

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at Templeton House on 16 December 2025 at 10am.

Members Present

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

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Densie McElrea (Head of Governance and HR)
Louise Hickland (Head of Investment Services)
Gemma Major (Governance Officer)
Jeff Glass (Department for Communities)
Gerard Murray (Department for Communities)
Alexei Jourovski (Unigestion)
Alexandre Marquis (Unigestion)
Andrew Singh (Isio)
Jonny Moore (Isio)

Apologies

None

1 Declaration of Member Interests

- 1.1 Antoinette McMillen and Alan Law declared an interest in agenda item 6 (iii), the risk register review, which related to the legal action being taken against NILGOSC by NIPSA. The relevant sections had been redacted from the papers for both members.
- 1.2 The Secretary advised members that there have been no recent changes to the Register of Interests and requested that members review and update their declarations as required, given that some Committee members have recently retired from their employment.

2 Chairperson's Business and Apologies

- 2.1 The Chairperson welcomed Gerard Murray and Jeff Glass from the Department for Communities to the Management Committee meeting. The Secretary noted that Jeff played a key role in drafting the Partnership

Agreement and explained why both Department representatives were in attendance at the meeting.

3 Minutes of the previous meeting on 25 November 2025

- 3.1 The minutes of the meeting held on 25 November 2025, having been circulated, were agreed and signed by the Chair.

4 Matters Arising

- 4.1 There were no matters arising since the previous meeting not covered elsewhere on the agenda.

5 Internal Dispute Resolution Committee

- 5.1 The Chair of the IDRC, Peter Moore, presented a report of the IDRC meeting held on 1 December 2025. The IDRC drew the Committee's attention to a delay by the employer in making the ill-health application and discussed the merits of issuing a circular to all employers to raise awareness of the process.

- 5.2 The Secretary confirmed that the process is clearly set out in the Employer Guide and in scheme literature and advised that the team was currently considering whether targeted communication would be more effective than a blanket circular to all employers. The Committee expressed its concern that all employers might not be aware of the ill-health process and therefore there was the possibility that members may not have been put forward for ill-health retirement when appropriate.

- 5.3 Gerard Murray queried if there was a time limit to the application process and whether this would likely be an isolated instance.

- 5.4 The Secretary stated that there is no time limit under the regulations.

- 5.5 The Chair requested that the pensions team consider both a general circular and targeted employer communication to remind employers of their duties and to request that employers review recent terminations to ensure that any which would have met the criteria for ill health benefits were put forward to NILGOSC for assessment.

- 5.6 The report was noted by the Committee.

6 Audit and Risk Assurance Committee

- 6.1 Michael Rafferty, Chair of the ARAC, provided a verbal update on the ARAC meeting held on 19 November 2025. He advised the Committee that Antoinette McMillen had declared an interest in respect of the Report to

those charged with Governance presented at the meeting and left during discussion of that item. The Chair of the Management Committee advised that issues relating to data security had subsequently been raised and that he believed it would be beneficial for all members to complete refresher training on data protection and cyber security. He advised that the Head of Governance and HR was exploring suitable options and that training would be rolled out in the new year. The Chair of the Management Committee further advised that an update on the pilot project for a board portal will be presented in January as part of the board effectiveness report.

6.2 The Departmental Assurance Statement – 6 months ended 30 September 2025

6.2.1 The Secretary presented the Departmental Assurance Statement for the period to September 2025 to the Committee, noting that it was reviewed by the Audit and Risk Assurance Committee at its meeting on 19 November 2025.

6.2.2 The Management Committee noted the completed Departmental Assurance Statement for the six-month period ended 30 September 2025, and the Chair agreed to sign it.

6.3 2025/26 Risk Register Review Quarter Ended 30 September 2025

6.3.1 The Head of Governance and HR presented the paper which documented the review of the risk register for the quarter ended 30 September 2025, undertaken by the Senior Management Team (SMT) on 20 October 2025 and received at the recent ARAC meeting. She advised that redacted sections would be discussed separately if required.

6.3.2 The Head of Governance and HR provided a summary of the changes proposed to the risk register together with supporting rationale.

6.3.3 The Committee queried the process for dealing with live risks and the recording any action to be taken. The Secretary confirmed that an action should have been included for C4, as a red risk, however this was missing from the report. Gerard Murray sought and obtained further detail on risk C5 and the nature and impact of the guidance outstanding with the Department.

