

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

QUARTERLY REPORT AND VALUATION

1 APRIL 2016 – 30 JUNE 2016

Summary as at 30 June 2016

	Total (US\$)	Typical LP* (US\$)
Commitment	515,890,000	250,000
Drawdowns	464,301,000	225,000
Distributions	370,409,020	179,500
Unaudited NAV	289,998,228	140,533

* 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

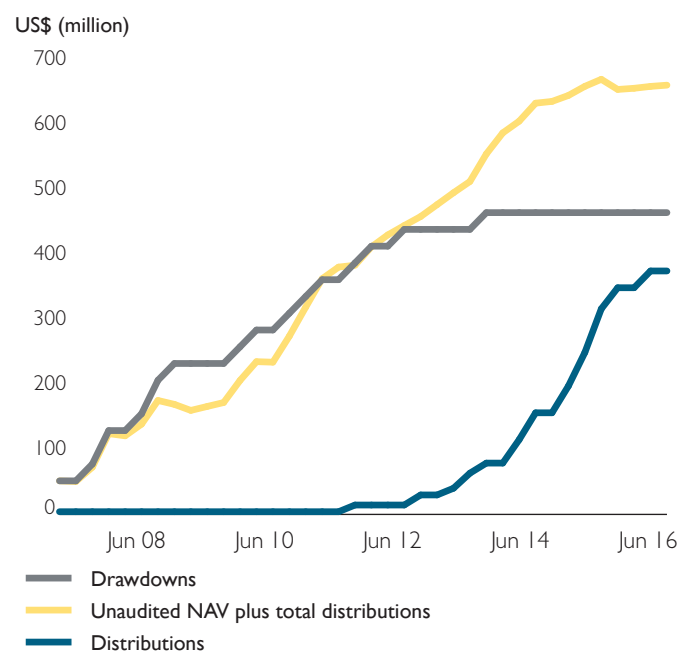
Portfolio overview

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

CPELPII performance: drawdowns, net asset value and distributions



Performance

TVPI	1.42x
DPI	0.80x
IRR	6.3%
% drawn down	90.0%

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

Partnership summary

During the second quarter of 2016, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') remained unchanged at 1.42 times cost as at 30 June 2016. The funds generating the more substantial valuation uplifts over the quarter included KKR Asia ('KKRA'), TPG Asia V ('TPGAV') and Thomas H Lee VI ('THLVI'). Fortress Investment Fund V ('FIFV') and Carlyle Europe Partners III ('CEPIII') detracted from these gains.

CPELPII did not make a distribution to limited partners during the quarter and therefore total distributions remain at 71.8% of committed capital. With regard to the underlying funds, CPELPII received \$20.7 million in distribution proceeds during the quarter, the most significant of which coming from CEPIII, Carlyle Partners V ('CPV') and Blackstone Capital Partners V ('BCPV').

CPELPII did not make a drawdown from limited partners during the quarter. Post quarter-end, CPELPII approved the release of 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. The underlying funds called \$2.5 million from CPELPII, driven primarily by THLVI, which called capital to fund a number of follow-on investments prior to the end of its follow-on investment period. All underlying funds have now moved beyond their commitments periods. The emphasis is now on realisations and distributions in the underlying portfolios as the funds move into the latter stages of their lives.

Market review

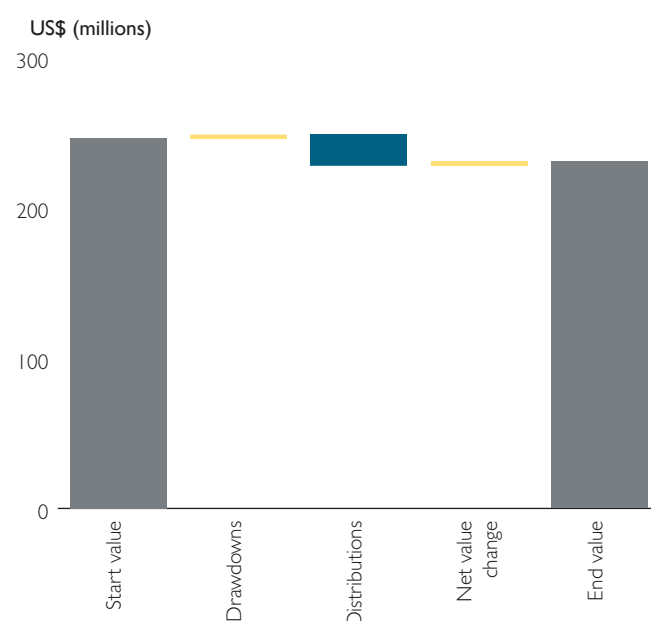
Global economic growth in 2016 and 2017 is likely to remain well below the average levels seen over the past 30 years. The uncertainty created by the UK's vote to exit the European Union is one factor weighing on the outlook. Moreover, even prior to the referendum vote, investment activity and imports of capital goods across the main economies had been trending down, and there were signs that employment growth in the US was slowing. Meanwhile, inflation dynamics in the Eurozone and Japan remain very weak. We also anticipate additional monetary policy accommodation by the European Central Bank and the Bank of Japan. At the same time, the US Federal Reserve is likely to keep interest rates unchanged at least until the end of the year. The continued decline in global bond yields makes the option of supporting growth through fiscal stimulus more attractive, but political considerations stand in the way of raising government spending in many economies. All this means that the risks to our already-subdued forecasts for global growth are to the downside.

