52% and 38% of total Q4 volumes respectively. Deal values were broadly in line with Q3 2019 in North America and Europe, at \$47bn and \$33bn respectively, while the \$18bn of value recorded in Asia during the quarter represented a significant increase from the Q3 total of \$6.3bn.

The number of buyout exits announced declined to 338 in Q4 2019, from 449 in the prior quarter. Exit value of \$55bn was also significantly below the Q3 2019 total of \$84bn. The decline in the value of trade sales and sales to GPs was partially offset by a marked increase in the value of IPO exits, totalling \$32bn in the quarter, up from \$13bn in Q3 2019.

Quarterly portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	-	0.0	0.0	0.0	0.0
BCPV	-	0.0	0.0	0.0	0.0
CEPIII	7.9	0.0	0.0	0.3	8.2
CPV	11.2	0.0	0.2	0.0	11.0
CVCAIII	-	0.0	0.0	0.0	0.0
DHV	-	0.0	0.0	0.0	0.0
FIFV	-	0.0	0.0	0.0	0.0
KKRA	-	0.0	0.0	0.0	0.0
PAIEV	-	0.0	0.0	0.0	0.0
THLVI	0.5	0.0	0.7	0.2	0.0
TPGAV	-	0.0	0.0	0.0	0.0
WPX	-	0.0	0.0	0.0	0.0
Total	19.6	0.0	0.9	0.5	19.2

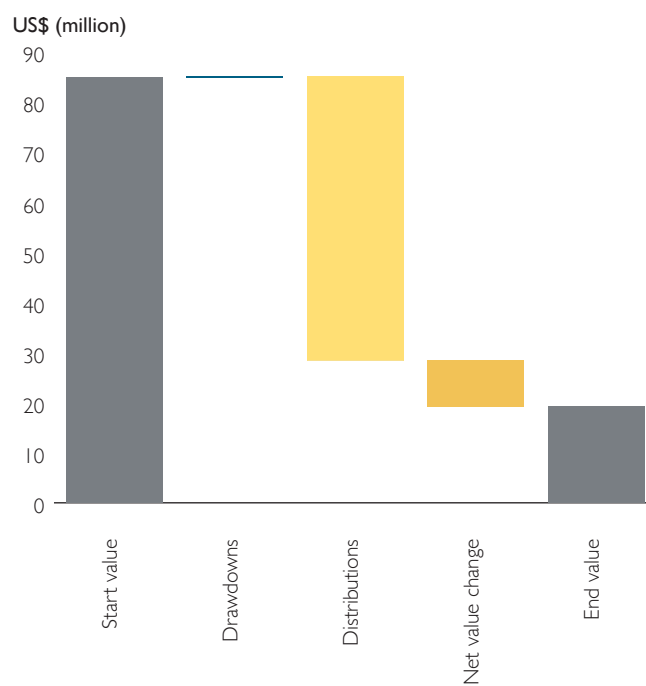
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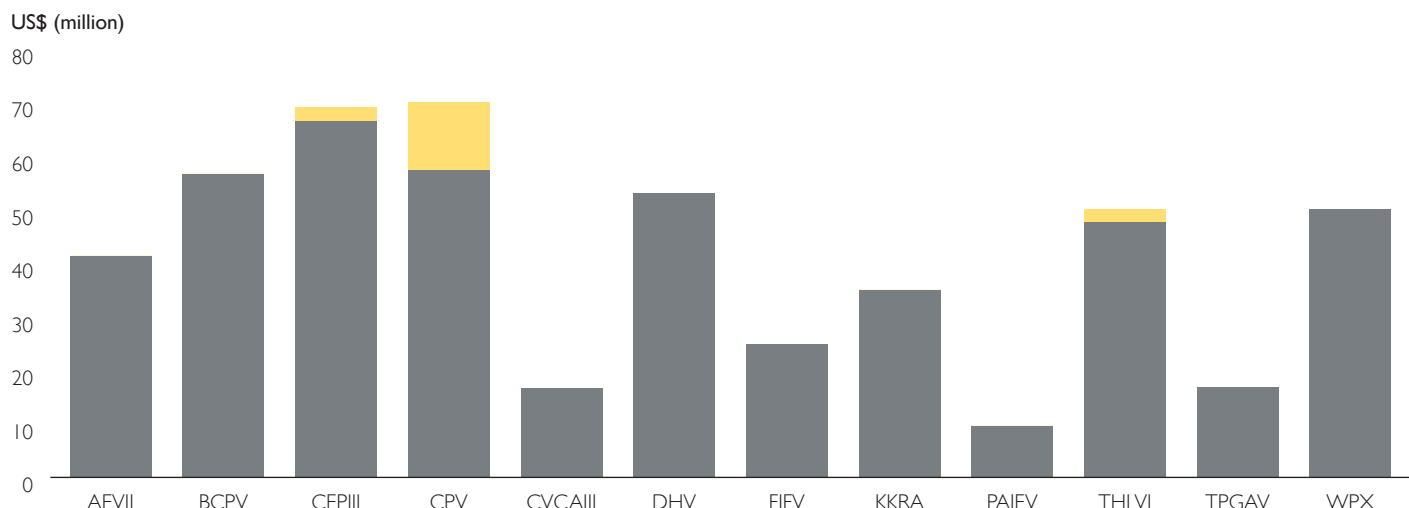
Annual portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	6.0	0.0	5.4	-0.6	0.0
BCPV	3.3	0.0	3.9	0.6	0.0
CEPIII	6.0	0.5	0.0	1.7	8.2
CPV	11.8	0.0	3.1	2.3	11.0
CVCAIII	2.8	0.0	2.0	-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	2.6	0.0	2.1	-0.5	0.0
PAIEV	2.5	0.0	2.3	-0.2	0.0
THLVI	12.5	-0.2	10.1	-2.2	0.0
TPGAV	5.3	0.0	3.8	-1.5	0.0
WPX	19.7	0.0	16.1	-3.6	0.0
Total	84.8	0.3	56.7	-9.2	19.2

