

Annual ESG Report 2024

JERA DIRECT ACCESS PRIVATE EQUITY FUND



This is a marketing communication / financial promotion. Please refer to the prospectus of the AIF and to the KID before making any final investment decisions

ABOUT THE REPORT

Jera Capital is excited to share its 2024 ESG report, detailing our strategy for seamlessly incorporating Environmental, Social, and Governance (ESG) principles into both our operational framework and investment procedures.

This report highlights recent initiatives, the tools and processes we employ, and updates from the managers we’ve partnered with. We aim to make this reporting an annual tradition.

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The Future of ESG at Jera Capital

Message from the Jera Capital team

AT JERA CAPITAL, Environmental, Social, and Governance (ESG) considerations are not merely a perfunctory checkmark or a discretionary add-on. Instead, they constitute an integral aspect of our modus operandi and an analytical framework that enables us to assess the potential risks and opportunities inherent in investments and serve as a potent instrument for enhancing business performance.

Our commitment to responsible investing, responsible business practices, and responsible leadership is unwavering. Each year, we augment our sustainability reporting, underscoring the pivotal role ESG plays in our market. It is with great pleasure that we present our inaugural annual ESG Report, a document that underscores the escalating significance of ESG in the private markets.

The past five years have witnessed a commendable evolution within the industry, with an increasing number of General Partners (GPs) formalizing policies that integrate ESG criteria into their investment processes. As a firm specializing in private market secondaries, our focus remains steadfast on supporting and guiding our portfolio managers on their respective ESG journeys.

While the prominence of ESG grows, misconceptions persist, particularly among those who perceive it as conflicting with investment firms' fiduciary duties. Contrary to such beliefs, our report demonstrates that ESG has been instrumental in establishing Jera Capital as a successful entity over the years.

As we operate one step removed from portfolio companies, our focus lies in leveraging relationships with General Partners. While we engage in broader advocacy and collaborative initiatives, we do so judiciously, prioritizing relevance to our market and ensuring our role as influencers aligns with our ability to concentrate on investments and uphold ESG commitments.

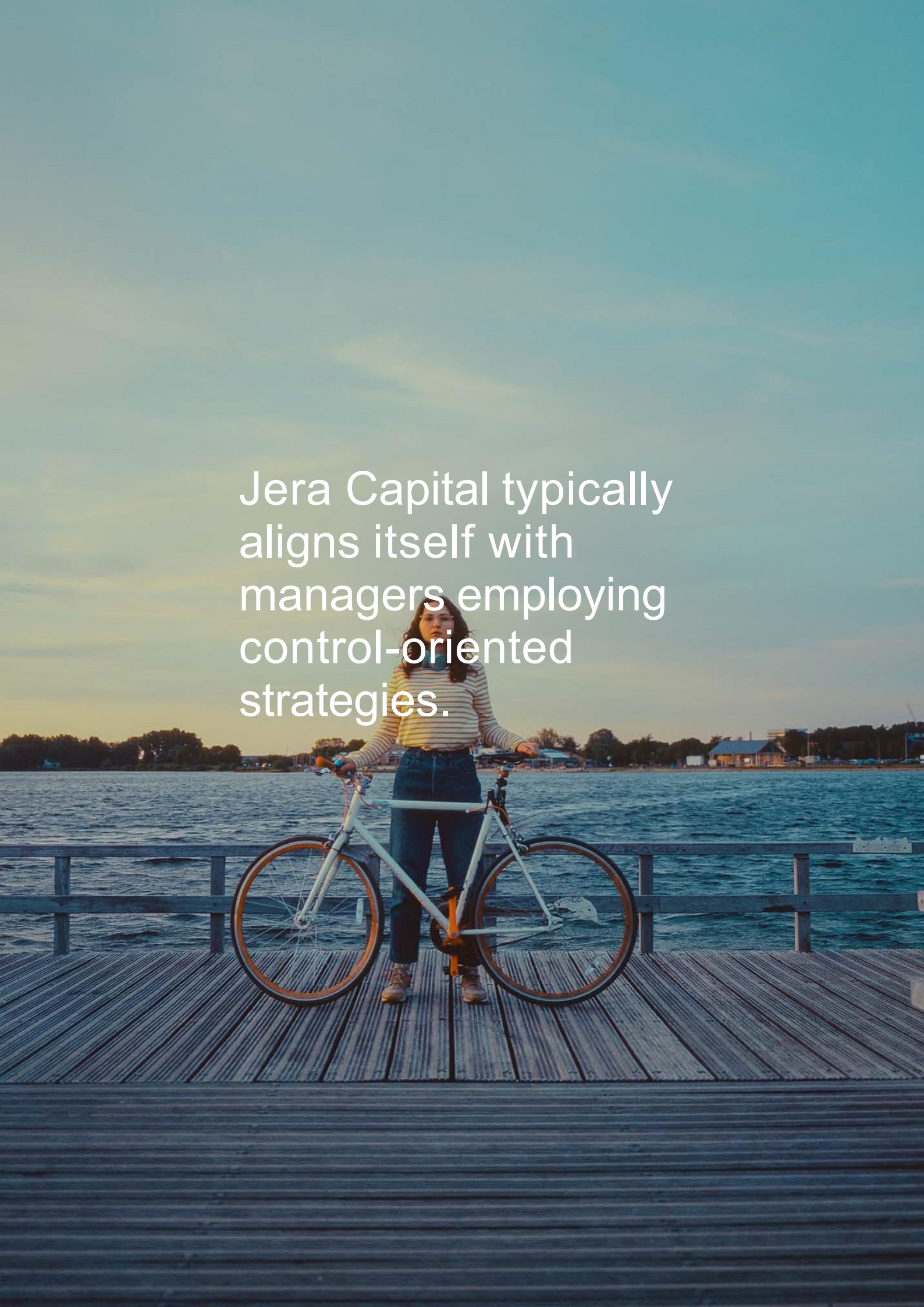
Looking ahead, amidst challenges posed by unsubstantiated ESG claims and heightened scrutiny of ESG practices, our commitment remains steadfast. We pledge to uphold our disciplined approach to ESG, especially our overarching commitment to integrating ESG into our investment processes. Upholding our reputation for innovation, we are resolute in delivering on our ESG commitments while prioritizing the pledges made to our investors.

