



SINTRA FUND, LTD.

2100 S. Ocean Blvd., S204 – Palm Beach FL 33480 - Tel 212-644-0309-Fax 212-644-0320

e-mail: jhpinto@sintracapital.com www.sintracapital.com

Report to Shareholders of the Sintra Fund, Ltd.

July 2020

July 30, 2020

Dear Investor,

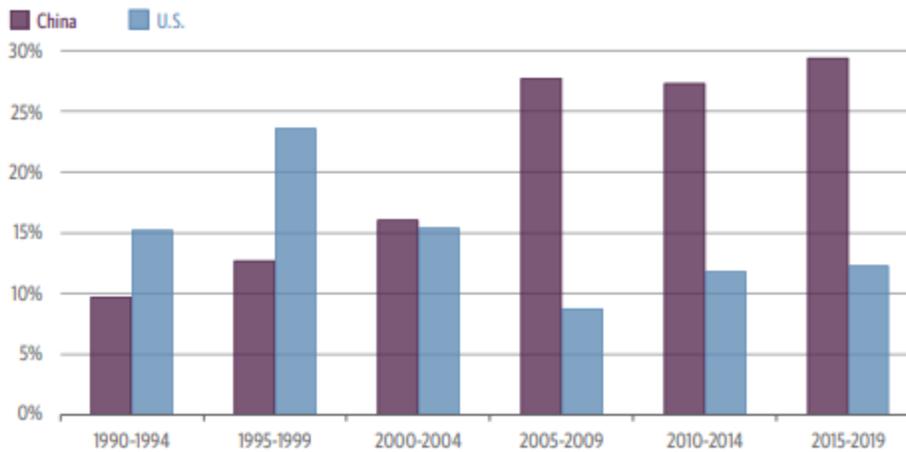
We are pleased to provide this report for the month of July 2020. The exact monthly investment performance figures will be sent to investors later in August, once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

The close of July marks month number five that the world has found itself deeply mired in the coronavirus quagmire. Many nations are slowly but surely reaching equilibrium levels of restoring "normalcy" to daily life, but the United States in particular faces daunting challenges ahead. GDP data and jobless claims provide scary reminders of the virus' short-term damage, and the rising death tolls especially in southern states remind us that many more indelible marks will be made before this crisis subsides. Taking the recent temperature of equities markets, however, suggests a different story, especially when juxtaposed against all the global hardship of 2020. Some investors have ploughed headlong back into the market, spurring a run-up that has gone relatively unimpeded since late March. Others continue to wait with bated breath for the other shoe to drop, ushering in a second wave of market corrections to afflict equity prices.

While the Coronavirus pandemic undoubtedly wrought havoc across the world in economic, health, political, and social arenas, silver linings have emerged. As the global populace adjusts to this new normal of combatting an ongoing crisis, certain companies and entire industries have blossomed in otherwise fallow economic fields. While financial headlines tout the recent share price flourishes of household names like Amazon, Apple, and Tesla, among others, many firms are benefitting below the radar. One such opportunity can be found in the biotechnology companies of the Middle Kingdom. Tensions between the U.S. and China are unquestionably on the rise, and Chinese equities remain susceptible to downward pressure related to election year volatility. Nevertheless, China is an economic behemoth that, pandemic concerns notwithstanding, is coming into its own both as a superpower on par with the American economy and as a maturing, service-based economy:

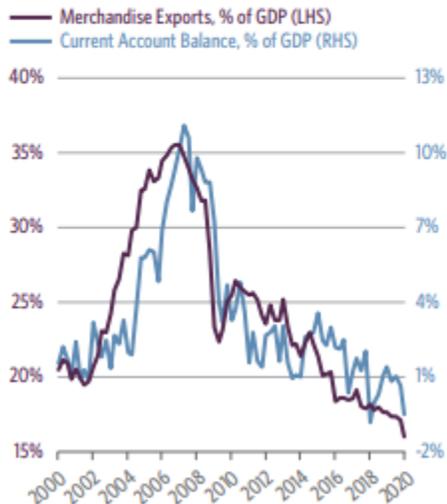
China Is the Primary Driver of Global Growth

Contribution to Global Growth

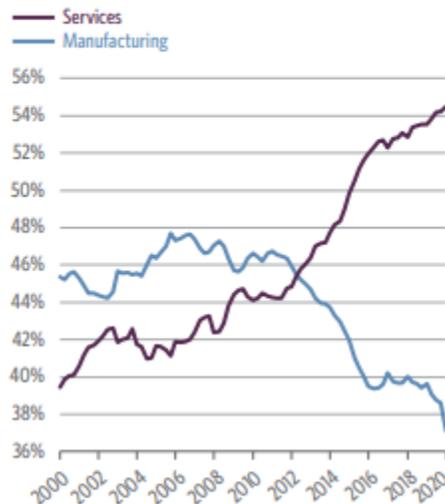


China's Maturing Economy Relies Less on Exports, More on Services

Goods Exports and Current Account Balance as % of GDP



Services and Manufacturing as % of GDP



As China's economic influence grows and the nature of its economy shifts even more toward services and mature markets, investors have taken a renewed interest in its biotech sector. While the aforementioned trade and geopolitical tensions lacquer this opportunity with a sheen of volatility, the equity prices of the primary Chinese biotech companies have advanced. Given our steady focus on Chinese equities and resolve to identify companies with strong foundations and robust growth potential, the Fund has invested in several holdings in this promising sector of the Chinese economy.