In private equity, the second quarter 2016 saw an increase in the number of global private equity ('PE') backed buyout transactions to 1,004 (first quarter 2016: 874), with the aggregate deal value rising to \$89bn (first quarter 2016: \$50bn). This increase in transaction activity from the first quarter to the second quarter is in line with previous years, where the first quarter has consistently experienced the lowest volume of transactions for the last three years, however the strong 78% bounce back in deal value from a disappointing first quarter is a sign that managers are prepared to pay elevated entry prices amidst strong competition for deals. North America continues to deploy the highest amounts of capital with 64% of the global aggregate deal value (\$57bn), followed by Europe with 28% of the global aggregate deal value (\$28bn). Information technology remained the most attractive sector from a capital allocation perspective, closely followed by Industrials. An increasing proportion of the deals came in above the \$1bn level¹.

During the second quarter 2016, there were 434 (first quarter 2016: 343) global buyout exits with an aggregate value of \$90bn (first quarter 2016: \$62bn), which again represented a bounce back from the lows of the first quarter 2016. However, it is still significantly less than the same period last year (second quarter 2015: \$126bn). Trade sales continued to be the most common exit route, with 50% of exits executed in this manner, down from 63% in the first quarter 2016. Secondary buyouts were the second most common exit route at 31%, up slightly from 29% in first quarter 2016. Initial public offering ('IPO') activity increased in the second quarter as markets were cautiously optimistic prior to Brexit and following the volatility experienced in financial markets in first quarter 2016².

Quarterly portfolio investment activity (US\$ millions)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	16.6	0.0	0.0	-0.1	16.5
BCPV	24.9	0.0	3.0	0.2	22.1
CEPIII	32.4	0.2	7.9	-0.7	24.0
CPV	38.2	0.3	5.5	0.2	33.2
CVCAIII	6.6	0.0	1.1	0.1	5.6
DHV	14.7	0.0	0.0	-0.2	14.5
FIFV	19.0	0.0	1.7	-1.1	16.2
KKRA	19.6	0.1	0.0	1.2	20.9
PAIEV	5.5	0.0	0.0	0.3	5.8
THLVI	35.1	1.8	0.0	1.1	38.0
TPGAV	7.7	0.1	0.1	1.2	8.9
WPX	25.9	0.0	1.5	0.8	25.2
Total	246.1	2.5	20.7	2.8	230.7



Figures may not always sum exactly due to rounding.

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

The value of AEWII's portfolio increased marginally over the quarter moving from 1.69 times cost to 1.70 times cost. Investments that demonstrated the largest increases in value were **Epicor**, which subsequent to quarter end signed an agreement of sale to KKR, and **Tivit**, while **Acelity** partially offset these gains.

During the quarter, the fund realised €102 million primarily from the partial sale of shares in **Auto Trader**. Other activity included the aforementioned agreement of sale of **Epicor** to KKR for an enterprise value of \$3.3 billion which, once completed, will represent a realised gross multiple of 4.4 times cost and gross IRR of 41%. Furthermore, the fund agreed the sale of **Trader Corporation** to Thoma Bravo which is expected to close in September 2016.

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

During the quarter, BCPV's portfolio valuation remained unchanged at 1.86 times cost. Both the publicly listed and privately-held companies within the portfolio increased marginally over the quarter with **PFG** and **Allied Barton** producing the only material valuation increases, while **Catalent** and **SeaWorld** produced the only material valuation declines.