Best regards
Jera Capital



Embracing sustainability within our investment management strategy is not just a commitment to financial prosperity; it's a pledge to forge a resilient and ethically driven legacy for our portfolios.

Christen Estrup,
Jera Capital cofounder



Jera Capital typically aligns itself with managers employing control-oriented strategies.

ESG from a Jera Capital perspective

ONE FUNDAMENTAL distinction between public or listed companies and private companies lies in ownership. When investing in a listed company, you possess a small ownership stake, resulting in minimal influence over the company's direction, strategy, and ESG (Environmental, Social, and Governance) agenda. Conversely, private companies are typically majority-owned by a single shareholder, often a private equity fund. This dominant shareholder assumes a pivotal role in shaping the company's strategy and ESG goals, with the management team tasked to execute these initiatives. Consequently, the Private Equity General Partner (PE GP) wields significant influence in driving substantial ESG initiatives due to their control over the company.

Jera Capital typically aligns itself with managers employing control-oriented strategies. These managers are adept at formulating ESG initiatives and enhancements. Since Jera Capital invests with General Partners responsible for acquiring and developing portfolio companies in a fund, the firm diligently assesses the General Partner's approach to ESG. Given that all decisions regarding portfolio companies rest with the General Partner, Jera Capital devotes substantial time and

resources to evaluate the manager's ESG commitment and its impact on investment decisions and asset management.

ESG has been carefully integrated into our investment management process in reflection of our belief that doing so enables us to better manage investment risks, which, in turn, can have a positive impact on the risk-adjusted returns of the Jera funds. However, the core objective of the Jera funds is generally not the promotion or direct management of any environmental or social outcomes, characteristic or sustainable investment at the underlying, GP-controlled portfolio companies.

As an investor in the secondaries market, there are limitations inherent with our mandate – notably that our focus is on underlying portfolio GPs or fund-of-fund managers, rather than ESG at the asset level.

However, we firmly believe we have integrated ESG into our investment processes in a manner best suited to our mandate, and we have similarly given careful consideration to what SFDR might mean for certain future Jera funds in the context of having a long established ESG Policy and ever stronger ESG practices.

Environmental initiatives by Jera

The following initiatives have been implemented at Jera Capital:

USE OF PUBLIC TRANSPORT
The firm's employees are encouraged to use public transport to commute to work and to commute to and from airports. Jera Capital encourages the use of public transport.

REDUCE AIR TRAVEL
Jera Capital limits intercontinental travel as much as possible. For short distance travel in Europe, Jera Capital encourages its employees to travel by bike or train.

CONSUME RENEWABLE ENERGY
Jera Capital's electricity consumption comes mostly from locally produced water, solar and wind energy.

REDUCE USE OF PAPER
Jera Capital strives to operate a fully paperless office.

Jera Capital believes that these initiatives contribute to the following SDGs:

7 AFFORDABLE AND CLEAN ENERGY 	11 SUSTAINABLE CITIES AND COMMUNITIES 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 



Social initiatives by Jera

The following initiatives have been implemented at Jera Capital:

ENCOURAGE TEAM DIVERSITY
Jera Capital is keen to promote diversity of perspectives for optimal decision making.

