

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at Templeton House on 16 December 2024 at 10.15am.

Members Present

Mark McBride (Chair), Ken Clayton, Paul Francey (via MS Teams), Dooley Harte, Alan Law, Cathy Matthews, Derek McCallan, Shane McCurdy, Heather McKinstry, Antoinette McMillen, Peter Moore, Michael Rafferty and JJ Tohill.

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Denise McElrea (Head of Governance and HR)
Louise Hickland (Head of Investment Services)
Caitríona Roberts (Governance Manager)
Catherine Whyte (Corporate Support Officer)
Gerard Murray (Department for Communities)
Alexei Jourovski (Unigestion)
Alex Marquis (Unigestion)
Colin Cartwright (Aon)
Kenneth Ettles (Aon)

1 Declaration of Member Interests

- 1.1 Antoinette McMillen declared an interest in the Risk Register item, relating to McCloud noting that this had been redacted in her papers.
- 1.2 Alan Law declared the same interest.

2 Chairperson's Business and Apologies

- 2.1 The Chairperson welcomed Gerard Murray to his first meeting as Departmental Representative.
- 2.2 There were no apologies.

3 Minutes of the previous meeting on 26 November 2024

- 3.1 Antoinette McMillen and Alan Law requested an amendment to item 1.2 of the previous month's minutes.
- 3.2 The Committee approved this amendment. The minutes of the meeting held on 26 November 2024, having been circulated, were agreed subject to this amendment.

4 Matters Arising

- 4.1 The Secretary asked the Departmental Representative for an update on the outstanding Chairperson's appraisal for Derek McCallan. The Departmental Representative advised he would seek to ensure this was completed.
- 4.2 The Secretary provided an update on a query raised with PIMCO at the previous meeting, noting that the apparent discrepancy in figures related to the use of different reporting currencies.
- 4.3 The Secretary confirmed that the new meeting schedule had been circulated to the Committee following the last meeting.
- 4.4 The Committee queried if a response had been received to a question poised to PIMCO at the previous meeting relating to renewables. The Secretary advised that this question had not yet been answered.

5 Internal Dispute Resolution Committee

- 5.1 The Chair of the IDRC meeting presented a report of the IDRC meeting held on 2 December.
- 5.2 The Committee noted the report.

6 Audit and Risk Assurance Committee

6.1 Report of Meeting

- 6.1.1 The Chair of the ARAC presented a verbal report of the ARAC meeting held on 19 November 2024.
- 6.1.2 The Committee noted the verbal report.

6.2 Departmental Assurance Statement – 6 months Ended 30 September 2024

- 6.2.1 The Secretary presented the Departmental Assurance Statement for the period ending 30 September 2024. He advised an issue was highlighted in relation to procurement scheduling delays which are due to lengthy delays at CPD in assigning staff to tenders.
- 6.2.2 The Departmental Representative advised he would take this item away for consideration due to the delays it is causing for NILGOSC.
- 6.2.3 The Committee noted the Departmental Assurance Statement, and it was signed by the Chair.

The Governance Manager joined the meeting.

6.3 2024/25 Risk Register Review – Quarter Ended 30 September 2024

- 6.3.1 The Governance Manager presented a report documenting the review of the risk register for the quarter ended 30 September 2024.

- 6.3.2 The Governance Manager presented the changes proposed to the risk register including risk I3, I6 and O3.
- 6.3.3 The Committee noted the outcome of the risk register for the quarter ended 30 September 2024 and approved the proposed changes.

The Governance Manager left the meeting.

7 Strategic Review 2024 – Summary of Consultation Response

- 7.1 The Deputy Secretary presented a paper outlining the final version of the NILGOSC Vision, Mission, Values, Strategic Aims and Objectives following the stakeholder consultation exercise. It was noted that there was a single response.
- 7.2 The Committee agreed NILGOSC's Vision, Mission, Values, Strategic Aims and Objectives.

The Head of Investment Services and the Aon representatives joined the meeting.

