

COUTTS PRIVATE EQUITY LIMITED PARTNERSHIP II

QUARTERLY REPORT AND VALUATION

1 JULY 2019 – 30 SEPTEMBER 2019

Summary as at 30 September 2019

	Total (US\$)	Typical LP* (US\$)
Commitment	515,890,000	250,000
Drawdowns	464,301,000	225,000
Distributions	605,138,970	293,250
Unaudited NAV	71,119,132	34,464

* 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

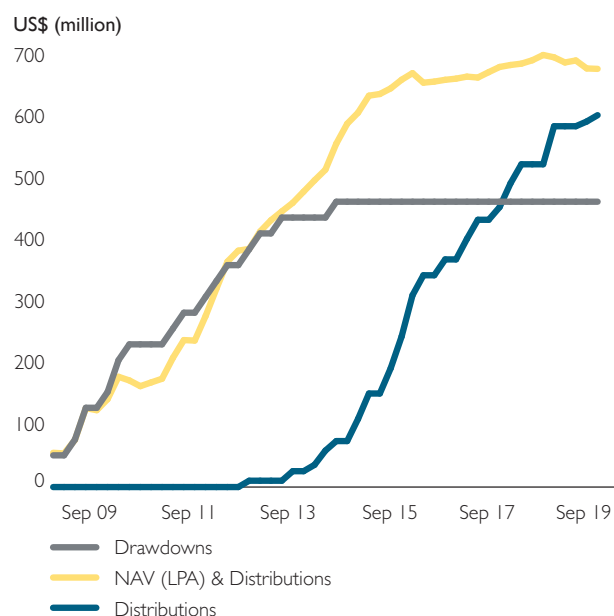
Investee fund	Vintage Year	Strategy	Geography	Investment date	Currency	Commitment (local currency million)
AEVII	2007	Buyout	Europe	Mar 07	EUR	30.0
BCPV	2005	Buyout	Global	Jun 07	USD	60.0
CEPIII	2007	Buyout	Europe	Jul 07	EUR	50.0
CPV	2007	Buyout	North America	May 07	USD	70.0
CVCAIII	2008	Growth	Asia/Oceania	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	1.46x
DPI	1.30x
IRR	5.9%
% drawn down	90.0% ²

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

Liquidity Offer

As mentioned in prior quarter, 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. 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 timeously.

As at 30 September 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'). Further distributions will be made as proceeds are 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 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 third quarter of 2019, the TVPI of the Coutts Private Equity Partnership II ('CPELPII') remained unchanged at 1.46 times cost. This reflects the fact that prices were secured under the liquidity offer.

CPELPII was able to make a distribution of \$10.3 million to Limited Partners over the quarter taking total distributions since inception to \$605.1 million, or 130.3% of drawn commitments. Post quarter end, CPELPII was able to make a further distribution of \$46.4 million to Limited Partners taking total distributions since inception to \$651.6 million, or 140.3% of drawn commitments. With regard to the underlying funds, CPELPII received \$10.9 million in distribution proceeds during the quarter in respect of exits from underlying funds Apax Europe VII ('AEVII'), TPG Asia V ('TPGAV'), and KKR Asian Fund LP ('KKRA'), in addition to 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 General Partner elected to accept an offer for the underlying funds, and transfers of the underlying funds are being progressed timeously, with three of twelve transfers pending at the time of writing. These transfers are expected to complete in the first quarter of 2020.

Market overview

The global economy continues to falter as the trade war between the US and China intensifies. Tensions increased over the summer as President Trump announced a plan to raise existing tariff rates, and add these levies to virtually all Chinese trade by the end of the year. These steps will nearly double the average tariff rate on Chinese imports if implemented, although there is some hope that recent discussions between the US and China may be able to avert this eventuality.

The combination of this escalating trade tensions and weaker near-term activity has prompted further downward revisions to global growth forecasts. Downward adjustments have been broad-based, reflecting the wide reaching impact of trade tensions. In the UK, the risk of a hard Brexit remains. Elsewhere, US growth rates are expected to halve from 2.2% this year to 1.1% in 2020 as tariff measures ratchet up alongside a fading fiscal impulse. In the open Eurozone and Japanese economies, growth is expected to slip further below trend.