Within our organisation, we count five nationalities with Danish naturally being the most represented nationality.

EMPLOYEE WELLBEING
Jera Capital believes that the physical health of its employees is very important and sports is a very good counterbalance to our work. To further encourage physical activity, the firm subsidises gym memberships or other sports club memberships.

DEVELOP HUMAN CAPITAL
Jera Capital supports further education and personal development of its employees.

Jera Capital believes that these initiatives contribute to the following SDGs:

3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 
5 GENDER EQUALITY 	

Governance initiatives by Jera

Jera Capital is fully employeeowned and committed to growing the firm based on the highest institutional standards. Amongst others, the following policies contribute to our commitment:

INVESTMENT POLICY

Details the investment process and defines relevant control mechanisms.

COMPLIANCE POLICY

Governs rules and regulations with regards to antimoney laundering, handling of material, nonpublic information, outside business activities of Jera Capital employees etc.

RISK POLICY

Identifies and describes the handling of strategic, operational and investment risk of Jera Capital.

BUSINESS CONTINUITY PLAN

Defines the framework by which Jera Capital establishes, implements and maintains an adequate Business Continuity Policy.

SUPERVISION

Jera Capital has two independent directors on its threemember Board of Directors. Furthermore, Jera Capital has built a highquality Investment Advisory Board comprised of professionals who have deep knowledge of asset management and private equity. They support Jera Capital in the achievement of strategic objectives and further enhance the firm's high governance standards.

Jera Capital believes that these initiatives contribute to the following SDGs:



ESG in Investment Management

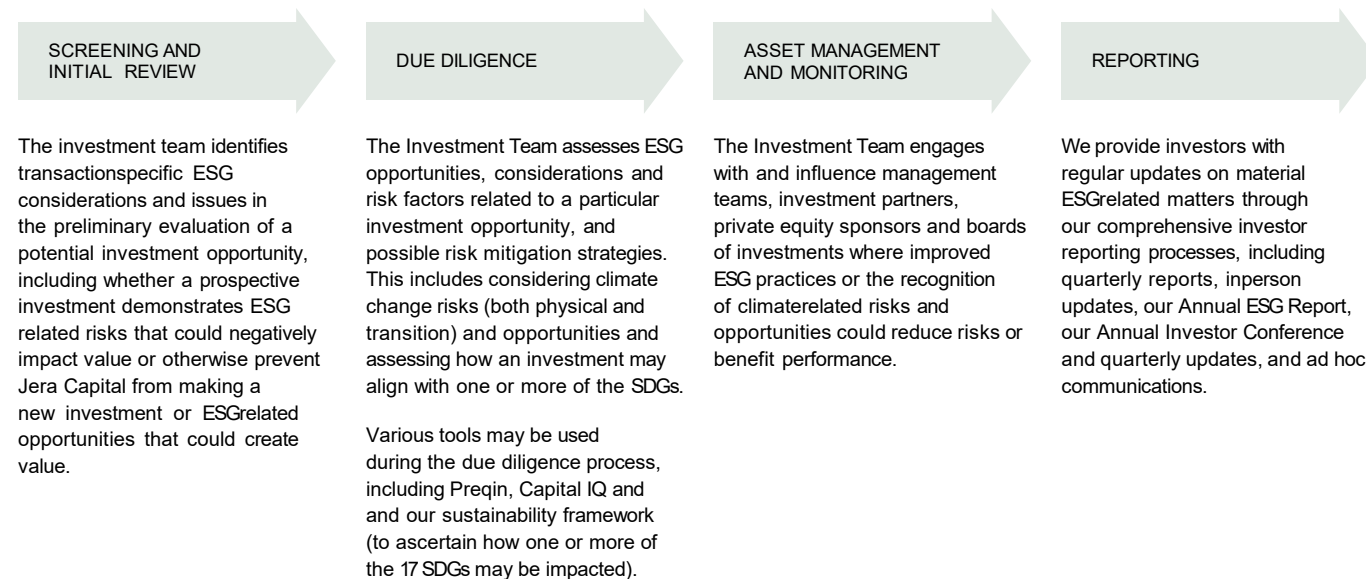
INCORPORATION OF ESG FACTORS IN THE INVESTMENT PROCESS

Jera Capital incorporates analysis of ESG factors into all stages of its investment management process, from sourcing, through to screening opportunities, proposing investments to the investment committee and, finally, monitoring of closed

investments. All relevant documents and tools used by Jera Capital have built-in ESG checkpoints.

Fund managers and portfolio companies with significant ESG issues or insufficient commitment to ESG will be excluded from Jera Capital's investment universe.

