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Report to Shareholders of the Sintra Fund, Ltd.
December 2020

December 30, 2020

Dear Investor,

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

As we bring 2020 to a close, much is set to change in the world. Once New Year's festivities die down and the holidays come to a close, the conclusion to the administration of President Donald Trump will be mere days away. A new chapter in American politics will begin. More importantly, we should see the worst of the coronavirus pandemic finally subside in the coming months as the vaccine proliferates across the globe. A return to normalcy would be welcomed to say the least. One thing we all hope will not change in a significant fashion is the trajectory of the market, which rebounded from the March COVID-19 haymaker to counterpunch with aplomb. Despite the hysteria amidst the mass selloff nine months ago, the market landscape has seemingly settled and carries strong momentum into the new year.

The China A share market advanced impressively in 2020, spurred on by China's relatively quick recovery from the coronavirus pandemic. What once looked like a doomsday scenario in the Middle Kingdom at the outset of this year has evolved into a promising situation heading into 2021. While the rest of the world has been under various stages of lockdown and a never-ending siege from the pandemic, China has righted its economic ship and is steering towards calmer seas.
Case in point, China was the only big economy to grow this year. In 2021, its growth rate will exceed 7%, a figure substantially faster than the pace of recovery in Europe and America. Moreover, China's economic growth provides further evidence that the United States' role in the overall world economy is contracting. Today, the U.S. counts for approximately 24% of global GDP (as of December 31, 2019) vs. the 30% market share it had in 2000. China and India, however, account for roughly 20% of global GDP today, up from less than 10% in 2000. This transfer of economic might happens gradually over time, but it gains additional momentum with every passing year.

The Chinese government is positioning itself to leverage the global economic disarray caused by the pandemic into a boon for domestic consumption. Leading Chinese officials met recently at a prominent conference to lay out Beijing's economic measures for the coming year. To wit, a recent *China Daily* article quoted one of China's chief government economists last week who explained, "Apart from the supply-side structural reform, the meeting called for the expansion of domestic demand. The latter is particularly crucial after COVID-19 hammered global demand, which was already under heavy pressure even before the pandemic." Put another way, China will look to add more logs to the fire domestically in order to offset the economic upheaval worldwide that surely will suppress demand for Chinese trade and exports in the near-term. All told, the Chinese government will be pinning its 2021 economic recovery hopes on a rise in domestic consumption. Thus far, Xi Jinping's administration appears to be pulling the necessary levers to facilitate this coming to fruition.

Signs of recovery can be seen in numerous sectors of the Chinese economy, and consumer products—alcohol and spirits in particular—will be chief among the beneficiaries of this rebound. For example, the *Wall Street Journal* recently spotlighted this industry in a piece titled, "Investors Thirst for China Booze Makers: Stocks soar as the nation rebounds from pandemic, consumers take to pricier brands." The article underscored the performance of Fundholding Wuliangye Yibin, noting that its "share price more than doubled for a market cap of $167 billion." We are pleased with this long-term holding's results thus far and believe strongly in its future ability to deliver returns. We have focused on the company several times in prior letters. Yibin is a first-tier liquor brand driven by the mass market. Further, the reform plan permitting senior management, key employees, and top distributors to own shares in the company has ignited post-Covid success. We offer up a toast for the company's promising future prospects.

Looking ahead to what should be a year of revitalization around the globe, we anticipate clinical trials will advance at a faster pace in China than in the developed world. Several key factors are in play here. Namely, Chinese hospitals have a larger patient population for the trials. Additionally, China has different safety standards during the process of evaluating a novel treatment or therapy. The United States has extremely stringent safety standards, which for better and worse can lead to extensive delays in bringing a new drug or therapy to market.

We are comfortable investing globally. Over the last 20 years, on average, 66% of the top performing stocks in the annual MSCI World Index hail from outside the U.S. Over these last two decades, only two years featured more American equities outperforming on this index than non-US top-performing stocks.

Fund-holding Hangzhou Tigermed serves as a provider in clinical trials in China for both domestic and foreign pharmaceutical companies. The steady increase in R&D spending propelled the company share price upwards by 39.2% in December and 81.7% year-to-date. Furthermore, the Fund's second contract research holding, WuXi Apptec, advanced 25.4% in December. WuXi focuses on small molecule R&D and drug manufacturing. Like Tigermed, the company is poised to benefit in the coming year(s) from the growing trend of foreign big pharma pouring money into conducting clinical trials in China instead of the U.S. or Europe.

Perhaps the cold winter nights in China have set the mood for Fundholding Jinxin Fertility's successes this month, as the reproductive service company advanced 16.1% in December. A leading provider of assisted reproductive services in China, Jinxin is set to expand its business in 2021. Primarily an invitro fertilization specialist at first, the company's strong performance in the marketplace has conceived the opportunity to expand up and down the industrial chain of reproductive health in China.

We are very encouraged by the performance of Fundholding Daqo New Energy, which is the world's lowest cost producer of high purity poly silicon used by the global solar photovoltaic industry. Moreover, the company signed several long-term supply agreements for the product in December. The positive news propelled the equity up 29.6% in December and affords considerable momentum heading into the new year.

Considering the accelerated economic growth rate anticipated in China over the coming years, corporate performance should do well. In 2021, the year of the ox, the Communist Party will celebrate its centenary. Thus, the Party will be in a triumphant mood. We are optimistic that the equity market will march in uniformity with the Party.

Your trust and confidence is very much appreciated.

Sincerely,

John H. Pinto