The fund had another active quarter in terms of realisations, generating \$1.5 billion in proceeds, primarily from the sale of shares in the portfolio's publicly listed investments. \$0.7 billion was generated from the sale of shares in **NXP Semiconductor**, \$0.3 billion from the sale of shares in **PFG**, \$0.2 billion from the sale of shares in **Catalent** and \$0.2 billion from the sale of shares in **Summit**. All sales were partial exits.

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

CEPIII's portfolio valuation remained unchanged at 2.16 times cost during the quarter. Valuation uplifts produced by **Alloheim** and publicly-listed **CommScope** were offset by valuation declines in **Axalta Coating Systems** and **Multi Packaging Solutions**, whose share prices fell over the quarter.

In terms of realisation activity, CEPIII sold its remaining shares in publicly-traded **Applus Services** returning a total of €662 million in proceeds to the fund, the equivalent of 2.12 times cost. The previously-reported sale of **RAC Limited** to CVC Capital Partners was also completed in April, generating 3.78 times cost. There was a number public share sell-downs in portfolio companies **CommScope**, **Axalta Coating Systems** and **Multi Packaging Solutions**. Finally, Carlyle signed an agreement for the sale of **Sagemcom Group** to Charterhouse Capital Partners in June. The transaction is expected to close late in the third quarter of 2016.

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

During the quarter, CPV's portfolio increased from 1.93 times cost to 1.94 times cost. The biggest drivers of the uplift included **Pharmaceutical Product Development**, and publicly-listed, **CVC Brasil Operadora** and **Commscope**. Somewhat detracting from these gains was **NBTY** and publicly-listed **Axalta Coating Systems**.

The fund generated approximately \$1.2 billion in proceeds over the quarter due in large part to completed block trades of shares of Axalta Coating Systems, Booz Allen Hamilton and Commscope. All sales were partial exits with Carlyle maintaining ownership stakes in the three companies.

CVC Capital Partners Asia Pacific III ('CVCAIII')

CVC Asia III's portfolio valuation remained unchanged during the quarter at 1.94 times cost. Uplifts were produced in portfolio companies **QSR Brands**, **SPi Global** and **EIC** while the valuations of **Da Niang Dumplings** and **SRS Korea** declined in value.

During the quarter, the fund agreed the divestiture of the **Stella Group's** remaining shareholding in Helloworld. Proceeds of AUD57.1 million are likely to be distributed in the fourth quarter of 2016. Also over the quarter, the fund completed its final sale of shares in publicly-listed **Matahari** which, in total, has generated an equity multiple of 6.0 times cost, or 63% gross IRR.

Doughty Hanson & Co.V ('DHV')

The value of the Doughty Hanson V portfolio increased over the quarter moving from 1.61 times cost to 1.62 times cost. Of the three remaining unrealised investments, **TMF Group** produced a valuation uplift while somewhat offsetting this gain, **LM Wind Power** and **ASCO** produced small valuation declines.

There were no calls or distributions during the quarter.

Fortress Investment Fund V ('FIFV')

During the quarter, FIFV's main portfolio valuation declined from 1.67 times cost to 1.60 times cost while the co-investment portfolio valuation decreased marginally from 0.80 times cost to 0.79 times cost. The decrease in the main portfolio was largely driven by the share price decline of **OneMain** (formerly **Springleaf**) and **Penn National Gaming**, as well as privately-held **Mapeley**. **Penn National Gaming** and **Mapeley** are also both held in the co-investment portfolio.

Proceeds were received during the quarter following a partial sale of shares in **Penn National Gaming** with the fund retaining a 6.4% stake in the company. Small proceeds were also received from **CW Financial** meaning this investment has already distributed 2.7 times cost with a substantial stake still held in the company.

KKR Asia LP ('KKRA')

During the quarter, KKRA's portfolio valuation increased from 2.06 times cost to 2.11 times cost. This uplift was primarily a result of a valuation increase in the portfolio's largest remaining asset by fair market value, **Alliance Tire Group**. The investment was written up from 3.0 times cost to 3.4 times cost over the quarter. Somewhat detracting from this uplift were small valuation decreases in **Aricent**, **CITIC** and **MMI Holdings**.

There were no calls or distributions over the quarter.

