



SINTRA FUND, LTD.

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Report to Shareholders of the Sintra Fund, Ltd.

February 2021

February 25, 2021

Dear Investor,

We are pleased to provide this report for the month of February 2021. The exact monthly investment performance figures will be sent to investors later in March, once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

While January certainly offered more political fireworks and investing drama, February has shown signs of recovery and instability alike. Vaccination rates are ramping up in the United States and corona numbers across the country are gradually reducing, yet new strains and variants of the virus keep popping up in disparate corners of the world. The transition of political power has remained mostly peaceful since the inauguration of President Biden, but his administration has also met fierce resistance from the extremes of both sides as he gets his feet wet leading the nation. Stocks, meanwhile, seemingly never went down once the markets recovered from the initial covid collapse, but perhaps are finally taking a bearish turn at month-end. Looking ahead to spring, we are left with the hope that normalcy has never been closer to becoming reality once more. What that new normal looks like is anybody's guess.

February ushered in the lunar year of the Ox. All across China, people rung in the Chinese New Year with aplomb. They had every reason to celebrate; the country has a handle on the coronavirus and righted the economic ship over the course of the past year. Undoubtedly spurred on as well by the considerable strides Chinese equities have taken in recent months, the Middle Kingdom rejoiced. While we had hoped this revelry would translate into a sustained forward march in price appreciation, it appears the Chinese markets have experienced a bit of a hangover in the days following the festivities. Equities have given back some of their propitious gains in the early days of 2021, but we believe in the companies comprising the Fund's array of Chinese equity investments and expect them to trudge onward in the spirit of the ox soon again.

On the healthcare front, Fund-holding WuXi AppTec has been more raging bull than ox. The shares advanced 121% in 2020 and began the new year in robust form (+20% entering the lunar new year festivities) before tapering off in recent days. The company is a leading medical contract-research organization and is primed to benefit tremendously as the Chinese healthcare sector grows. Further, the company recently has seen increased order flow from pharmaceutical clients in

developed countries whose hospital-centric contract research operations were disrupted due to the ongoing COVID-19 pandemic.

The Fund leader this year in the Chinese healthcare sector, however, is China Medical System (+36.7% year-to-date). CMS is currently a substantial distributor of licensed foreign drugs in China and is in the process of adding even more arrows to its hefty quiver. To wit, CMS is changing its stripes to become a co-drug developer. Management is determined to strategize on in-licensing and the acquisition of innovative drugs, medical devices, or late-stage pipeline drugs through in-house and cooperative research and development. Another strong performer has been medical services company TopChoice Medical. This expanding Chinese dental clinical service provider is developing partnerships with other dental hospitals. Its returns are sparkling this month, adding on 8% to an 18.6% gain YTD.

Much like Amazon, Disney, and Home Depot benefitted from changes in Americans' needs due to Covid, we positioned ourselves to gain from Chinese consumers' reconfigured libation demands during the lunar new year. Namely, Fund-holding Luzhou Laojiao advanced 7% in February and 21.4% YTD. The liquor manufacturer aims to expand its presence throughout China in 2021, and likely picked up a few more adherents this month. Meanwhile, the Fund's old standby premier liquor brand, Wuliangye Yibin, tacked on 8.2% during February as well.

The 13th National People's Congress will commence its fourth annual session in Beijing on March 4-5, 2021. Subsequently, we should receive more detail on China's 14th five-year plan. In preparation for the Plan, we have honed our analytical focus on environmental areas, guided by the investment thesis that the government will be placing additional emphasis on and financial stimulus into clean energy. To achieve this end, the Fund added exposure to Ming Yang Smart Energy, a leading wind turbine manufacturer featuring offshore wind power as a main component of its business. Although historically China's relationship to global warming concerns has been more arsonist than fireman, Xi Jinping's government has changed its tune in recent years. Companies like Ming Yang are prime beneficiaries of this philosophical shift, and the stock has advanced rapidly in February (+14.2%) and the new year (+21.6% YTD).

Infrastructure improvement will continue to be a focal point for Xi's government. It is only fitting that the Year of the Ox features a dedicated commitment to industriousness and building internal strength. For the Fund's purposes, we will try to capture the growth in this space through our investment in Weichai Power. The company is a substantial diesel engine manufacturer for heavy duty trucks and has seen its fortunes improve sizably in 2021 (+49.7% YTD).

Warmest regards and best wishes. Spring is on the horizon.

Sincerely,

John H. Pinto