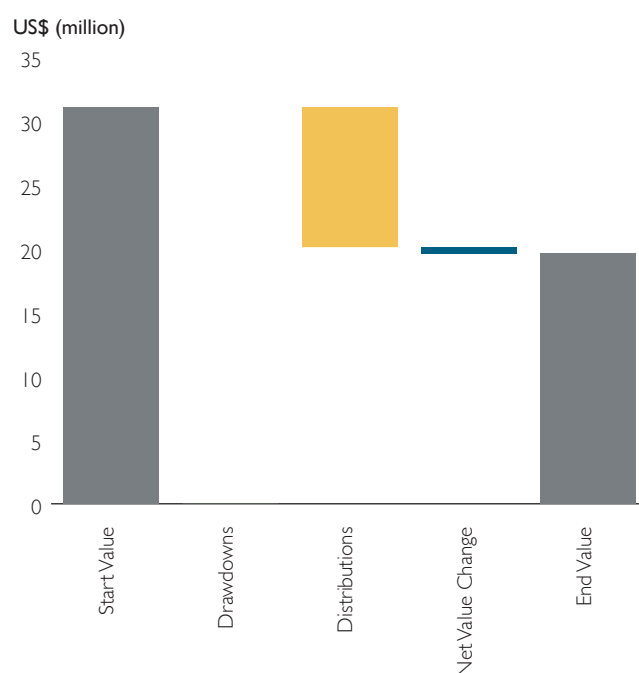
The emerging market economies remain subdued, driven by a slowdown in China as it feels the brunt of trade aggression and its more restrained policy easing cycle continues to deliver disappointing results. Elsewhere, there is increasing caution around the scale of the bounce back in some of the other major EM economies over the next 12 months against the backdrop of weak global growth.

The third quarter of 2019 saw 1,157 private equity-backed buyout deals recorded globally, totalling \$86bn of enterprise value. This marks a fall in number of deals from the 1,349 recorded in Q2 2019 but significantly there has been a material increase from the total Q2 value of \$77bn, the second lowest aggregate deal value recorded since 2014. As in prior quarters, the majority of the volume came from buyout deals in North America and Europe, which represented 56% and 35% of total Q3 volumes respectively. Deal values increased in both North America and Europe in the quarter, at \$43bn and \$31bn respectively, however the \$5.8bn of value recorded in Asia in Q3 represented the lowest quarterly total since 2013.

The number of buyout exits announced declined to 408, in Q3 2019 representing the fifth consecutive quarterly decline in number of exits. Q3 2019 exit value of \$74bn was significantly below the Q2 2019 total of \$134bn, however Q2 was a significant outlier, representing the highest quarterly total since Q3 2015. The decline in the number of buyout exits is a result of a continuing fall in trade sales and IPOs, with the number of sales to GPs remaining stable.

Quarterly portfolio investment activity (US\$ million)

Investee fund	Start value	Drawn	Distributed	Net value change	End value
AEVII	5.6	-	5.4	-0.2	-
BCPV	-	-	-	-	-
CEPIII	8.3	0.0	0.0	-0.4	7.9
CPV	11.2	-	-	-	11.2
CVCAIII	-	-	-	-	-
DHV	-	-	-	-	-
FIFV	-	-	-	-	-
KKRA	1.1	-	1.1	-	-
PAIEV	-	-	-	-	-
THLVI	2.5	-	2.0	0.0	0.5
TPGAV	2.4	-	2.4	0.0	-
WPX	-	-	-	-	-
Total	31.0	0.0	10.9	-0.5	19.6



Figures may not always sum exactly due to rounding.

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

CEPIII's portfolio valuation remained unchanged at 2.25 times cost over the quarter. Of the five remaining portfolio companies, **The Nature's Bounty Co.** was the only value move over the quarter, increasing from 1.83 times cost to 1.89 times cost.

There was no exit activity during the quarter.

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

During the quarter, CPV's portfolio value increased from 2.11 times cost to 2.12 times cost. **Dynamic Precision Group**, **The Nature's Bounty Co.** and **Sequa Corporation's** preferred equity generated small uplifts over the quarter. No portfolio company contributed negatively to performance.

CPV received proceeds related to **Greater China Intermodal Investments**, after Carlyle exercised its put right to sell preferred stock in Seaspan, in addition to receiving proceeds through two dividend payments, and from partial release of escrow holdings in connection with **Beats Electronics**.

