

ANNUAL REPORT

For the year ended 30 June 2024

SAFEGUARDING YOUR REDUNDANCY BENEFITS

Good news – eligible members will receive a distribution this year. The total distribution to members will be \$3 million. MERT is one of only two funds that distribute an annual payment to members when investment returns allow, which has been the majority of years.



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With this annual report you will receive a statement detailing your employer contributions during the past twelve months. However, in-between statements members can easily access their account details and contribution history from the MERT website or the MERT App. The MERT website featuring member access is available at www.mert.com.au. There is also information in the annual report about using this website.

Directors' Message 2023/2024

With Australia's inflation rate proving difficult to tame and the resulting lack of reduction in mortgage rates, the Directors are pleased to advise that MERT will be paying a distribution to members of \$3 million for the year ended 31 July 2024. This distribution represents the returns on invested member funds. The majority of severance/redundancy funds do not provide distributions to members and any proposal that a member should transfer to another fund should be carefully considered with that fact firmly in mind.

Whilst the Australian share market hit historic peaks in the year, MERT has a conservative investment portfolio to address the prime concern of protecting the redundancy benefits of its members. After the market peaks, there is an inevitable fall, and the Directors consider MERT well-placed to ride out such an event. At year-end, MERT had some 16100 members accounting for \$131 million of investments.

Whilst MERT has had an Apple and Android app for some years the app has recently been relaunched with additional functionality. If you don't have the app, download it from either of the platform stores. If you already have the app, ensure it is the current version. The app allows members to check their balance at

any time and importantly check that the correct monthly contributions are being made in line with employment conditions.

MERT members are, in the main, highly skilled Australian workers and for those in this category, the medium-term future will see many employment opportunities. However, as many also work in infrastructure, many of these projects are seeing massive cost and time overruns and some have been put on ice. Skills shortages do not assist and Australia continues to be a high-cost country in almost every respect. There is a dire need for RBA interest rate reductions and we hope these are not far away.

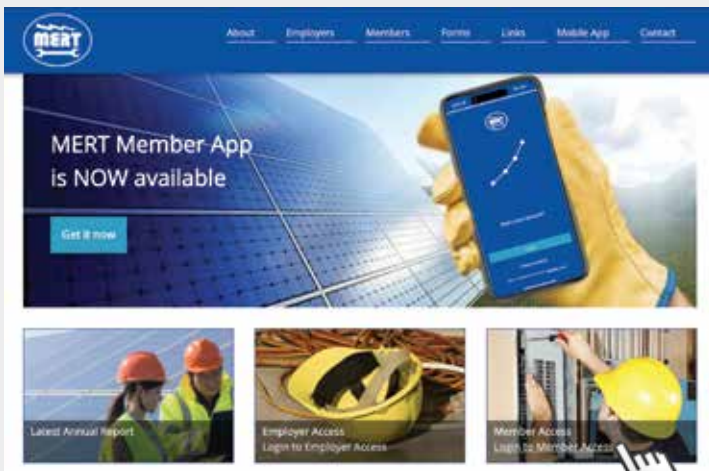
The MERT directors continue to represent the interests of members of the MERT fund and ensure that investments are appropriate to protect the redundancy benefits of members. A list of directors is available at the end of this Annual Report. These directors understand the building and construction and infrastructure industries and are committed to their role.

Finally, and again, a reminder to carefully weigh up the pros and cons of transferring from MERT to another fund that does not provide members distributions.

MERT Member App is now available

- Easily login with a PIN.
- Check your balance
- Manage your personal and bank details
- Set beneficiaries
- Read important messages
- Make an online Claim