6.3.4 The Committee noted the outcome of the review of the risk register for the quarter ended 30 September 2025 and agreed the proposed changes to risks PS2, C4 and O20, together with the transfer of ownership of C5, O8, O9, O18, O20 and F9 to the Chief Pensions Officer.

6.4 Review of Raising Concerns Policy

6.4.1 The Head of Governance and HR presented her report outlining the minor changes proposed following its recent review.

6.4.2 She confirmed that the policy was presented to the ARAC for review in November and that paragraph 6.4 had been added at ARAC's request.

6.4.3 The Committee approved the Raising Concerns Policy.

6.5 Review of Anti-Bribery Policy

6.5.1 The Head of Governance and HR presented the report which set out two minor changes made to the Anti-Bribery Policy following its most recent review.

6.5.2 It was noted that the policy was presented and approved by the ARAC in November.

6.5.3 The Committee approved the Anti-Bribery Policy.

7 Potential Collaboration with British Business Bank and proposed amendment to Delegations of Authority

7.1 The Deputy Secretary presented her report outlining a potential co-investment opportunity together with a proposed amendment to existing delegations for such investments.

7.2 The Deputy Secretary outlined a potential opportunity which has arisen to invest alongside the British Business Bank (BBB) in a UK commercial debt fund with a regional focus on Northern Ireland and Scotland.

7.3 She outlined the existing process for co-investments, which was established in 2017, noting that this had operated successfully in the intervening period. She highlighted the proposal that a fixed monetary amount be added to the existing delegation to help manage the risk of any short-term fluctuations in overall fund value. The Committee asked a series of questions on the nature of the potential opportunity, which were addressed by the Deputy Secretary,

7.4 Gerard Murrery from the Department queried if the split of investments across Scotland and Northern Ireland would be equal. The Deputy Secretary advised that indicative geographic ranges will be set as part of the fund negotiation process.

7.5 The Deputy Secretary confirmed that an update would be provided to the Committee in due course, should the opportunity proceed.

7.6 The Committee noted the report and agreed to amend Delegation 1.4.2 to: Under matter 1.4.1(v) the Secretary is authorised to approve collaborative commitments up to a maximum of ¼% of the total fund, or £30m if higher, per individual investment.

8 Partnership Agreement

- 8.1 The representatives from DfC left the room in order to give the Committee time to discuss the agreement in a closed setting.
- 8.2 The Secretary presented the draft Partnership Agreement to the Committee, stating that this document has been in development since 2021 and will ultimately replace the extant Management Statement and Financial Memorandum as a means of setting out the framework in which NILGOSC can operate as an Arm's Length Body.
- 8.3 The Secretary confirmed he was content to recommend the draft agreement as presented, noting that authority to approve pay awards as previously requested by the Committee had not been granted. He also highlighted that the Department had inserted a clause requiring the provision of all board papers, unless agreed in advance.
- 8.4 The Committee raised various queries relating to details set out in the Partnership Agreement. JJ Tohill requested sight of the document referenced at Annex 8: Partnerships between Departments and Arm's Length Bodies: NI Code of Good Practice, together with DfC's Proportionate Autonomy Assessment of NILGOSC
- 8.5 Antoinette McMillen proposed that the matter be deferred and brought to a subsequent meeting, in order to give the Committee more time to consider the document and to collate any questions and clarifications. This was supported by Paul Francey and JJ Tohill.
- 8.6 Richard Baker asked the Secretary whether there was anything in the document that restricted NILGOSC's ability to operate effectively. The Secretary confirmed that he was content with the document as currently drafted from an operational perspective.
- 8.7 The Chair requested that members collate and email any queries or clarifications requests to the Secretary in order that these can be addressed or raised with the Department. The Secretary confirmed that there was availability in the January agenda to include the Partnership Agreement, pending confirmation of the volume and nature of member queries.
- 8.8 The DfC representatives rejoined the meeting and the Chair provided an update on the deferral and proposed way forward.

The Head of Governance and HR left, and the Head of Investment Services joined the meeting.

The Committee had a short break.

9 Manager performance briefing note – Kepler Unigestion

- 9.1 The Head of Investment Services presented the report which provided the Committee with an overview of the Kepler Unigestion Global Equities portfolio for the year to 30 September 2025.

