



SINTRA FUND, LTD.

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Report to Shareholders of the Sintra Fund, Ltd.

March 2019

March 29, 2019

Dear Investor,

We are pleased to provide this report for the month of March 2019. The exact monthly investment performance figures will be sent to investors later in April, once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

Investors found themselves in a veritable holding pattern as March drew to a close, attempting to parse official statements and read figurative tea leaves to glean nuggets of investment wisdom as to when a settlement may arise in the China-U.S. trade dispute. The result is a mixed impact on markets, which remains at the mercy of the vicissitudes of international trade squabbles. The Chinese market held a steady yet uneasy position at month-end, after several weeks of cautiously optimistic growth in anticipation of a potential trade resolution. Negotiations continue apace between the parties. To wit, the *Xinhua News* in China reports that progress has been made in six areas: technology transfer; protection of intellectual property; non-tariff barriers; the service sector; agriculture; and, the exchange rate. A conclusion to this ongoing geopolitical drama could arrive in April, at which point we can critically assess how and where opportunities for profitable investment may arise in the aftermath of a deal.

In the midst of this turbulent international trade climate, several Fund holdings have prospered during the market turnaround. Chinese baijiu distillery Wuliangye Yibin poured strong 2018 results into the Fund's snifter, reporting increased profits and revenue (+33% year-on-year). The market rewarded the spirit producer, gaining 65.81% year-to-date and 26.29% month-to-date. Yum China, meanwhile, specializes in the fast food business, having brought its flagship brands Pizza Hut and KFC to the Middle Kingdom. Much like its food service, the company has quickly and efficiently delivered results to investors this year. The stock has climbed 32% in 2019, buoyed by strong results in Yum's FY2018 annual report. Moreover, it beat Wall Street estimates in Q4 especially, showing 6% growth in sales and a 77% increase year-on-year in operating profit.

Yum China is putting its foot on the gas by pushing ahead with expansion plans, opening two stores a day in the world's biggest consumer market. The outlets are banking big on technology, taking payment by facial recognition and having ice cream served by robotic servers, while customers can control background music through their mobile phones like a new-age jukebox.

The Chinese healthcare sector maintained its promising trajectory in March. Contract research organization Hangzhou Tigermed leads the charge, soaring up 57.85% year-to-date and 9.35% in March, while medical conglomerate Shanghai Fosun also added 33.92% this year. Continuing the profitable theme, Lepu Medical Technology Beijing Co received encouraging news this month after the National Medical Products Administration approved Lepu's breakthrough biodegradable cardiovascular stent. We expect the stent will receive premium pricing thanks to Lepu's extensive network of hospitals throughout China. Further, the product should significantly contribute to the profitability of the company, adding 25% in 2019 thus far.

In Taiwan, the Fund did well with financial leasing company Chailease, which recently announced 21% earnings growth and has gained 23.85% year-to-date and 1.6% month-to-date. Additionally, Fund-holding Yummy Town reported an increase in happy lemon drink stores to 1,012 as well as sales growth of 17% year-over-year. Not surprisingly, Yummy Town is up 28.57% in 2019.

In order to save an additional 15% in accounting fees for the Fund and to provide for more timely reporting, the Fund changed its accounting firm during the first quarter. The new accounting firm, Sanville & Company in Abington, Pennsylvania, is a 20-person firm that works closely with the Fund's calculation agent, International Fund Management. The PFIC statements have been provided to our private investors on a timely basis by the new firm and we are satisfied with the transition.

Your trust and confidence is most appreciated.

Sincerely,

John H. Pinto