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Report to Shareholders of the Sintra Fund, Ltd.
September 2018

October 1, 2018

Dear Investor ,

We are pleased to provide this report for the month of September 2018. The exact monthly investment performance figures will be sent to investors later in October, once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

With the United States facing a potential cultural crossroads and political flashpoint with the ongoing Supreme Court confirmation saga, President Trump's aggressive trade war continues to weigh on emerging markets. The Chinese feel particularly manhandled by the Trump administration, receiving an economic rebuke the likes of which they've seldom seen in modern day politics. Case in point, it appears that the US is applying additional tariff charges to Chinese exports on a daily basis. Moreover, the Chinese believe they would be "losing face" should they enter into negotiations with Trump & Co., a not so subtle indication that the Trump administration's political gambit succeeded in strong-arming the Chinese. Complicating matters further, the Chinese don't believe that White House leadership, which is continually raising tariffs on $200-450 billion of Chinese products, genuinely possesses a thorough plan to see this trade war out and thus would prefer to negotiate towards a solution. With the upcoming midterm elections set to reshape Trump's playing field in early November, the Chinese see no need to interact. It is unlikely that the US government would acquiesce as pre-election rhetoric is paramount, and unsurprisingly the Chinese cancelled trade talks planned for late September.

Generally speaking, markets seldom flourish in the face of widespread uncertainty. Corporations cannot plan effectively if the cost of goods is next to impossible to determine and markets lack any semblance of equilibrium. Thus, we are caught up in this imbroglio.

Against this backdrop of uncertainty, the Chinese economy continues to slow. For example, July's car sales declined 5.4% and smart phone sales have slipped 8% year-on-year. The government is attempting to both de-lever (i.e. restrict acquisitions in the education sector) and stimulate (i.e. lift restrictions on provincial government bond issuance). Achieving both simultaneously is no easy feat. While the Trump administration may feel that it has China in a weakened position, it remains to be seen if the Chinese will press onward with current policies. Given that the Chinese imported less from the US (just under $130 billion) in 2017 than vice versa, however, Beijing is running out of products to tariff. Furthermore, the Chinese government does not wish to penalize American businesses operating in China as it could drive foreign capital away at the exact time the Chinese economy is declining. Accordingly, it would appear that a possible trade/tariff summit could occur in late November at the time of the Group of 20 meeting. Either way, the Chinese find themselves in an interesting position economically, under duress within and from without.

In this uneasy market environment, we are limiting trading exuberance. The Fund increased it's holding in Ping An insurance, a leading commercial insurance firm which has the largest weighting in the CSI300 index. We are pleased that the interim results for Ping An were excellent, and the company is providing an additional cash dividend. Encouragingly, Ping An is not involved in global trade, and should in turn be able to withstand the tariff tensions.

The Fund sold its position in Jupai Holdings, the financial management company specializing in high net worth individuals. Subsequently, the stock fell 55%, a sharp decline the Fund proactively avoided. The Fund exited Jupai after growing concerned about a weakening stock price and the impact of Chinese regulatory changes to product offerings which have directed customers back to large core bank deposits. We anticipate returning to Jupai when the regulations are eased.

The Fund increased its position in pharmaceutical conglomerate Shanghai Fosun. The company maintains the leading position with its core products in various therapeutic areas, including oncology, cardiovascular system, central nervous system, blood system, metabolism and alimentary system, and anti-infection. Further, each of Fosun's products occupies the top position in its market segment. This Chinese innovator for good health was not involved in the recent vaccine scandal, yet did not emerge unscathed from the attendant downturn in Chinese health stocks. To wit, the public health crisis occurred this summer when a Chinese vaccine maker, Changsheng Biotechnology, was found to have fabricated both production and inspection records while changing processes during its production of human rabies vaccines. Substandard diphtheria and tetanus vaccines were shockingly administered to 215,184 Chinese children. Another manufacturer, Wuhan Institute of Biological Produces, also sold substandard vaccines. In an attempt to address this health crisis, China's drug regulator investigated all vaccine producers and the healthcare sector declined. Going forward, we believe Shanghai Fosun will rebound from being caught in this healthcare downdraft.

Looking ahead, global index provider MSCI currently has a 0.71% representation in China A shares. The company is proposing to expand this to 3.4% by mid-2020. Such an index expansion would attract approximately $66 billion from passive and active funds into the China A Share Market. The injection of such large amounts of capital will undoubtedly assist the market, and benefit the Fund for its proactive investment in this sector.

Your trust and confidence is most appreciated.

Sincerely,

John H. Pinto