PAI Europe V ('PAIEV')

During the quarter, the valuation of PAI Europe V increased from 1.92 times cost to 1.98 times cost as a result of a valuation uplifts in **R&R Ice Cream**, which moved from 2.5 times cost to 2.8 times cost, **ADB Airfield Solutions**, **IPH**, **Kiloutou** and **Xella**. No portfolio companies declined in value.

It was a quiet quarter in terms of realisation activity, however in April, **R&R Ice Cream** and Nestlé agreed to establish Froneri, a global joint venture in the ice cream sector. The merger will combine activities in Europe, Middle East, North Africa and various other countries such as Australia. PAI and Nestlé will have equal equity interests and the transaction is expected to close by year end.

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

The THLVI portfolio remained valued at 1.82 times cost despite follow-on investments in a number of portfolio companies. The most significant portfolio valuation movements during the quarter included publicly-listed **Black Knight Financial Services**, which increased from 3.7 times cost to 4.1 times cost, and **Systems Maintenance Services (SMS)**, which increased from 3.5 times cost to 4.3 times cost. Somewhat offsetting these uplifts were valuation declines for publicly listed **Party City** and **Fogo de Chao**.

There was no significant realisation activity over the quarter, however given that the fund's follow-on investment period expired in April 2016, follow-on capital was called for **Ceridian**, **CompuCom Systems**, **CTI Foods**, **Intermedix Corporation**, **Phillips Pet Food & Supplies** and **Prime Risk Partners**. Post-quarter end, THLVI signed a definitive agreement to sell **SMS** to Partners Group and **inVentiv Health** executed an equity recapitalisation, stepping back from an initial public offering which was being considered.

TPG Asia V ('TPGAV')

During the quarter, the TPG Asia V portfolio valuation increased from 1.38 times cost to 1.45 times cost. This was principally driven by a valuation uplift for **Ingham's** which increased from 2.9 times cost to 3.8 times cost. Smaller uplifts were produced by **Vishal Megamart** and **Shriram Capital**. The only detractor from performance during the quarter was **UTAC**.

There was no realisation activity during the quarter but small proceeds were received from a dividend paid on shares of **BFI Finance**. There were two small follow-on investments during the quarter. \$15 million was paid to **Vishal Megamart** to fund capital expenditure and working capital for new store expansion, and a smaller investment in **Northstar II** to fund a follow-on investment in Tugu.

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

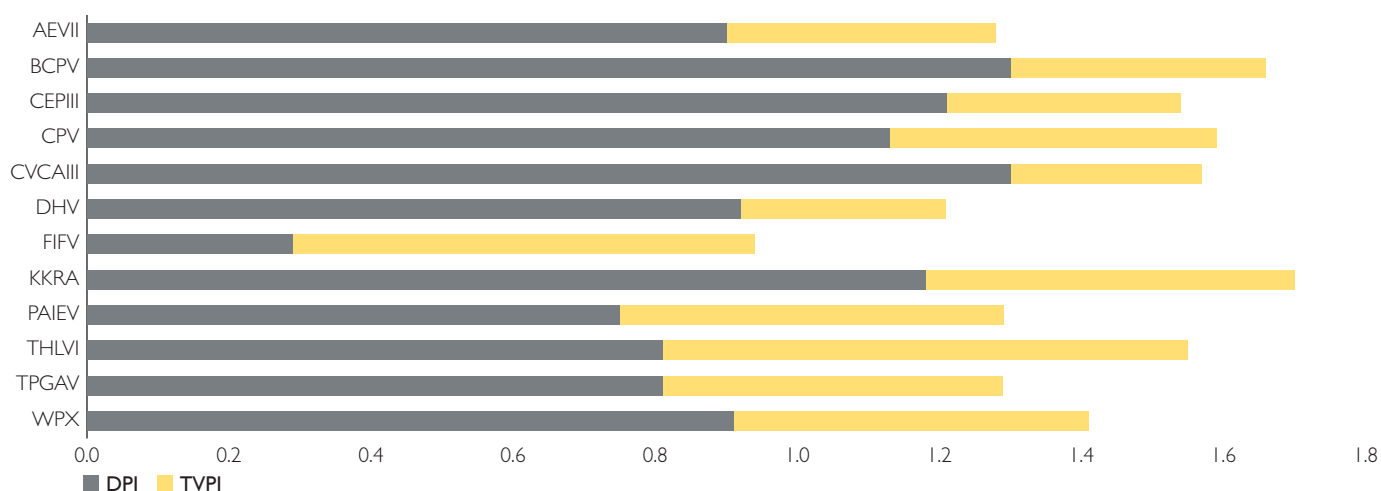
The valuation of WPX's portfolio increased by \$366.7 million in the second quarter, taking the valuation of the portfolio to 1.64 times cost from 1.62 times cost in the first quarter. **e-Shang Redwood** produced the largest increase in valuation with other material uplifts for **Dongjiu**, **Laredo Petroleum** and **Au Financiers**. Somewhat offsetting these valuation uplifts, **Total Safety US** saw its valuation fall from 0.9 times cost to 0.4 times cost.