Jera Capital expects individuals in its investment management team to incorporate ESG issues in their day-to-day investment management work and it is the responsibility of the partners of Jera Capital to support the firm's employees in incorporating ESG principles in their role.



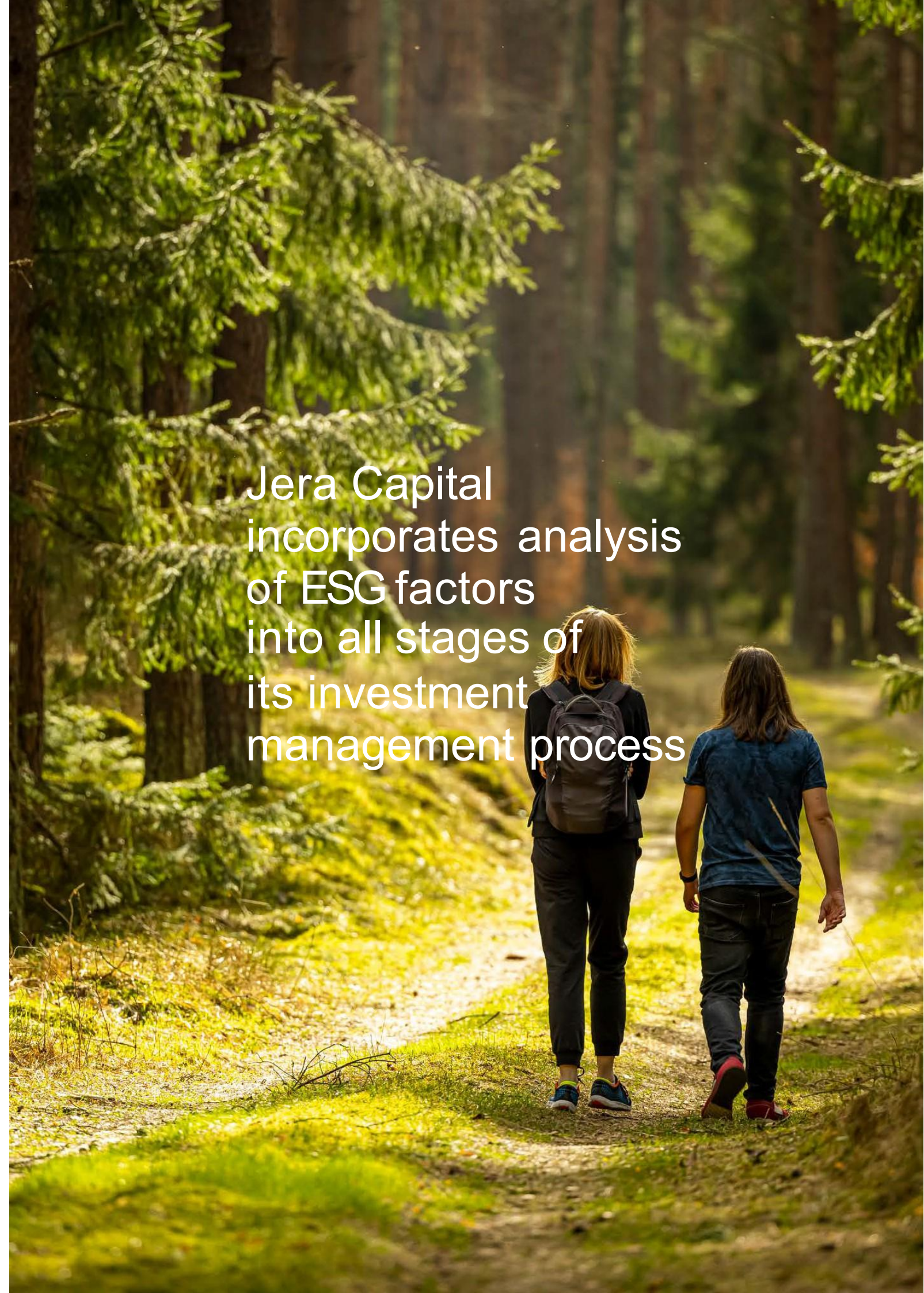
Jera Capital has identified the following UN Sustainable Development Goals ("UN SDGs") and targets as key to monitor:



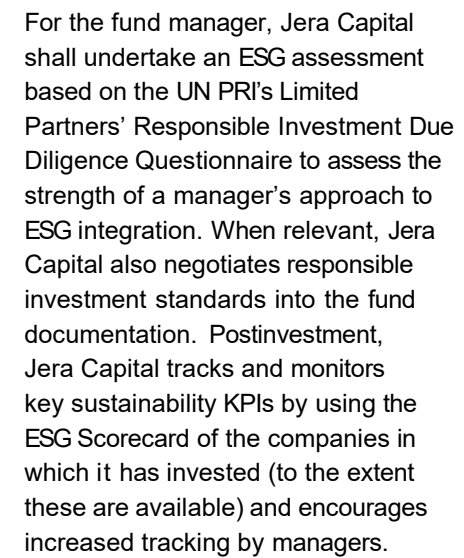
Further information about the sustainability related aspects of the Fund is available at <https://jera-capital.com/>.