Download now at mert.com.au/app



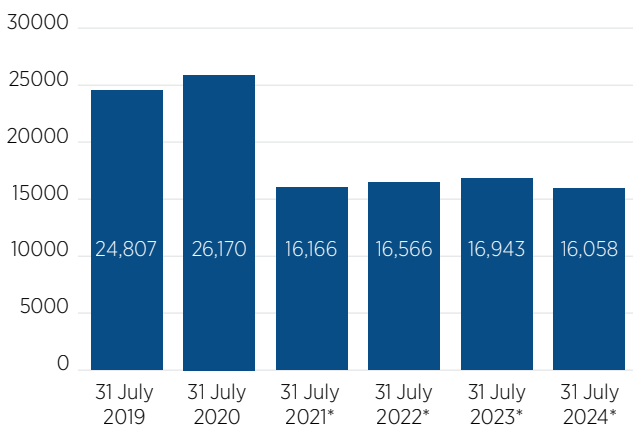
Don't lose track of your benefits

Make sure MERT has your current contact details. You can review and update details anytime via Member Access on our website www.mert.com.au, or the MERT App.

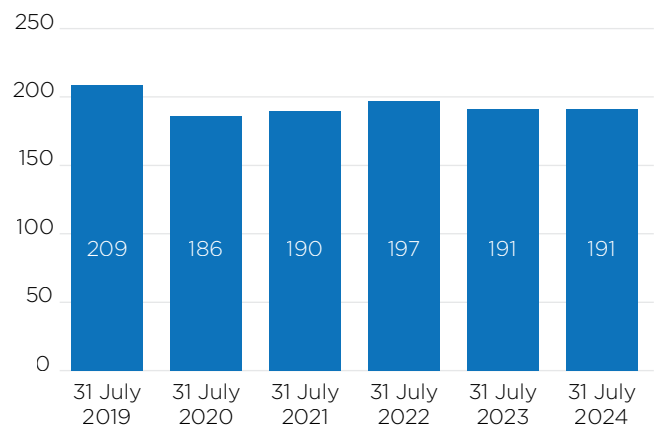
If you need assistance, call the MERT fund administrator on 1800 023 692.

MERT at a glance

Membership



Employers



* Method of counting active members changed.

Claiming your benefit

The fastest way to claim your redundancy benefit is online through MemberAccess or through the MERT Mobile App.

Simply click on 'Online Claims' and fill out the details according to the prompts. You can select to have the benefit paid via electronic funds transfer (EFT). You can also check the status of your claim online.

Alternatively, you can download the paper claim form from www.mert.com.au or request a copy of this form by calling 1800 023 692, but this claims process takes a bit longer than online.

How to claim your benefit

If you are made redundant or you terminate your employment you can claim your account balance by completing a member benefit claim form and having your last employer complete Section A and provide a copy of a third party termination advice, e.g. separation certificate. You can also choose whether to receive your benefit by the way of cheque, electronic funds transfer or rollover to a redundancy fund of your choice. (subject to the condition outlined below)

When benefits are payable to you

The requirement is for you to claim your redundancy payment within 12 months of termination of your last employer to qualify for concessional tax treatment.

Generally if you claim your benefit outside the above criteria, your payment will be taxed as ordinary income at your marginal tax rates rather than at concessional tax rates. There are limited circumstances in which the 12 month rule does not apply. Please refer to www.ato.gov.au for more information.

Please note: The concessional tax rate limit is indexed each year. If you are entitled to significant redundancy benefits you should consider seeking financial advice before payment.

Death

In the event of your death, your account balance will be paid to your nominated beneficiary or legal representatives. Documentation required to make a claim will include, as relevant:

- a completed deceased member claim form,
- marriage certificate or proof of dependency,
- copy of your birth certificate or drivers licence,
- death certificate,
- along with a copy of your Will or letters of administration.

MERT members' accounts

When you join MERT, an account is opened, providing you with an individual membership number. The following transactions are recorded into your account:

(+) Credits to your account

Contributions

You the employee are not required to pay anything. Your employer will pay on your behalf an amount as provided for within an enterprise agreement or other industrial instrument. This amount offsets the award redundancy entitlement.

Transfers in (rollovers)

Any amount you transfer or rollover into the trust from other redundancy plans.

(-) Debits to your account

Charges

No charges are deducted from your account. The cost of operating the trust is deducted from investment income, which includes all fees, administration charges, directors costs, custodian, legal, accounting and audit fees.



Understanding your statement

Twice a year you will receive a personal statement of your account. The statement for the period ended 30 June provides a listing of transactions for the previous 12 months, and the one ended 31 December provides details of transactions for the previous six months. The following information should assist you to understand your benefits and the contents of your statement.