During the quarter, WPX received \$537 million in proceeds, primarily related to the partial sale of **China Biologic Products** and the sale of **Poundland** to South African-based retailer Steinhoff. The fund was also able to complete \$28 million of follow-on investments during the quarter.

Portfolio performance for the quarter

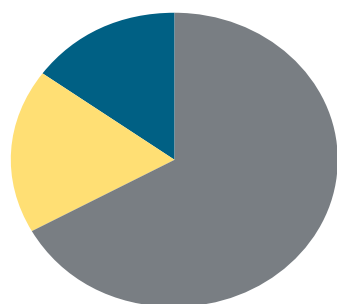
Investee fund	Net drawn (US\$ m)	% drawn	NAV (US\$ m)	DPI	TVPI	Quarter TVPI change	IRR (%)
AEVII	41.1	98	16.5	0.90	1.28	0.00	5.09
BCPV	55.5	92	22.1	1.30	1.66	0.00	9.48
CEPIII	62.9	91	24.0	1.21	1.54	-0.02	10.60
CPV	56.6	81	33.2	1.13	1.60	0.00	12.04
CVCAIII	16.5	82	5.6	1.30	1.57	0.00	13.98
DHV	44.8	82	14.5	0.92	1.20	-0.01	4.13
FIFV	24.9	100	16.2	0.29	0.94	-0.04	-0.88
KKRA	34.0	97	20.9	1.18	1.70	0.03	13.82
PAIEV	9.6	94	5.8	0.75	1.30	0.02	5.56
THLVI	47.6	95	38.0	0.81	1.55	0.00	8.14
TPGAV	17.1	85	8.9	0.81	1.29	0.06	5.70
WPX	50.0	100	25.2	0.91	1.42	0.02	7.36
Total investments	460.5	91	230.7	1.02	1.47	0.01	8.30
Cash, accruals and other assets			59.2				
Total fund	464.3	90	290.0	0.80	1.42	0.00	6.25

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



Portfolio breakdown by underlying fund

Fund strategy



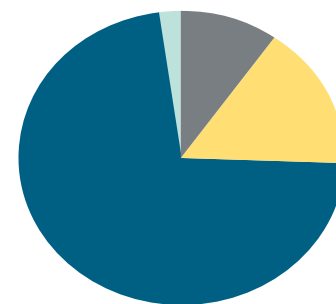
Buyout	67
Other	18
Growth	15

Fund geography



North America	38
Europe	26
Global	21
Asia/Oceania	15

Fund vintage



2005	10
2006	16
2007	72
2008	2

All amounts are as a percentage of total investment NAV at 30 June 2016.
Figures may not always sum exactly to 100 due to rounding.

Portfolio breakdown by underlying portfolio company

Geographic breakdown

United States of America	58.4	
India	6.9	
China	6.3	
United Kingdom	5.4	
Netherlands	4.7	
Australia	2.8	
Canada	2.7	
France	2.0	
Germany	1.7	
Brazil	1.6	
Italy	1.2	
Denmark	0.9	
Switzerland	0.9	
Israel	0.8	
Indonesia	0.8	
Malaysia	0.7	
Philippines	0.5	
Singapore	0.3	
Spain	0.3	
Belgium	0.3	
Hong Kong	0.3	
Bermuda	0.2	
Norway	0.2	
Korea (Republic of)	0.1	
Vietnam	0.1	
Japan	0.1	

Figures may not always sum exactly to 100 due to rounding.
All amounts are as a percentage of total investment NAV at 30 June 2016.

Sector breakdown

Financials	20.4	
Industrials	19.6	
Health Care	16.7	
Consumer Services	13.4	
Consumer Goods	9.3	
Technology	8.8	
Oil & Gas	5.8	
Telecommunications	2.9	
Utilities	2.1	
Basic Materials	0.7	
Other	0.4	

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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