The decision to invest in the Fund should take into account all characteristics or objectives of the Fund as described in the private placement memorandum.

Jera Capital incorporates analysis of ESG factors into all stages of its investment management process



Jera Capital's evaluation of investment opportunities involves a twolayer approach, comprising both evaluation of the specific assets and the fund manger. For the underlying assets, the evaluation includes scoring each company representing a material share of an investment using Jera Capital's proprietary ESG scorecard, which scores the companies on key metrics on environmental, social and governance areas, such as greenhouse gas emission, energy and water consumption, air emissions, gender diversity, work injuries and employee satisfaction.

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ESG monitoring – Portfolio Companies

DESCRIPTION

In addition to tracking and monitoring key sustainability KPIs by using the ESG Scorecard, we monitor the ESG risk ratings of all underlying company exposures using Preqin's Risk Exposure Rating.

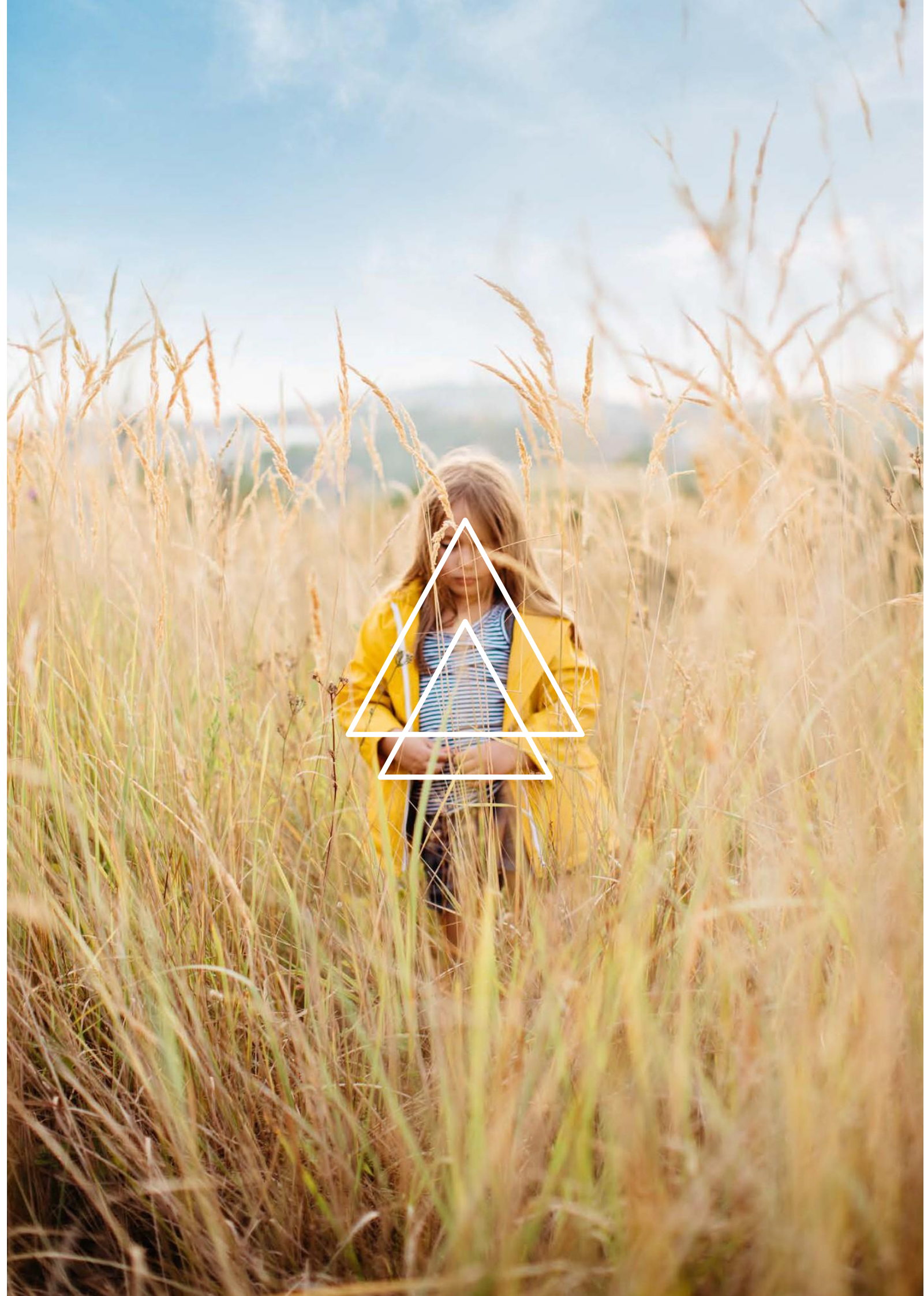
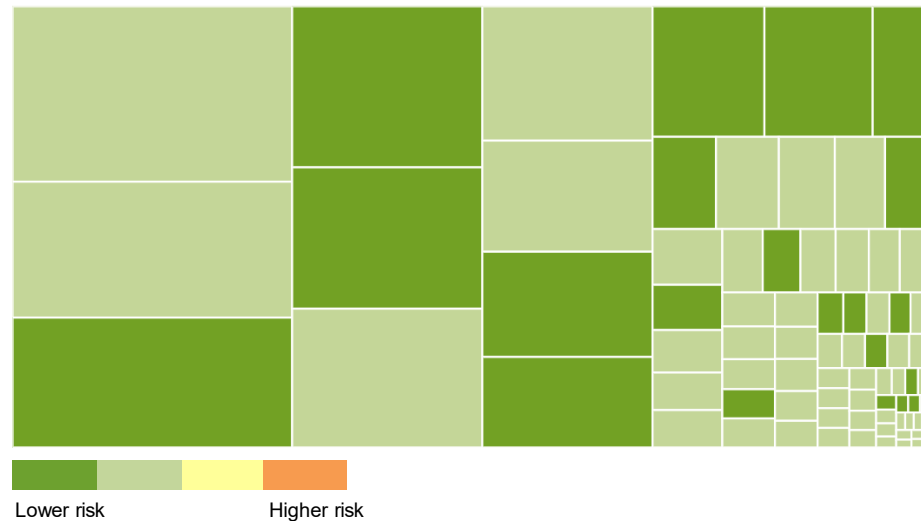
The results of this analysis supports that the mechanisms established to recognize significant ESG risks within our investments are effective.