Namely, we have taken a keen interest in WuXi Apptec, the Chinese contract research firm, and padded the position in July. The equity advanced 13% this month and has tacked on 65% year-to-date, as the firm appears poised to ride the cresting wave of Chinese biotech. Unlike many

therapeutics firms in the U.S. that become solely dependent on the FDA's approval of a potential new treatment/drug, Chinese companies like WuXi Apptec are taking advantage of the government-supported, flexible drug development environment in China. Rather than hitch its wagon to the clinical trial potential of one therapy, WuXi Apptec helps facilitate many companies' drug R&D across the growing Chinese biotech space. Consequently, the firm stands to gain in lockstep with the success of the industry at large.

Hangzhou Tigermed has successfully expanded, now carrying a market capitalization of \$78.7 billion. Founded in 2004, the company provides biopharmaceutical research and development services, while offering clinical trials, statistical analyses, and patient recruitment to healthcare companies. This long-term China A Share holding of the Fund has advanced 70% year-to-date. Furthermore, a second listing (referred to as a "homecoming share offering") is currently in the works for the Hong Kong exchange. The estimated capital raise of \$1 billion would be Asia's largest healthcare listing this year. Foreign investors have limited exposure to the China A shares, which compose a critical element of the Fund's portfolio. We anticipate that a successful secondary listing in Hong Kong will enhance the value of the Tigermed stock for current shareholders.

Shenzhen Mindray Bio-Medical, another Fundholding, added 11% this month and has gained 86% year-to-date. The company is a leading medical device supplier involved in life support, in-vitro diagnostics, and medical imaging equipment. Throughout the pandemic, the firm has seen a surge in domestic and foreign demand for its life support products.

Restaurants and bars have reopened in the Middle Kingdom, much to the benefit of our favorite Chinese liquor brand Wuliangye Yibin. The equity jumped 26% this month as the Chinese drink away their pandemic sorrows. Management will be taking a greater interest in the company due to newly enacted incentives for management, employees, distributors, and ownership alike.

Beijing Oriental Yuhong, a waterproof material (membranes and coating materials) supplier, performed most admirably in July (+36% for the month and 107% year-to-date). Yuhong has participated in the construction of many large-scale projects including the Maldives Airport, Singapore metro, Mumbai metro, and Sri Lanka railway. Further, the Chinese are becoming much more interested in construction quality in residential housing. The combination of this stellar track record with an increased emphasis in China on developing built-to-last infrastructure bodes extremely well for Yuhong's future. In mid-June, the company participated in the Canton Fair's inaugural digital conference. The Fair has been held for 63 years, and the coronavirus pandemic would not deter it in 2020. Rather, 26,000 exhibitors participated digitally, connecting with hundreds of thousands of clients worldwide and demonstrating their goods through English script for live streaming.

Across the strait from China lies the nearly virus-free island of Taiwan. Remarkably, the country has conquered the Corona challenge despite such close proximity to and constant relations with the epicenter of the virus. Certainly, being a smaller island nation makes it easier to control the outbreak (see: New Zealand), but Taiwan is to be commended for swiftly and uncompromisingly handling such

a major threat. To wit, an associate who recently returned to the island reported that he was checked four times before he even got to immigration. While in the taxi line, health workers doused him and his luggage with disinfectant. Furthermore, a policeman greeted him at the entrance to his apartment, handing over a new mobile phone with instructions to call daily and check in regarding his quarantine status. On one occasion, my friend failed to answer the policeman's call, and promptly found the officer waiting at the apartment door within the half hour. During the quarantine period, the government provided a food parcel which featured instant noodles, chocolate biscuits, asparagus, juice, and an electronic thermometer. While such quarantine benefits may not be feasible on a larger scale, this type of rigor and discipline in the face of a health crisis is hardly seen anywhere else!

My friend advised me that Taipei appears like a normal city once more. Outside public transport and government offices, only 20% of the people on the streets still wear masks. Shops and restaurants have returned to operating normally—perhaps customers were utilizing their \$66 government stimulus vouchers! Tourists packed the Sheraton Hotel and flocked to the all-you-can-eat-buffet, while no one seemed concerned about sharing serving spoons. Even at karaoke, participants are happy to use the same microphone as 30 singers in a row grab it to belt out “Moon River”!

It is conceivable that the Taiwanese who do wear a face mask own one from Nan Liu. The Fundholding is a manufacturer of non-woven fabrics, and the company is profiting from the boom in facemasks and other PPE. Someone had to benefit from the changing demands of consumers during a pandemic, and Nan Liu accordingly has gone up 88% year-to-date. Further, Sporton International, the mobile communications product testing and certification services company, has advanced 10% in 2020. The growth of 5G will undoubtedly help Sporton's bottom line as the network is rolled out across China.

The geopolitical strife between the Trump and Xi administrations will continue to affect the fortunes of our Fund holdings, and we remain steadfastly attuned to the machinations of these two political superpowers. Likewise, we dutifully focus on prioritizing health and sanity domestically in the hopes that this second wave abates sooner rather than later.

Your trust and confidence is very much appreciated.

Sincerely,

John H. Pinto

