



## **Treasury Laws Amendment (Your Future, Your Super) Bill 2021**

As foreshadowed in our original submission to the Committee, HESTA would like to suggest a performance benchmark for property that would better reflect its characteristics.

HESTA believes that a CPI + 4% metric should be considered as an appropriate benchmark for unlisted property.

Investing via unlisted property markets are valuable for several reasons, including that they have a lower correlation with listed markets than listed property. Unlisted property can provide diversification benefits, earnings stability, protection from inflation and portfolio risk management benefits. Using a listed benchmark to assess the performance of unlisted property would potentially negate these benefits for individual funds by penalising participation in these markets. It could also lead to wider detrimental economic effects by reducing the appetite for funds to invest in this asset class.