METHODOLOGY

Preqin's Risk Exposure Rating draws on a set of 177 publicly available indicators to generate an ESG risk exposure score for each private company in the market. To identify the sources of material industry risk, Preqin leverages well-established standards, provided by the Sustainability Accounting Standards Board (SASB).

For the full methodology, please refer to the Preqin's ESG solutions methodology.

Preqin Risk Rating of Jera Capital company portfolio

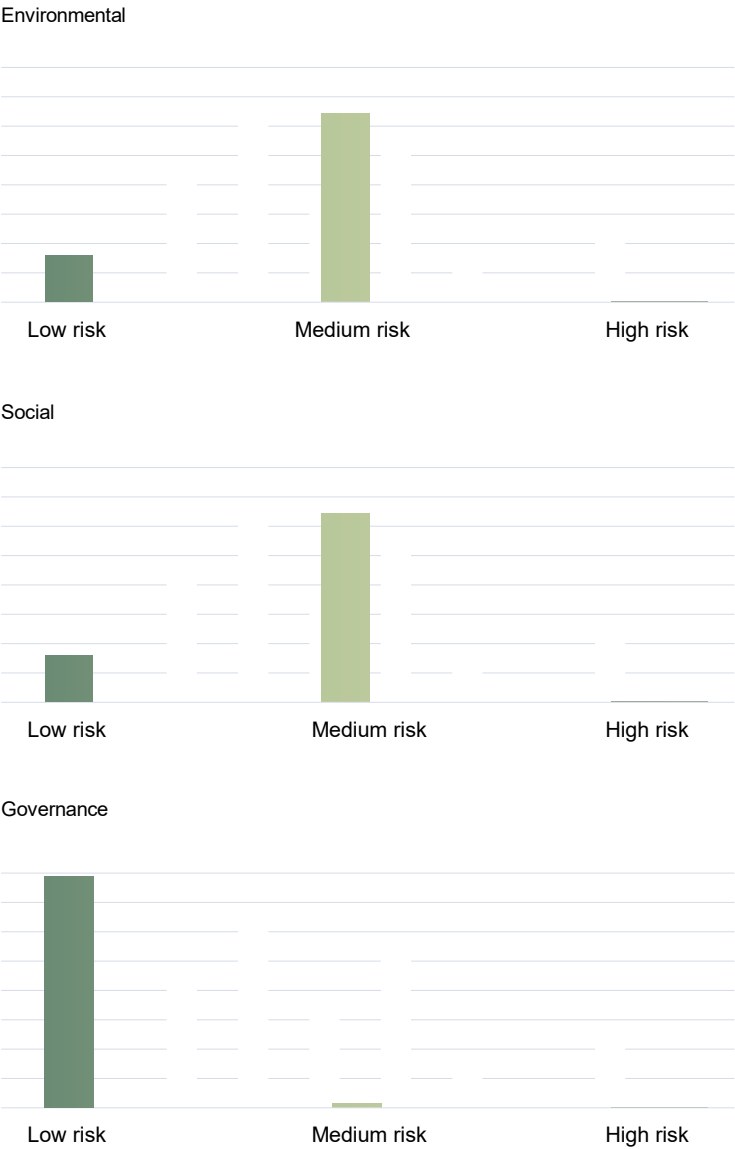


Companies mapping by underlying factors

DESCRIPTION

In addition to tracking and monitoring the overall ESG rating for the companies in our portfolio using Preqin's Risk Exposure Rating, we also monitor each of the underlying components of this rating, more specifically the Environmental, Social and Governance ratings for each portfolio company.

These ratings are made on a scale from Low to High risk and the charts on the right show the distribution of our portfolio companies on this scale



ESG monitoring – Fund Managers

Manager	Integrated approach to ESG in investments	Abide by international ESG standards	Annual sustainability report	SFDR classification	Selected key developments during 2024
Manager 1	✓	✓	✓	Article 8 funds represent 62% of AUM	To be disclosed in 2024 ESG & Impact report
Manager 2	✓	✓	✗	N/A	· Not disclosed
Manager 3	✓	✓	✗	N/A	· Continued to refine their quantitative tracking of ESG KPIs
Manager 4	✓	✓	✓	Article 8 for recent funds	· Recruited dedicated ESG team members · Became net-zero for scope 1 and 2 emissions.
Manager 5	✓	✓	✓	Article 8 for recent funds	· Have structured and formalized an ESG approach with research, monitoring, and training as key components.
Manager 6	✓	✓	✓	N/A	· Recruited dedicated ESG team members and bought nature carbon credits through a Brazilian forest partnership. Collected and donated money to 137 non-profits.
Manager 7	✓	✓	✓	Article 8 for recent funds	· To be disclosed in 2024 ESG & Impact report
Manager 8	✓	✓	✗	N/A	· Not disclosed
Manager 9	✓	✓	✓	Article 8 for recent funds	· To be disclosed in 2024 ESG & Impact report



The Future of ESG at Jera Capital

DURING 2025, WE PLAN TO WORK
ON THE FOLLOWING PROJECTS:

- Continue to improve our UN PRI reporting.
- Jera Capital Direct Access Private Equity Fund, Sicav RAIF will continue to disclose in accordance with Article 8 of SFDR.



RISKS