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Portfolio commitments and net drawdowns



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

CEPIII's portfolio valuation decreased from 2.25 times cost to 2.23 times cost over the quarter. This decrease was driven by broad based declines, including **AMEOS Group Holdings**, **Twin Set** and **mydentist**.

There was no exit activity during the quarter but CPV received \$0.1 million of proceeds from a partial tax escrow release related to the 2017 partial sale of **The Nature's Bounty**. There are five remaining companies left in the portfolio.

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

During the quarter, CPV's portfolio remained unchanged at 2.12 times cost. The majority of the residual portfolio produced uplifts, however, including **Dynamic Precision Group**, **Sequa Corporation's Preferred Equity**, **Sundyne** and **Nature's Bounty**.

CPV received \$0.4 million of proceeds related to the aforementioned partial tax escrow release of **Nature's Bounty**, and a further \$0.5 million from a recovery of bankruptcy proceedings from a subsidiary of **Greater China Intermodal Investments**.

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

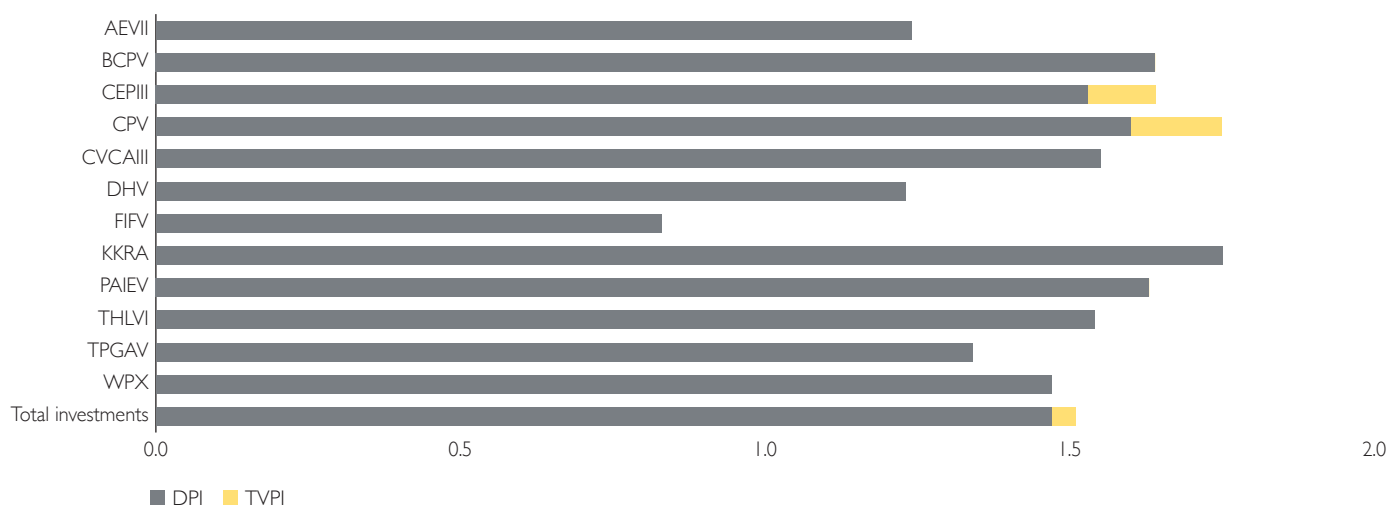
The value of THLVI increased from 1.89 times cost to 1.90 times cost over the quarter. Performance was predominantly driven by valuation uplifts in **Ceridian HCM Holdings** and **FleetCor Technologies, Inc**, partially offset by a decline in **Party City**.

During the fourth quarter, the fund was able to complete a partial sale of **Ceridian** stock as well as finalising the distribution in kind of the fund's remaining holdings in publicly-listed **Party City** and **MoneyGram International**. Post quarter end, the fund was able to complete an additional partial sale of **Ceridian** stock.

