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

August 30, 2018

Dear Investor,

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

Sweltering heat has descended upon the east coast and geopolitical disputes alike at month-end, where the Trump tariffs and trade attacks have turned it up a notch. Not immune to such hotly volatile conditions, the Fund's holdings are currently experiencing a market downdraft due to this smoldering cauldron of diplomatic unrest. In order to face these issues head-on, we believe outlining our forward-looking market overview will prove beneficial.

First and foremost, China's consumer spending continues to flourish in conjunction with Chinese consumers steadily improving their lifestyles and modern global engagement. Examples of growth areas for Chinese spending on upgrades are legion: housing décor and appliances; motor vehicle enhancements; domestic and overseas recreational travel; private healthcare; and, premium/international education for their children. Furthermore, these substantial increases in household expenditures are primarily funded from earnings and savings. Thus, the expenditures remain largely independent from events outside of China, and insulated against the market volatility created by global issues. Market sentiment in the near term will undoubtedly affect our domestically focused Chinese firms, whose valuation metrics remain well below their United States comparable companies. Nevertheless, we confidently expect them to tilt in favor of strong companies achieving growth and cash flows by serving large and continually growing domestic market sectors.

A broader secular trend is transforming Chinese markets into becoming more institutional, clearly evidenced by the more than 200 Shanghai "A" Shares included in Morgan Stanley's MSCI Global Stock Index at the beginning of the second quarter. This trend now includes western institutions. To wit, Trump tariff/trade war excitement is (temporarily) impacting short-term trading behavior, BUT the long-term outlook appears decisively positive. Case in point, major western asset management firms have begun to establish China-based operations to prepare for what Black Rock's Larry Fink expects to be the most substantial growth opportunity in the world for major asset management firms. Investing in and managing China-listed companies for both Chinese and foreign investors will be handsomely rewarded. This is very important because western asset-allocating institutions are underweight Chinese equities. If these institutions begin the process of rebalancing upwards in Chinese stocks, a favorable market for Chinese equities and the Fund's investments should result.

Consider the current situation in its full outline. It would appear that the Chinese are preparing for the long haul in the Trump trade imbroglio. For example, since June China has reduced tariffs on merchandise such as autos and agricultural products. The reductions were provided to trade partners **other** than the USA, a move unquestionably helpful for the opening of the Chinese market. Coincidentally, it provides more Chinese maneuvering room to sustain a trade war with the US.

Case in point, China has been depreciating its currency, the renminbi. As this occurs, prices of US products in China rise steadily and unimpeded. One is free to purchase a Tesla in Shanghai, but the Elon Musk team raised the cost of the vehicle by 20%. The domino effect continues, as the US consumer will soon be paying higher prices as well. The world's largest manufacturer of inflatable toys, controlling 72% of the global market, is based near Shanghai. Management explained that prices are being increased and that Walmart customers will be paying more for their inflatable unicorns to play in the pool. Thus, it would appear that the strong June export figures from China (which provided a record $29 billion dollar surplus with the US) proved unhelpful for facilitating healthy negotiations. These gaudy figures were surely the result of importers rushing to avoid the commencement of tariffs.

Fall is the start of the school season, and brings with it a refreshed yet forward-thinking environment. As such, the Fund is enjoying the benefit of parental commitment to education through its investments in Ambo Education Holdings (up 70% YTD) and Dadi Early-Childhood Education. Ambo provides education throughout China, primarily with its Bopo School tutoring centers focused on test preparation, and its international education programs assist Chinese students in preparation for overseas study. Meanwhile, Dadi is a Taiwanese kindergarten company that added 23 sites in the first six months of this year and should press onward for another 50 before December 31st.

China International Travel (up 49.75% YTD) continues to expand its footprint while currently controlling duty free shopping at the Beijing Airport. Portending well for future growth potential, the company recently won bids for Shanghai's two airports as well as another in Macau. It should not be understated how rapidly the company is gaining Chinese monopoly status in this business.

Although the Fund can never be truly immune to external volatility and regressions (as the double-digit dip in Fund NAV demonstrates), our strategy continues to focus on sectors and companies that we believe to be beneficiaries of the intensifying trade war. Another example of such holdings is Farglory Free Trade Zone, operator of Taiwan's only airport-based free trade zone. Each foothold we gain further bulwarks the portfolio against the market reverberations of trade war volatility, and strengthens the Fund's long-term outlook.

We are cautious as we await market sentiment improvement in the near-term.

Your trust and confidence is most appreciated.

Sincerely,

John H. Pinto