Investing in Jera Capital as a manager comes with a set of distinctive and substantial risks that differ significantly from traditional securities. Prospective investors must carefully assess these risks before committing their capital to this non-traditional investment vehicle. The risks associated with Jera Capital are multifaceted and require a prudent approach to risk management and diversification.

Major Losses and Reduced Liquidity: One of the primary risks of investing in Jera Capital is the potential for significant losses and reduced liquidity. Unlike traditional securities, private equity investments can be illiquid, making it difficult to access your capital when needed. Investors should be prepared for the possibility of enduring losses and tying up their funds for an extended period.

Past Success Does Not Guarantee Future Outcomes: The manager's past success does not guarantee that the fund will achieve its goals or prevent significant losses. While Jera Capital may have a strong investment approach and a track record of historical performance, it is essential to recognize that success is not assured, and market conditions can change.

Limited Correlation with Traditional Securities: Jera Capital's investment strategies have low correlation with traditional securities. This means that the returns from the fund may not move in sync with traditional markets, introducing additional uncertainty into an investment portfolio.

High Risk of Total Investment Loss: It's crucial for prospective investors to understand that they could lose all or a substantial portion of their investment in the fund. Jera Capital's investments are suitable only for those willing to accept this level of risk, and investors should carefully assess their risk tolerance and portfolio objectives.

Non-Traditional Investment Vehicle: The fund is not a complete investment program but serves as a diversification alternative to complement an investor's core holdings. As such, it should only occupy a limited portion of an investor's portfolio.

Exposure to OTC Markets: Jera Capital engages in "over-the-counter (OTC)" markets, which lack the credit evaluation and regulation seen in exchange-based markets. This exposes the fund to credit and settlement risks that are not present in exchange-traded deals with clearing guarantees and daily settlement.

Counterparty Risk: Longer maturities and concentration in certain investments can amplify counterparty risk. The fund's freedom to transact with any party without evaluation or a regulated market further raises the potential for loss risks.

