

<b>Bath &amp; North East Somerset Council</b>		
MEETING:	<b>AVON PENSION FUND COMMITTEE</b>	
MEETING DATE:	<b>06 December 2019</b>	<b>AGENDA ITEM NUMBER</b>
TITLE:	<b>Presentation on Private Debt</b>	
WARD:	ALL	
<b>OPEN</b>		
List of attachments to this report: Nil		

## **1 THE ISSUE**

- 1.1 At the Strategic review workshop on 7 November a number of private market allocation options were discussed. Any allocation to private markets will be managed by Brunel.
- 1.2 Brunel has been invited to present their proposal for their Private Debt portfolio at the December meeting, to support the Committee in their strategic allocation decisions.
- 1.3 New allocations will have to be agreed by end of 1Q20 to be included in the next investment cycle of the Brunel private market portfolios. Allocations to private markets will be agreed at the Special Committee meeting to consider changes to the strategic asset allocation in 1Q20.

## **2 RECOMMENDATION**

- 2.1 **That the Committee notes presentation on Private Debt from Brunel.**

**3 FINANCIAL IMPLICATIONS**

3.1 Any changes to the strategic asset allocation will affect the fees paid by the Fund. The estimated impact will be included in the paper recommending strategic changes.

**4 RISK MANAGEMENT**

4.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. The creation of an Investment Panel further strengthens the governance of investment matters and contributes to reduced risk in these areas.

**5 CLIMATE CHANGE**

5.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint. The Fund acknowledges the financial risk to its assets from climate change and is in the process of addressing this through its strategic asset allocation to Low Carbon Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

**6 OTHER OPTIONS CONSIDERED**

6.1 None.

**7 CONSULTATION**

7.1 The Council's Monitoring Officer and Section 151 Officer has had the opportunity to input to this report and have cleared it for publication.

<b>Contact person</b>	Liz Woodyard, Investments Manager 01225 395306
<b>Background papers</b>	Client Group and BOB papers
<b>Please contact the report author if you need to access this report in an alternative format</b>	