



Client Relationship Summary (Form CRS/Form ADV Part 3) – April 2020

Item 1. Introduction

South Ocean Management, Ltd. (“South Ocean”) was incorporated in Hong Kong in June 1992 as a private, independent fund management company and is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser.

Item 2. Relationships and Services

What investment services can you provide me?

South Ocean also offers services directly to clients. South Ocean manages discretionary funds, including U.S. clients, in the Hong Kong stock market and is the investment manager of a Delaware limited partnership, Hong Kong Partners L.P. South Ocean offers its services on a “discretionary” basis. In a discretionary account, at the outset of the contractual relationship, South Ocean is granted the authority by you to determine the securities or other assets to purchase or sell in the account. This discretion will remain in effect as long as a capital account is maintained in our Limited Partnership fund or unless, in the case of separately managed accounts, revoked or terminated by you.

Requirements to open and maintain an account: South Ocean generally requires discretionary accounts to have a minimum account value of \$150,000 for our Hong Kong Partners LP fund. Institutional and separately managed discretionary accounts have a minimum account value of \$1 million.

South Ocean will monitor/manage each separately managed account and will purchase and sell securities and other assets in the account consistent with the investment strategy of South Ocean.

Additional Information: Additional information on relationships, fees and services can be found in the [Hong Kong Partner LP Summary Offering Information](#).

Conversation Starter - Given my financial situation, should I choose an investment with South Ocean? Why or why not? How will you choose investments for the account? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

Our Investment Strategy

Small/mid cap stocks, listed in Hong Kong, that are expanding in China.

- We make frequent visits and stay in close contact with the executives and managers of all companies we own.
- Chinese managed companies we buy must have proven track records.

- We invest in concentrated portfolios of companies that derive a significant proportion of their profit from operations in China.
- We use a Warren Buffett, fundamental approach to screen stocks for great businesses to own at very reasonable prices.
- We are long-term oriented with low portfolio turnover.
- We may sell a position after it has risen to become a significant part (>20%) of a portfolio. Stocks are also sold when profits have not met expectations.
- We are based in Hong Kong and remain focused in the Hong Kong and China markets.
- All Clients receive monthly information and analysis on their holdings.

Our Clients

We intend to remain focused, managing a small group of private investors' assets.

We specialize in managing segregated accounts for clients as well as a Delaware Limited Partnership fund for smaller accounts.

We manage segregated accounts for clients who wish to invest in a concentrated portfolio of small/mid cap stocks.

Client assets are held in custody at our fund's bank, DBS Bank in Hong Kong, or with client designated custodians. Our LP fund is administered by Apex Holdings, Hong Kong. Clients in our fund receive monthly net asset value statements of their accounts directly from Apex.

Our accredited clients:

- Individual/Joint Portfolios
- Trusts and Endowments
- Foundations
- Individual Retirement Accounts (IRA)
- ERISA clients

All clients receive:

- monthly portfolio valuations
- monthly market and overall performance updates
- annual realized loss/gains, dividends received, income & expense summary
- Yearly Partnership tax reports (K- 1s)

Item 3. Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

Principal Fees and Costs: South Ocean fees for discretionary accounts are based on a percentage of the value of the assets in your separately managed account for which we are providing services. South Ocean fees for non-discretionary model portfolio recommendations are based on a percentage of the value of the overall assets at the Financial Institution with respect to which our recommendations are made. A general fee schedule for discretionary investment management services is included in the South Ocean Form ADV 2A (Item 5). South Ocean retains full authority to negotiate the fees it charges for its discretionary services.

South Ocean fees are payable quarterly in arrears. South Ocean's fees are exclusive of brokerage commissions, wrap program fees, transaction fees, custodial fees, deferred sales charges, exchange fees, SEC fees, transfer taxes, wire transfer, electronic fund fees, and other related costs and expenses which are incurred by the client from custodians, brokers, third-party advisor and other third parties.

Additional Information: You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Additional information can be found in [Hong Kong Partners LP Summary Offering Information](#).

Conversation Starter - Help me understand how these fees and costs might affect my investments. If I give you \$150,000 to invest, how much will go to fees and costs, and how much will be invested for me?

Conflicts and Standard of Conduct

What are your legal obligations to me when acting as my investment manager? How else does your firm make money and what conflicts of interest do you have?

When South Ocean acts as your investment manager, we are required to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create some conflicts with your interests. For example, for discretionary accounts, we also have discretion to select broker-dealers to execute transactions (Form ADV, Part 2A, Item 12 – Brokerage Practices (Research and Other Soft Dollar/Commission Sharing Benefits, describes the conflict of interest we have with respect to broker/dealers that provide us research and brokerage services). You should understand and ask us about these potential conflicts. South Ocean has adopted a Code of Ethics describing its standards of business conduct, potential conflicts of interest and fiduciary duties.

Conversation Starter - How might your conflicts of interest affect me, and how will you address them?

Additional information: Additional information on conflicts of interest can be found in our [Hong Kong Partners LP Summary Offering Information](#).

South Ocean may compensate individuals/firms that bring new accounts by sharing in our standard management fee arrangement. South Ocean does not charge any admission or sales load. We are compensated strictly from management fees (and annual bonus fees, if any).

Item 4. Disciplinary History

Do you or your financial professionals have legal or disciplinary history? South Ocean has not been subject to any disciplinary events by regulators nor is it a party to any legal events that are material to client evaluation of our advisory business. You can

visit [Investor.gov/CRS](https://www.investor.gov/CRS) for free and simple search tools to research us and our financial professionals.

Conversation Starter - As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5. Additional Information

If you have any questions about our services or if you wish to request a copy of the relationship summary, please contact us at +852 2521-0332 or info@south-ocean.com. Additional information is also available on the SEC's website at adviserinfo.sec.gov.

Conversation Starter – Who is my primary contact person? Is he or she a representative of an investment adviser or brokerdealer? Who can I talk to if I have concerns about how his person is treating me?