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Report to Shareholders of the Sintra Fund, Ltd.
October 2021

October 22, 2021

Dear Investor,

We are pleased to provide this report for the month of October 2021. This letter is being sent earlier in the month than usual due to staff travel and a formal office move. The exact monthly investment performance figures will be sent to investors later in November, once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

October's denouement brings with it the haunted and spooky of Halloween. Children don their favorite costumes to earn free candy, adults throw eccentric dress-up parties, and scary movies become the entertainment du jour. As the world watches from afar, Chinese President Xi Jinping is foisting his own version of Halloween onto Chinese citizens. To wit, the Chinese government is creating its own veritable haunted house by reaching back to ever stauncher communist methodology while expanding its powers of social control. With measures like social credit scores and government-mandated parental "re-education" for those whose progeny misbehave in schools, the Chinese people are being required to play their own version of dress-up to conform to the government's increasingly strict standards. Doing so is a pre-requisite to survival in the Middle Kingdom, as the government's renewed commitment to narrowing inequalities through rhetoric and forced redistribution of wealth is based on centrally planned and arbitrarily determined principles. As any child's personal Halloween experience demonstrates, some will always have more candy in their baskets no matter how equitably parents distribute it at their doorsteps.

The evolving Chinese economic policy priorities have shifted to social equality, national security, and self-sufficiency. Thus, we have seen government action against private education, threats to property ownership in light of concerns over affordability, and a push towards greater access to health services. This is all under the rubric of "common prosperity;" trick or treat indeed.

To reinforce political power, the government is pressing forth on anti-trust actions against big technology corporations. The goal here is to defang the power centers of these thriving, forward-thinking tech behemoths while the government and the Chinese populace still reap the rewards of the firms' ingenuity and business growth at scale. Furthermore, President Xi's administration has reversed its stance on globalization, instead working to "on-shore" its industrial base. In this context, the Middle Kingdom is also demonstrating a more aggressive foreign policy stance. All told, the pandemic seems to have made clear to the Chinese government that the path to seizing more power and reshaping the country in its desired image has fewer speedbumps than previously envisioned.

Nevertheless, the Chinese economy will grow steadily going forward (although a bit slower in the near-term) and has set dominoes in motion over the years to assure the inevitability of its economic and geopolitical success. Case in point, the vast majority of countries in South America, Africa, Southeast Asia, and Oceania now rely on China as their primary trade partner. Further, many developing nations are indebted to China for local infrastructure and natural resource control. Consequently, we remain bullish on China and in turn are maintaining our strategy to benefit from sectors which fit within Beijing's policy priorities. Accordingly, the renewable energy theme continues apace this month. We have written extensively this year about China's commitment to developing green energy infrastructure. While the country's massive contributions to global pollution and rising greenhouse gas emissions make for a strange juxtaposition with a focus on renewables, it seems clear that President Xi has identified clean energy as a pillar of 21st century Chinese geopolitical supremacy.

Infrastructure development has long been a priority of the current Chinese administration, and its focus on solar, wind, lithium batteries, and electric vehicles only extends an existing point of emphasis. As for the Fund, longtime holding Ming Yang Energy keeps stacking strong months together. One of China's foremost wind turbine manufacturers, Ming Yang has advanced +10.9% in October and +46% YTD. The growth in China's offshore wind segment will only enhance the company's future prospects. Further, Yunnan Energy (+6.7% in October and a robust +111% YTD) continues to grow as demand for electric vehicles in China surges. The lithium battery manufacturer pivoted adroitly from supplying the lithium battery film industry, with numerous applications in products ranging from smart cards and RFID tags to renewable storage devices and implantable medical devices, to producing for electric vehicle auto makers. The future is bright in the Middle Kingdom for leading renewable energy companies.

The healthcare industry in China remains a primary focus of investment for the Fund, and several current holdings show considerable promise going forward. Sinopharm, the largest distributor of drugs and medical devices, has gained 5.2% in October and 13.2% YTD on the heels of its coronavirus vaccine receiving approval in China. Furthermore, the company boasts the largest cold chain facility in the country for distributing its vaccine, which should facilitate revenue growth. Yixintang Pharma, a leading pharmacy chain operator, will prosper in the coming years thanks to President Xi's directives that shifted drug purchasing out of hospitals and into regional pharmacies. The stock has appreciated 5.3% in October after news broke that management recently introduced a share incentive scheme.

Meanwhile, we'd be remiss if we didn't touch on Taiwan, a fertile market for investment in the past for the Fund. The increasingly hostile diplomatic posturing from China regarding Taiwanese independence and sovereignty has rightly troubled investors when assessing the landscape locally for investment. While we will refrain from prognosticating on the timeframe of what some fear may be an inevitable formal conflict between the countries, the rising tensions have indubitably taken a pound of flesh from the Taiwanese equity market. Many leading companies have struggled to find price appreciation in recent months, even despite otherwise positive business and financial developments. One silver lining in Taiwan has been the performance of Chailease (+52.5% YTD), the largest leasing company in the country. The firm has built quite the footprint in mainland China. Moreover, Chailease has consistently expanded its operations both on the mainland and throughout Southeast Asia, with future plans to do so at an even faster pace. This rapid growth provides the company a bulwark against Chinese takeover risk, and we suspect this layer of safety explains the company's strong performance in 2021 despite many of its peers' trials and tribulations.

We wish to extend the warmest Thanksgiving greetings to our U.S.-based Investors. Due to the lessening impact of the Covid pandemic, it will be heartwarming to be with family and friends for this holiday.

Your trust and confidence is greatly appreciated.

Sincerely,

John H. Pinto