1. Reporting period

The information on your annual statement covers the 12 month period from 1 July 2023 to 30 June 2024. Anything that affected your account after 30 June 2024 will be shown on next years statement.

2. Enquiries telephone number

This is the number to use between 8.00am and 7.00pm (EST) to make enquiries.

3. Membership number

This is your fund membership number, which you should quote whenever you phone or write to MERT Administration. This will assist the administrator to quickly trace your details in the computer.

4. Tax File Number

If you advise MERT of your Tax File Number it will show provided. If you haven't, it will show Not Advised.

5. Beneficiary(ies)

These are your preferred dependent beneficiary(ies) whom you wish to receive your benefits in the event of your death. The final decision as to who receives your benefit rests with the Trustee.

If you have no dependants (as defined), you should nominate your estate and ensure you have an up to date Will. You can update your nomination of beneficiary(ies) in writing to MERT Administration at any time.

Note: Where you have dependants and have made a Will you may wish to have the nominated beneficiary(ies) recorded with MERT consistent with those stated in your Will.

6. Withdrawal benefit your account balance

Your withdrawal benefit is the balance of your account. This is the amount that you would be paid (less tax) if you were to claim your benefit. It is made up of contributions received and amounts rolled into the fund.

7. Employer contributions


Your member statement will show the contributions MERT has received for you during the last 12 months. If you believe any contributions are not shown on your member statement you should first communicate with your employer. You should note that contributions received for the month of June 2024 are not due to MERT until July 2024 and therefore will appear on your next statement.

8. Transfers/Rollovers received

This is the money (if any) that you have rolled over into MERT from another redundancy fund.

9. Benefit payments

If you were paid any benefits during the reporting period, they will be shown here together with the payment details.



Member Statement

1 For the period 1 July 2023 to 30 June 2024

Mr Simon Sample
103 Sample Street
SAMPLE NSW 2000

2 Enquiries Telephone Number
1800 023 692
Hours for Enquiries
8am to 7pm (EST)


3 MEMBERSHIP NUMBER: 10538361

4 Date Joined Fund: 12/07/1994
4 Date of Birth: 24/05/1968
4 Tax File Number: Not advised
5 Beneficiaries: As nominated on application

6 Your Account Balance \$ 0.00
Redundancy \$ 0.00

| Your Account Details for the Period | Weeks | Redundancy (\$) | Total (\$) |
|------------------------------------------|-------|-----------------|------------|
| 7 Opening Balance of your Account | | 00.00 | 00.00 |
| Contributions received | | | |
| XYZ123 Company | | | |
| For Nov 15 received 28/11/2022 | 1 | | |
| For Dec 15 received 19/12/2022 | 4 | | |
| For Jan 16 received 03/02/2023 | 5 | | |
| For Feb 16 received 28/02/2023 | 4 | | |
| For Mar 16 received 01/04/2023 | 4 | | |
| For Apr 16 received 02/05/2023 | 5 | | |
| For May 16 received 30/05/2023 | 4 | | |
| For Jun 16 received 25/06/2023 | 4 | | |
| 8 Transfers/rollovers received | | 0.00 | |
| 9 Benefit payments | | 0.00 | |
| Balance as at 30 June 2024 | | 0.00 | 0.00 |

NOTES: This statement includes only those payments received by the Fund and paid into your account by 30 June 2024. If you wish to query any of the payments shown, please contact your employer.



The people looking after MERT

The trustee directors

MERT is managed by a trustee company, MERT Pty Limited (ABN 25 003 743 244), and comprises a board of directors of employer and employee representatives.

All Board decisions must be passed by a two-thirds majority vote. At all board meetings, employer directors are entitled to exercise one-half of the votes and the employee directors are entitled to exercise the other half of the votes.

The directors have a duty to the members of MERT to run the trust in terms of the trust deed to ensure that the trusts assets are wisely invested, workers benefits are paid correctly, and workers are kept fully informed of their benefits.

