














**House of Commons Standing Committee on Public Accounts (the Committee) with regards to the request to share a report on**  
**A) the new performance indicators used to monitor the achievement of its strategic objectives; and**  
**B) its progress against these indicators as presented to its board in May 2022.**

**This table shows the Public Sector Pension Investment Board's (PSP) Key Results to support the tracking of progress against our strategic objectives by providing clear five-year targets (FY26).** PSP started to execute on its new strategy over the last year and expects to continue launching new initiatives to successfully execute on its long-term objectives. Monitoring and reporting is done at the Board level.

Strategic Objectives	Key Result measure	Progress Assessment	Key Result Definition
Our vision for the strategy is to be an insightful global investor and valued partner that is selective across markets and focused on the long term	<b>1)</b> 10-year value add vs Reference Portfolio		PSP's value-add investment performance versus the reference portfolio as measured on a 10-year annualized basis.
Increase the sophistication of our Total Fund approach, through a focus on improving Policy Portfolio construction and investigating alternative diversifying strategies	<b>2)</b> Increased probability of outperforming Reference Portfolio		This is the increased probability of outperformance vs the Reference Portfolio's expected return driven by Total Fund enhancements. Chief Investment Officer (CIO) group simulations annually assess the probability of outperformance vs. the Reference Portfolio. The source of that outperformance can be isolated and will be used to calculate this measure as various total fund enhancements are deployed.
Refine our focus and use of resources by building convictions and incubating strategies that leverage our scale, time horizon and multi-asset class nature	<b>3)</b> Assets Under Management (AUM) in Asia-Pacific		PSP assets under management in Asia-Pacific (includes Asia and Australasia).
Effectively integrate Environment Social and Governance (ESG) considerations into our investment decisions & portfolio management as key value drivers	<b>4)</b> Green Assets		Investments in low carbon activities that lead to positive environmental impacts, with best efforts to understand and avoid carbon lock-in effect, including 'enabling' assets in activities or technologies that aid the transition to a low carbon economy.
Enable efficient, cost-effective and scalable global investment operations by modernizing and simplifying our operating model	<b>5)</b> Operating Model Modernization		PSP director level employees-and-up will be surveyed via a third-party in FY24 and FY26 to understand if they believe our operating model modernization has added-value. "Added-value" will be measured on: Information flow (access to and sharing of data), insight generation, process efficiency, talent empowerment and performance of new technology.

Optimize and leverage our portfolio of relationships and strategic partnerships by holistically assessing and managing our ecosystem	<b>6) Partner Perception</b>		In July 2019, an external firm conducted a partner perception survey where they concluded that PSP was viewed as top-tier amongst its peers, not yet 'leading and valued'. We will engage a third-party to repeat the survey in FY23 and FY26.
Become more data-driven and forward-looking in our decision-making by building shared capabilities in advanced analytics	<b>7) Advanced Analytics in decision-making</b>		This key result reflects that we have successfully embedded advanced analytics into the decision-making process in three focus areas of our investment activity.
Strengthen PSP's Talent Value Proposition in the context of a new hybrid work reality	<b>8) Peakon Engagement Score</b>		Peakon surveys of our workforce are conducted regularly, providing an overall engagement score.
Strengthen PSP's resilience by ensuring we can identify and meet our future talent needs, while leveraging the full potential of our diverse, agile, and engaged workforce	<b>9) Senior Leadership Diversity</b>		A measure of the overall diversity gap between PSP's overall population vs the Managing Director-and-up population measured on eight key attributes of diversity – (1) gender, (2) ethno-cultural background, (3) cultural origins, (4) immigration status, (5) religious beliefs, (6) sexual orientation, (7) disability, mental health condition or neurodiversity status, and (8) veteran status.
	<b>10) Culture Index - TBD</b>		A Culture Index will measure the health of our organizational culture.

**Progress Assessment Legend:**  Too Soon To Tell  On Track  Needs Attention