

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

QUARTERLY REPORT AND VALUATION

1 JULY 2020 – 30 SEPTEMBER 2020

Summary as at 30 September 2020

	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	15,653,174	7,586

* 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

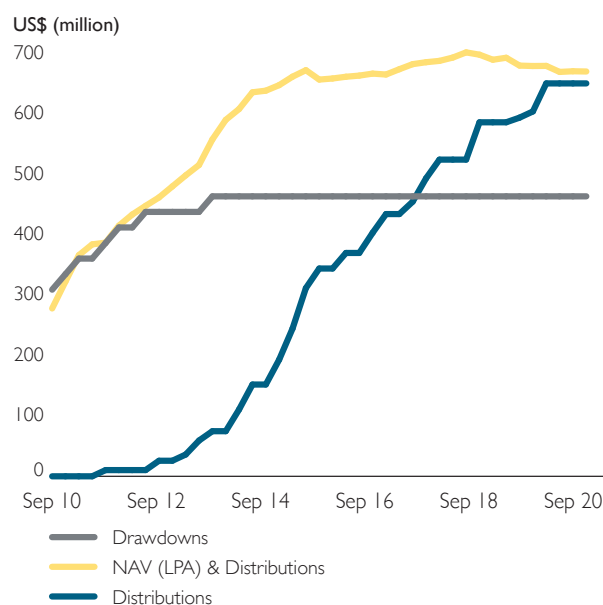
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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 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.

CPELPII performance: drawdowns, net asset value and distributions



Performance

TVPI	1.44x
DPI	1.40x
IRR	5.7%
% drawn down	90.0% ²

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

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 binding offers for the underlying funds which the General Partner elected to accept.

As at 30 September 2020, one fund remained to be transferred: Thomas H Lee Fund VI LP ('THLVI'). This transfer completed on 1 October 2020. Following receipt of proceeds in respect of these transfers, the General Partner will consider an appropriate amount to distribute while maintaining sufficient reserves for expenses and potential future liabilities.³

This report reflects the valuation of THLVI based on sale amounts as agreed between the relevant parties, as adjusted by interim cashflows to 30 September 2020. Reported performance in this report may therefore differ from the performance of the underlying funds in the quarter.

Partnership summary

During the third quarter of 2020, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') remained unchanged at 1.44 times cost.

CPELPII was not able to make a distribution to Limited Partners over the quarter meaning total distributions since inception remained at \$651.6 million, or 140.3% of drawn commitments. With regard to the underlying funds, CPELPII received \$0.5 million in proceeds during the quarter following distributions 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 final transfer of THLVI completed on 1 October 2020.³

Reporting and Distributions

As CPELPII no longer has any remaining investments, the format of the client reports will be revised to include a brief update on the Partnership summary, including any distributions to Limited Partners during the period, and guidance on the expected final wind-up timeline.³ The 30 September 2020 client report will be the final report in the current format. Additionally, client reports will be issued on a semi-annual basis for the periods ended June and December.

Distributions to investors will continue to be assessed on the same frequency pursuant to the terms of the LPA. A further distribution is expected in the first quarter of 2021.

Market overview

The global economy sprung back to life following an extraordinarily deep and synchronised contraction between February and April. Activity rebounded impressively in most countries between May and July as Covid related restrictions were eased, setting the stage for an annualised 20% rise in global GDP in the third quarter. The strength of this initial upswing led to upward revisions to global growth forecasts this year; however, while not as bad as previously feared, projected contractions would still be the worst outcome since the 1940s.

The US economy delivered an impressive rebound through the summer, with generous fiscal policy support alongside a significant easing in Covid restrictions helping activity bounce back from depressed levels. However, while this progress is undoubtedly positive, there is a risk that policy mistakes serve to undermine the nascent recovery.

The coronavirus crisis is likely to result in permanent damage to the trend path of global GDP, even if the immediate health crisis is ameliorated by a vaccine. Balance sheet repair, labour market and 'belief' scarring, and policy errors are all potential channels for this long term damage to occur. From a private equity perspective, we are slowly beginning to see new deals and exit activity returning with corresponding drawdown and distribution activity. Historically, private equity has performed well during periods of market dislocation.

The third quarter of 2020 recorded 1,042 private equity-backed buyout deals globally, totalling \$102bn of enterprise value. This was a notable bounce on Q2 2020, with 954 deals and total enterprise value of \$60bn recorded. We believe private equity managers have been keen to deploy dry powder in what may prove to be a strong vintage. As with quarters prior, the US and Europe reported the highest number of deals at 55% and 35% of total global deals, respectively. US deal volume of 572 recovered well from Q2 2020 at 466, and deal value of \$62bn was slightly higher than pre-pandemic figures, perhaps a result of a snap-back in financing conditions helped by a powerful monetary response from the Federal Reserve. Europe's recovery has been somewhat slower, with deal volume up 12% to 364 and deal value up 130% to \$19bn, albeit still materially below the pre-pandemic figure of \$37bn.

Exit activity was particularly strong in Q3 2020 with global buyout exits up 27% by volume to 379 and over three times by value to \$120bn. In line with historical trends, trade sales and sales to General Partners accounted for the vast majority of exit routes at 52% and 27% of total volume, respectively.