Portfolio performance

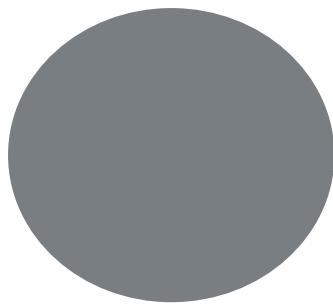
Investee fund	Net drawn (US\$ million)	% drawn	NAV (US\$ million)	DPI	TVPI	Quarter TVPI change	Annual TVPI change	IRR (%)
AEVII	41.4	100.0	0.0	1.24	1.24	0.00	-0.01	4.2
BCPV	56.7	100.0	0.0	1.64	1.64	0.00	0.01	8.9
CEPIII	66.5	96.3	8.2	1.53	1.65	0.01	0.02	11.2
CPV	57.3	81.9	11.0	1.60	1.75	0.00	0.03	12.7
CVCAIII	16.6	100.0	0.0	1.55	1.55	0.00	-0.04	12.9
DHV	53.0	100.0	0.0	1.23	1.23	0.00	0.00	4.2
FIFV	24.9	100.0	0.0	0.83	0.83	0.00	-0.17	-2.0
KKRA	35.0	100.0	0.0	1.75	1.75	0.00	-0.01	13.8
PAIEV	9.6	100.0	0.0	1.63	1.63	0.00	-0.02	8.9
THLVI	47.7	95.3	0.0	1.54	1.54	0.02	-0.03	6.9
TPGAV	16.8	100.0	0.0	1.34	1.34	0.00	-0.08	5.5
WPX	50.0	100.0	0.0	1.47	1.47	0.00	-0.07	7.0
Total investments	475.4	96.4	19.2	1.47	1.51	0.00	-0.02	8.1
Cash, accruals and other assets			5.8					
Total fund	464.3	90.0	25.0	1.40	1.46	0.00	-0.02	5.9

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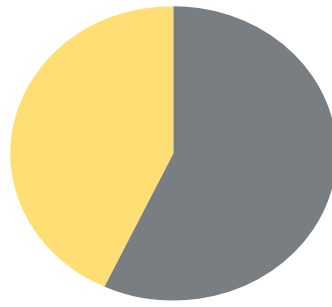
Portfolio breakdown by underlying fund

Fund strategy



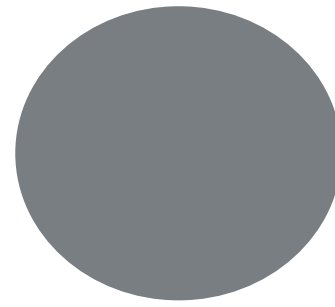
■ Buyout 100

Fund geography



■ North America 57
■ Europe 43

Fund vintage

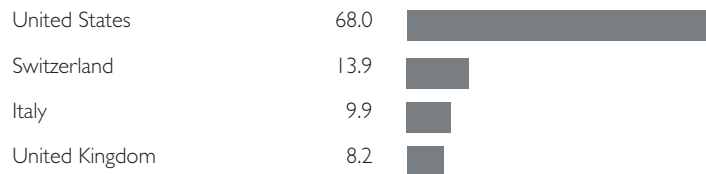


■ 2007 100

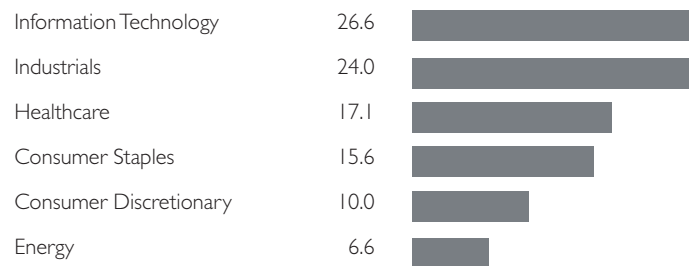
Figures may not always sum exactly to 100 due to rounding.
All amounts are as a percentage of total investment NAV at 31 December 2019.

Portfolio breakdown by underlying portfolio company

Geographic breakdown



Sector breakdown



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Underlying holdings by FMV

Company	Fund	Geography	Sector	% of FMV
Syniverse Technologies, Inc.	Carlyle V	United States	Information Technology	19.0
NBTY, Inc.	Carlyle V / CEP III	United States	Consumer Staples	11.1
Ameos AG	CEP III	Switzerland	Healthcare	9.9
Sequa Corp.	Carlyle V	United States	Industrials	7.6
Twin Set	CEP III	Italy	Consumer Discretionary	7.1
Accudyne Industries (fka Hamilton Sundstrand Industrial)	Carlyle V	United States	Industrials	5.4
ASCO Group Ltd	Doughty V	United Kingdom	Energy	4.7
Dynamic Precision Group(fka Paradigm Precision Holdings LLC)	Carlyle V	United States	Industrials	4.1
X-Co Holdings	Carlyle V	United States	Healthcare	1.2
Integrated Dental Holdings	CEP III	United Kingdom	Healthcare	1.1
Getty Images, Inc.	Carlyle V	United States	Consumer Discretionary	0.1
Total				71.3

Figures may not always sum exactly 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.

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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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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.

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