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

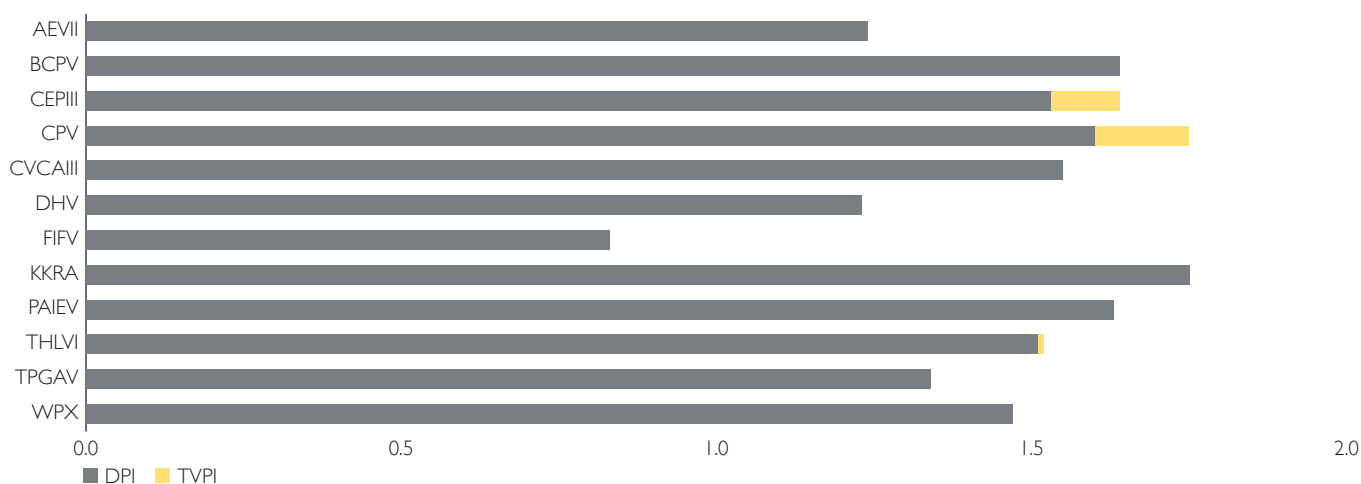
The value of THLVI decreased marginally over the quarter but remained valued at 1.89 times cost. Performance was predominantly driven by a valuation decline in **Party City** which was largely offset by an uplift in **MoneyGram International**. These two assets are publicly-listed.

THLVI generated \$493 million in the third quarter following the partial sale of stock in publicly listed **Ceridian HCM Holdings**. Post quarter end, the fund was able to complete an additional 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**.

Portfolio performance for the quarter

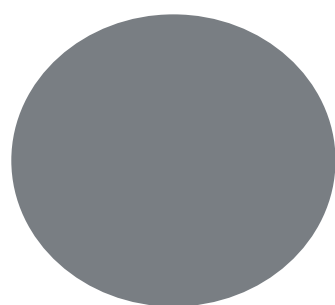
Investee fund	Net drawn (US\$ million)	% drawn	NAV (US\$ million)	DPI	TVPI	Quarter TVPI change	IRR (%)
AEVII	41.4	100.0	0.0	1.24	1.24	0.00	4.2
BCPV	56.7	100.0	0.0	1.64	1.64	0.00	8.9
CEPIII	66.5	96.4	7.9	1.53	1.64	-0.01	11.2
CPV	57.3	81.9	11.2	1.60	1.75	0.00	12.8
CVCAIII	16.6	100.0	0.0	1.55	1.55	0.00	12.9
DHV	52.9	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	47.6	95.3	0.5	1.51	1.52	0.00	6.8
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	475.4	96.5	19.6	1.47	1.51	0.00	8.1
Cash, accruals and other assets			51.5				
Total fund	464.3	90.0	71.1	1.30	1.46	0.00	5.9

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

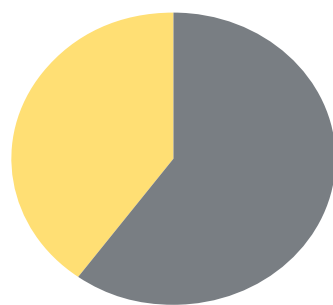


Portfolio breakdown by underlying fund

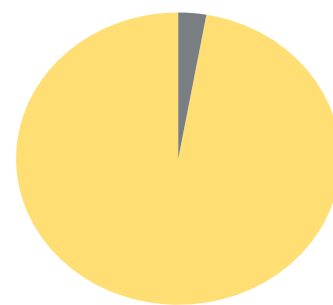
Fund strategy



Fund geography



Fund vintage



■ Buyout

100

■ North America

60

■ Europe

40

■ 2006

3









■ 2007

97









All amounts are as a percentage of total investment NAV at 30 September 2019. Figures may not always sum exactly to 100 due to rounding.

Portfolio breakdown by underlying portfolio company

Geographic breakdown

United States	70.8	
Switzerland	9.9	
Italy	7.6	
United Kingdom	6.3	
Singapore	2.5	
India	1.2	
Australia	1.1	
China	<1.0	

Sector breakdown

Industrials	39.1	
Information Technology	16.3	
Healthcare	13.8	
Consumer Discretionary	12.1	
Consumer Staples	8.8	
Energy	4.0	
Materials	3.6	
Financials	2.2	

All amounts are as a percentage of total investment NAV at 30 June 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.

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.

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