



SINTRA FUND, LTD.

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Report to Shareholders of the Sintra Fund, Ltd.

February 2023

February 27, 2023

Dear Investor,

We are pleased to provide this report for the month of February 2023. 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.

With the relaxation of the Zero-Covid regime, the China "A" Share market staged a handsome rebound in early 2023. The year of the rabbit hopped along nicely until a three-school bus sized Chinese spy balloon wafted over the United States. This incursion caused a negative pop in diplomatic relations and market sentiment. As the row subsided in intensity, the market in China demonstrated a mixed performance.

We are relying on the Chinese consumer to jumpstart the economy after the Covid lockdown. The Central Economic Work Conference has established increased consumption as its main priority for this year. The governmental goal is to stimulate demand and improve people's livelihoods in the rural and urban areas. Following this premise, local governments are issuing consumer coupons. The citizenry may use these discount coupons in restaurants, shopping malls and department stores. In fact, the coupons are also available to buy home appliances and motor vehicles! Incidentally, China's new energy-saving vehicles had a 93% sales increase in 2022. This represents 26% of total vehicle sales in the country.

Let me report on several equities in the portfolio which did well this month. It appears that we always start with the liquor brands. Herein, Jiangsu King's Luck demonstrated strong growth as it increased distribution into China with an improved product market mix. We'll raise a glass as the stock advanced 5.21% in February and is up 22.90% year-to-date ("YTD").

Suzhou Iron Tech belies its name. The company is not in the hard metal iron industry but develops medical management systems and "smart" logistics for the pharmaceutical industry. We are pleased that the logistics worked, so that the stock price increased 6.43% during the month.

In a corporate development, fund holding Shanghai Airport (up 1.65% YTD) acquired stakes in two duty-free shopping companies. It now has a 13% position in Sunrise China, which has physical duty-free shopping stores in both the Shanghai airport as well as the Beijing airport. Additionally, the company took a 10% position in Sunrise Online. Estimates are that corporate profits could increase by 14% due to these two acquisitions.

Jiangsu Nhoa Pharmaceutical rose 8.08% in February. The Company specializes in central nervous system medications and pharmaceutical raw materials.

Shanghai Haohai Biological Technology Company, Ltd. increased this year 6.62%. The company manufactures and sells interocular lenses, medical sodium, hyaluronate, medical college sponge, and other products.

We are focusing on pharmaceutical manufacturing companies because the National Healthcare Security Administration has an annual policy whereby drug reimbursement levels are slashed. There was a 60% average price cut for drugs in the recent National Reimbursement Drug List, effective on March 1, 2023. Our goal is to stay out of harm's way. The government is continually cutting the actual pricing of drugs, but not the pricing of their manufacture by drug materials companies.

In contrast to the United States, where interest rates are rising, they are falling in China. We believe that the Chinese consumer will spend more this year, and that the market will demonstrate improved performance.

Your support, trust, and confidence are very much appreciated.

Sincerely,

John H. Pinto