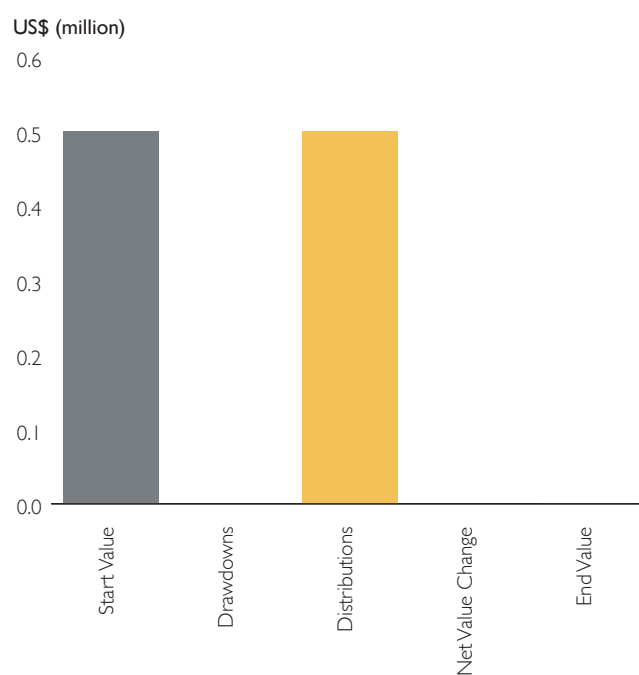
Sources: Ipes (Guernsey) Limited, Aberdeen Asset Managers Limited.

³The liquidation of CPELPII may not commence until a period of 12 months following the date of the final transfer in the event that any claims are raised in respect of the transfers.

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	-	0.0	0.0	0.0	0.0
CPV	-	0.0	0.0	0.0	0.0
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	0.5 ⁴	0.0	0.0
TPGAV	-	0.0	0.0	0.0	0.0
WPX	-	0.0	0.0	0.0	0.0
Total	0.5	0.0	0.5⁴	0.0	0.0

Figures may not always sum exactly due to rounding.



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

THLVI successfully concluded its divestment period in the quarter:

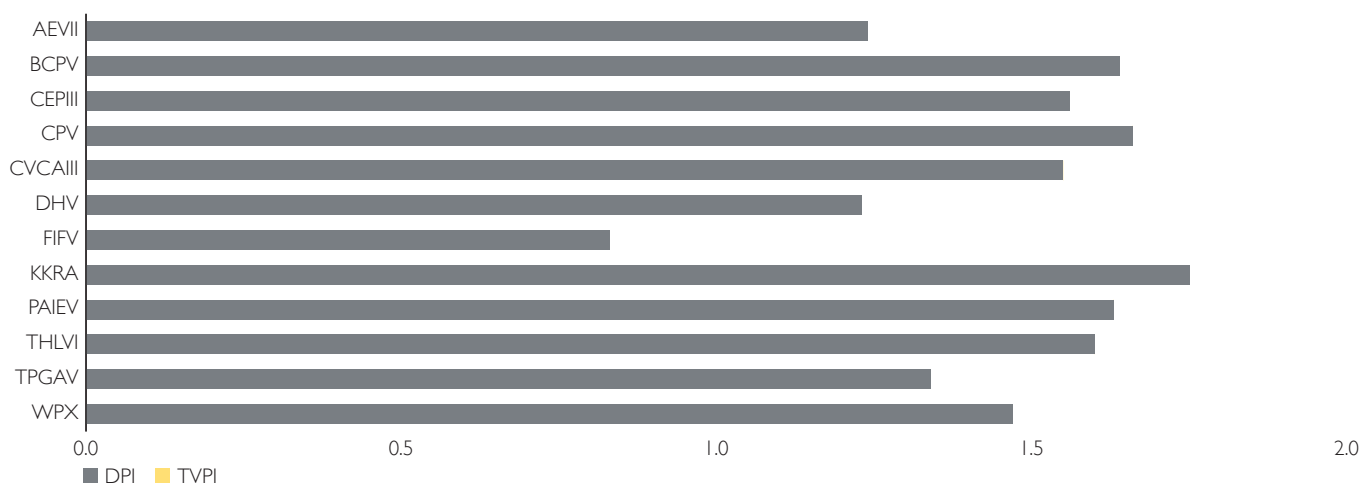
The fund distributed \$99 million to Limited Partners during the third quarter of 2020 following exits of the fund's remaining shares in **Ceridian** and **FleetCor Technologies**, as well as the sale of **ServiceLink** to Fidelity National Financial.

⁴After adjustment for the transfer on October 1st.
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	100.0	0.0	1.24	1.24	0.00	4.2
BCPV	56.7	100.0	0.0	1.64	1.64	0.00	8.9
CEPIII	66.4	100.0	0.0	1.56	1.56	0.00	10.4
CPV	57.7	100.0	0.0	1.66	1.66	0.00	12.0
CVCAIII	16.6	100.0	0.0	1.55	1.55	0.00	12.9
DHV	53.0	100.0	0.0	1.23	1.23	0.00	4.2
FIFV	24.9	100.0	0.0	0.83	0.83	0.00	-2.0
KKRA	35.0	100.0	0.0	1.75	1.75	0.00	13.8
PAIEV	9.6	100.0	0.0	1.63	1.63	0.00	8.9
THLVI	47.7	100.0	0.0	1.60	1.60	0.00	7.4
TPGAV	16.8	100.0	0.0	1.34	1.34	0.00	5.5
WPX	50.0	100.0	0.0	1.47	1.47	0.00	7.0
Total investments	475.7	100.0	0.0	1.49	1.49	0.00	7.9
Cash, accruals and other assets			15.7				
Total fund	464.3	90.0	15.7	1.40	1.44	0.00	5.7

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



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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