Uncertainties in Private Equity Investments. Private equity investments are distinct from listed securities and come with inherent uncertainties. These investments can range from fledgling companies with minimal experience to buyouts of established firms, each with its unique set of risks. Valuing private equity investments can be uncertain, and their illiquidity sets them apart from traditional securities.

Lack of Transparency: Private equity investments lack transparency and easy tradability. Pricing these investments often involves estimated valuations, increasing uncertainty. Additionally, the gap between committed and invested capital can lead to overextension, which may necessitate asset liquidation for capital calls and redemptions.

Investment in Funds of Funds: Jera Capital might invest in funds of funds with weak regulatory oversight. This lack of diversification guidelines and flexible investment policies increases risks for shareholders. Additionally, multiple layers of fees, including management, administration, and auditor's costs, can indirectly impact shareholders.

Conflicts of Interest: Conflicts of interest may arise in situations where the AIFM, the manager, and its associated companies have interests that conflict with those of the fund's investors. Such conflicts will be addressed fairly and reasonably, but investors should be aware of this potential risk.

Foreign Exchange/Currency Risk: Although shares may be denominated in USD or EUR, the fund may invest in assets denominated in various currencies. This exposes the fund to foreign exchange/currency risk, and it may not always be possible to hedge against this risk. Returns may increase or decrease as a result of currency fluctuations.

Cybersecurity Risks: Recent events have highlighted the cybersecurity risks that businesses, including the fund, are exposed to. Unauthorized access to the fund's systems could result in substantial losses, including the theft or corruption of sensitive data and potential legal actions.

ESG Considerations: Jera Capital integrates ESG (Environmental, Social, and Governance) considerations into its investment strategy. While this can have a positive long-term effect on the fund's performance, it may also lead to the rejection of short-term value-enhancing investments. Investing in Jera Capital as a manager involves a unique set of risks that differ from traditional securities. Prospective investors should carefully consider their risk tolerance, portfolio objectives, and the potential for major losses, reduced liquidity, and other risks before committing their capital to this non-traditional investment vehicle. Diversification and risk management are essential in mitigating these risks and achieving long-term investment success. For complete information on the risks, please refer to the prospectus or KID.

DISCLAIMER

The risk associated with investing in the Fund has been classified as class 5 out of 7, which is a medium risk class. The costs (Total Expense Ratio) associated with an investment in the fund has been estimated to be ca. 2.00% per annum for the Medium Investor share class. An investor in the Fund may lose the invested capital. The Fund target professional investors. The Fund invests in illiquid instruments that may be difficult to exit in some market conditions and the Fund might restrict redemptions in the future. Please refer to the prospectus of the AIF and to the KID (available from Jera Capital in English) before making any final investment decisions.

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The Fund is actively managed. Historical returns are no guarantee of future returns. The money placed in the Fund can both increase and decrease in value and you may not get back the full invested amount.

The Fund promotes environmental and social characteristics and invests in companies with good governance. In light of the strategy, the Fund discloses sustainability-related information in accordance with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). Further information about the sustainability aspects of the Fund can be found here: <https://jera-capital.com/>.

The fees and charges paid by the Fund will reduce the return on your investment. For 2024, the costs were 1.5% in management fees for the Medium Investor Share Class, 0% in transaction costs and 10% in performance fees. Here we provide a model calculation of the adjusted value development, considering typical commissions, fees, and other charges based on a EUR 1,000 investment over 5 years. Assuming a Gross Return of 15% the adjusted value of the investment would be EUR 1710, which includes EUR 96 in management fees, EUR 0 in transaction costs and EUR 32 in performance fees. Certain costs paid by the Fund will be charged in USD and exchange rate fluctuations may cause these costs to increase or decrease when converted into your local currency (EUR).

For investors in France: Please note that the prospectus for the Fund is not available in French. The Fund does not engage in capital protection through hedging arrangements nor the use of derivatives.

For investors in Finland: This shall not constitute an offer to the public in Finland. The are offered in Finland solely to “professional clients” as defined in the Finnish Investment Services Act (747/2012, as amended) and in compliance with the Alternative Investment Fund Managers Directive (2011/61/EU) and the Finnish Alternative Investment Fund Managers Act (162/2014, as amended). This has not been approved by the Finnish Financial Supervisory Authority and it does not constitute a prospectus under the Prospectus Regulation (2017/1129/EU, as amended), a basic information document under the Finnish Securities Market Act (746/2012, as amended) or a key information document under the PRIIPs KID Regulation (2014/1286/EU, as amended).

For investors in Sweden: The AIF is registered with the Finansinspektionen for marketing in Sweden.

For investors in Germany: The AIF is registered with the Bundesanstalt für Finanzdienstleistungsaufsicht (“**BaFin**”) for marketing in Germany.



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