



March 16, 2018

Dear Clients, Partners, and Friends,

The results for South Ocean Management's Delaware LP, Hong Kong Partners' L.P., before incentive fees, were as follows:

	<u>Feb 2018</u>	<u>Year-to-date</u>
Hong Kong Partners LP	-3.4%	-1.3%
Hang Seng Index	-6.2%	3.1%
Hang Seng Small Cap Index	-3.0%	6.3%
MSCI HK Small Cap Index	0.6%	5.3%

Partners' NAV \$3.1787 after management fee and provisions, but before annual incentive fees of 15% on appreciation.

South Ocean Management's small/mid-cap holdings of Hong Kong listed companies doing business in China remained deeply depressed in February.

Last month, trading volatility in Hong Kong's stock market tracked U.S. and global markets, and by mid-February, the Hang Seng Index had witnessed a 10.5% sell-off and a sharp 5% reversal rally, all within the first nine trading days (a US\$450 billion swing).

Over the next few weeks, many listed companies will report their final, year-end financial results. We will be reporting how our holdings have held up to expectations along with general observations and commentary regarding the outlook.

Sincerely,

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