8 Investment Monitoring Scorecard

- 8.1 The Head of Investment Services presented the outcome of the Investment Manager Review and Scorecard for the quarter ended 30 September 2024.
- 8.2 She informed the Committee that all mandates had been awarded an overall green rating, except for [REDACTED]
[REDACTED] The Head of Investment Services discussed the individual ratings and rationale for both mandates.
- 8.3 The Head of Investment Services advised that due to extenuating circumstances relating to the Investment Advisor Contract, the Committee were required to consider some deviations from the Investment Monitoring Guidelines.
- 8.4 The Committee agreed to defer the decisions on the recommendations until after the Unigestion presentation.

9 Manager Performance Briefing Note - Unigestion

- 9.1 The Head of Investment Services provided the Committee with an overview of the Unigestion Global Equities portfolio performance for the year to 30 September 2024.
- 9.2 The Committee discussed and agreed questions to pose to Unigestion.
- 9.3 The Committee noted the report and agreed to use it as a basis for their discussion with Unigestion at the meeting.

The Committee had a short break. The Unigestion representatives joined the meeting.

10 Presentation by Unigestion

- 10.1 The Chair of the meeting welcomed Alexei Jourovski and Alex Marquis to the meeting. He invited them to present their report on the Global Equities portfolio.
- 10.2 Alexei introduced the portfolio, giving an executive summary of the performance, positioning and outlook, and investment strategy.
- 10.3 Alexei gave a detailed review of staff changes and the rationale behind the reorganisation within the fundamental research team.
- 10.4 Alex provided a more detailed overview of both the market and the portfolio's performance, summarising the key contributors and detractors from performance.
- 10.5 The Committee raised a number of questions on performance, assets under management, team turnover, process enhancements and ESG.
- 10.6 The Chair of the meeting thanked Unigestion for their presentation and the Committee noted the update.

The Unigestion representatives left the meeting.

11 Investment Monitoring Scorecard – revisited

- 11.1 The Committee revisited the Investment Monitoring Scorecard recommendations and noted the overall ratings for the quarter ended 30 September 2024.
- 11.2 The Committee discussed the recommendations in detail and sought advice from Aon on the implications of deferring a retention review of [REDACTED]. It was agreed that any deferral would be subject to ongoing quarterly review and that any material deterioration could result in further action being taken.
- 11.3 Subject to review at the next quarterly scorecard, the Committee agreed the following:
 - that a Retention Review [REDACTED] is deferred until after the Triennial Investment Strategy review in 2025.
 - that [REDACTED] remain on the Watchlist for more than four consecutive quarters and
 - that NILGOSC retains [REDACTED] as part of its balanced equity investment strategy until such time that either a strategic decision is taken to remove the asset allocation from the

investment strategy; or a Retention Review of the mandate is undertaken

- 11.4 The Committee agreed to add the [REDACTED] watchlist with effect from 30 September 2024, pending further investigation.

12 Presentation by Aon

- 12.1 The Chair of the meeting invited Colin Cartwright and Kenneth Ettles to present Aon's quarterly investment report to the Committee.
- 12.2 Kenneth provided an overview of the fund's performance for the quarter ended 30 September 2024, including absolute and relative returns, funding level and asset level performance.
- 12.3 Kenneth also gave an overview of the markets, outlook and individual manager performance.

Antoinette McMillen and Heather McKinstry left the meeting.

- 12.4 The Committee noted the report.

The Aon Representatives and the Head of Investment Services left the meeting.

13 Secretary's Report and Seal Log

- 13.1 The Secretary presented his report outlining important operational issues that had arisen since the last Committee Meeting.
- 13.2 The Secretary advised that NILGOSC received the results of its voluntary submission to the Principles of Responsible Investment's updated reporting framework and that it had improved on or maintained prior year scores.
- 13.3 He drew the Committee's attention to a letter from the PLSA and specific LGPS schemes, showing support for the Government's recent Mansion House proposals regarding pooling and investment in England and Wales.
- 13.4 The Secretary informed the Committee that NILGOSC had recently provided information to the Minister for Communities on its additional costs in relation to the increase in National Insurance costs, as a result of a written Assembly Question.
- 13.5 The Secretary highlighted that the Head of Pensions Policy and the in-house Lawyer had met with Choice Housing regarding implications of the proposed transfer of engagements. Michael Rafferty advised he would declare an interest in this item if any discussion or decision making was required.

14 Any other business

14.1 The Chair wished everyone present a Happy Christmas.

There being no further business, the meeting was closed.

Chairperson (Signature).

Date