9.2 The report provided information on Kepler Unigestion, the manager's investment philosophy and process, investment fees paid and key contributors to and detractors from performance during the period under review. It also outlined ESG considerations and Kepler Unigestion's outlook for the mandate.

9.3 The Committee noted the briefing note paper.

Representatives from Isio and Kepler Unigestion joined the meeting, Antoinette McMillen left the meeting.

10 Presentation by Kepler Unigestion

10.1 The Chair welcomed the representatives from Kepler Unigestion, Alexei Jourovski (Head of Equities) and Alexandre Marquis (Head of Equity Investing) and thanked them for attending the meeting to present their report on the Kepler Unigestion global equities portfolio.

10.2 Alexei provided an overview of the defensive nature of the strategy and recent corporate partnership with Kepler Cheuvreux, noting the enhanced research capabilities following the change in ownership. Alexandre provided an analysis of the portfolio's performance over the last twelve months including key contributors and detractors from performance.

10.3 The Committee raised a number of questions with Kepler Unigestion including relative performance, portfolio positioning in a volatile environment, the impacts of the establishment of Kepler Unigestion on the investment team and any enhancements that have come from this integration.

10.4 The Committee noted the presentation given by Kepler Unigestion and the Chair thanked Alexei and Alexandre for attending the meeting.

Kepler Unigestion representatives left the meeting.

11 Investment Monitoring Scorecard

11.1 The Head of Investment Services presented the Investment Monitoring Scorecard Report which summarised the outcome of the investment manager review for the quarter ended 30 September 2025.

11.2 The Head of Investment Services provided an update on the three managers currently on the Watchlist, noting that many of the issues highlighted would be covered by Phase 2 of the strategy review currently underway. Given the timing of this review, she advised the Committee that a deviation would be required from the Investment Monitoring Guidelines to permit a manager to remain on the Watchlist for more than four consecutive quarters without a retention review being undertaken.

11.3 The Committee noted the overall ratings for the quarter ended 30 September 2025 and agreed that [REDACTED] all remain on the Watchlist pending assessment of the long-term suitability of the mandates as part of the ongoing investment strategy review.

11.4 The Committee further agreed to deviate from the Investment Monitoring Guidelines which state that after four consecutive quarters on the Watchlist, a red assessment should be given and a formal retention review commenced. It was agreed that the deviation would remain until Q4 2026 to permit the conclusion of the investment strategy review process.

12 Presentation by Isio

12.1 The Chair welcomed back the Isio representatives Andrew Singh (Associate Director) and Jonny Moore (Executive Consultant). They presented the quarterly report on the performance of the Fund for the quarter ended 30 September 2025 to the Committee.

12.2 Isio provided an overview of performance at an overall fund, asset class and manager level, noting that it had been a good quarter for the fund.

12.3 Isio provided an update on the ongoing strategy review noting that Phase 1 had been presented at the November meeting and Phase 2 is scheduled for the March 2026 meeting.

12.4 The Committee noted the paper and thanked Andrew and Jonny for attending the Committee meeting.

Isio representatives and Head of Investment Services left the meeting.

13 Public Sector Pensions Report

13.1 The Secretary presented the Public Sector Pensions Report to the Committee and provided an update on the recent UK budget and the LGPS consultation process currently underway in England and Wales.

13.2 With respect to the budget announcement on salary sacrifice arrangements, the Secretary confirmed that the proposed changes will not affect contributions to the LGPS, although members with an AVC arrangement may be impacted. The Secretary advised that while some employers will utilise salary sacrifice schemes for the payment of member AVCs, this is a matter for the employer and NILGOSC does not hold information on how contributions are paid.

13.3 The Committee noted the paper.

14 Secretary's Report and Seal Log

- 14.1 The Secretary presented his update on operational matters that had arisen since the last meeting.
- 14.2 The Secretary updated the committee on the results of NILGOSC's submission to the Principles of Responsible Investments (PRI) reporting framework for the year ended 31 March 2025, noting that the full reports will be provided on the website in due course.
- 14.3 The fund total was reported verbally to the Committee due to the close turnaround since the last meeting.
- 14.4 The Secretary's report and Seal log were noted by the Committee.

15 Any other Business

- 15.1 The Chair wished everyone present a Merry Christmas.
- 15.2 There being no further business, the meeting was closed.

The next meeting will be held on 27 January 2026.

Chairperson (Signature).

Date