



Siegfried Funds Remain Stable Following U.S. Trade Tariff Announcement

09 April 2025

Dear friends,

Please accept my apologies for the delayed communication regarding the recent announcement by President Trump on the imposition of global trade tariffs by the United States. We took the necessary time to carefully assess the potential implications and evaluate the positioning of Siegfried Funds in this context.

At the outset, I would like to reiterate a key aspect of our investment strategy: Siegfried Funds exclusively purchase real account receivables—that is, receivables backed by goods that have been fully inspected and delivered to buyers/obligors. This approach fundamentally minimizes operational risk, including geopolitical events such as the current trade tensions. Consequently, the existing portfolios of Siegfried Funds remain unaffected, and we continue to operate with the same risk discipline and performance consistency.

A natural concern may be the future availability of assets should trade tensions escalate further. We remain confident in our ability to continue sourcing high-quality assets and scaling our platform in alignment with investor and partner expectations. Here are several key factors supporting this outlook:

1. Short-Duration Portfolios: The average duration of our funds is approximately 70–90 days. This provides a near-term buffer, as significant reinvestment needs will not arise immediately. We anticipate the current trade environment may stabilize within this timeframe.

2. Pre-Positioned Inventory: A majority of our sellers have preemptively shipped goods to tax-exempt overseas warehouses, mitigating the impact of the new tariffs. While there may still be added cost pressures, order cancellations remain unlikely.



3. Geographically Diversified Trade Flows: In 2024, total trade volume processed through the VTeam system reached nearly USD 25 billion, with North America (U.S., Canada, and Mexico) accounting for only 11.9%. Although Siegfried Funds currently have around 45% exposure to U.S.-based receivables, our platform provides ample opportunity to pivot toward non-U.S. assets should the need arise. Please refer to Table 1 for details.

in Millions USD

Regions	Trade flow	%
Euro Zone	7,557	30.38%
North America	2,961	11.90%
Latin America	2,398	9.64%
ASEAN countries	7,781	31.28%
Northeastern Asia	3,504	14.09%
Others	676	2.72%
Total	24,877	100.00%

table 1: VTeam trade flow 2024

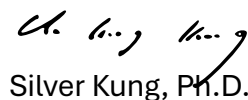
4. Robust Buyer Universe: As of today, the Siegfried platform supports 255 active buyer/obligor names, representing an estimated capacity of USD 5.8 billion—of which approximately 45% relates to U.S.-based receivables. With current assets under management (AUM) at approximately USD 2.6 billion, even in the event of a full withdrawal from U.S. markets, we retain substantial capacity to redeploy into non-U.S. receivables. We are actively expanding our obligor list to further diversify.

5. Structural Diversification Trends: It is important to note that Chinese exporters and the VTeam trade ecosystem have been diversifying away from U.S. buyers for some time. The current development, while noteworthy, is not unprecedented. Many sellers have already relocated production or expanded operations beyond U.S.-centric channels, anticipating long-term geopolitical friction.

We remain committed to proactively monitoring market developments and managing our funds with prudence, always in the best interest of our investors.

Thank you for your continued trust and partnership.

Sincerely,



Silver Kung, Ph.D.

On Behalf of Siegfried Capital