Employee directors

Fred Barbin – Director – ETU NSW
Antony Stegic – Alternate Director – ETU NSW
Steve Murphy – Alternate Director – AMWU
Robyn Fortescue – Director – AMWU
Anthony Callinan – Director – AWU

Our sponsors

Australian Manufacturing Workers Union
ABN 59 459 725 116



Electrical Trades Union of Australia NSW Branch
ABN 24 379 005 569



National Electrical and Communications Association
NSW Chapter ABN 27 056 174 413



The Australian Workers Union
ABN 28 853 022 982



Employer directors

Chris Madson – Director – NECA
Oliver Judd – Alternate Director – NECA

Fund Secretary

James Tinslay

The administrator

MERT has appointed Australian Administration Services Pty Limited (AAS) (ABN 62 003 429 114) as the administrator of the trust. AAS is a company that specialises in administering industry superannuation and redundancy trusts.

The investment manager

MERT'S investment manager responsible for investing your money in MERT is JANA Investment Advisers Pty Ltd (ABN 97 006 717 568).

The auditor

Independent auditors, Ernst & Young, audit your trust and trustee company every year to ensure compliance with Corporations law and that the financial statements reflect a true and fair view of the trust.



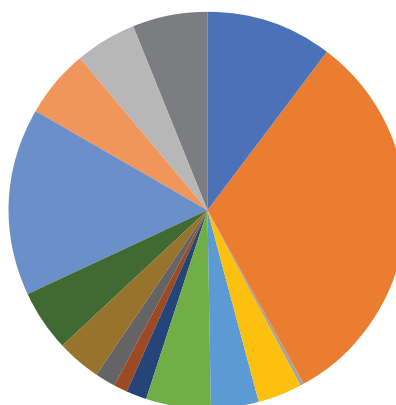
Abridged financial statement 2024 (unaudited)

MERT financial statement shows the financial position (pre-tax and member distribution) of the trust at 31 July 2024.

The directors are satisfied the unaudited abridged financial statement represents a true and accurate record of the trust's financial position. Fully audited accounts can be obtained by contacting MERT Administration.

| | 2024(\$) |
|--------------------------------------------------------------|--------------------|
| Opening balances | |
| Workers' Accounts | 122,943,916 |
| Trust Reserves | 6,141,365 |
| Trust funds and reserves at the beginning of the year | 129,085,281 |
| To which was added | |
| Contributions by employers | 12,047,370 |
| Earnings (including changes in net market value of assets) | 8,891,279 |
| Interest | 80,871 |
| From which was paid | |
| Administration and other trustee costs | (1,395,327) |
| Withdrawals | (17,625,543) |
| Distributions to beneficiaries | - |
| Trust funds and reserves at the end of the year | 131,083,931 |
| Net assets | |
| Investments | |
| JANA Cash Trust | 13,347,012 |
| JANA Short Maturity Diversified Aust Trust | 41,521,988 |
| JANA Small Caps Aust Share Trust | 412,646 |
| JANA Core Aust Share Trust | 4,749,395 |
| JANA High Alpha Aust Share Trust | 4,794,182 |
| JANA High Alpha Global Share Trust | 6,892,592 |
| JANA High Alpha Global Share Trust with Currency Hedge | 2,217,156 |
| JANA Emerging Markets Share Trust | 1,296,715 |
| JANA Enhanced Index Global Share with Currency Hedge | 2,312,852 |
| JANA Enhanced Index Global Share Trust | 4,749,456 |
| JANA Global Property Trust | - |
| JANA Multi-Sector Credit Trust | 6,325,040 |
| JANA Diversified Fixed Income | 19,770,956 |
| JANA Alternatives Trust | 7,300,219 |
| JANA Real Estate Trust Class A | 6,515,265 |
| Jana Diversified Infrastructure Trust | 7,886,477 |
| | 130,091,951 |
| Receivables | 18,776 |
| Cash at bank | 1,140,259 |
| Prepayment of Tax | 28,729 |
| Total Assets | 131,279,715 |
| Less | |
| Creditors | 195,784 |
| Net assets at the end of the year | 131,083,931 |

| | |
|--------------------------------------------------------|-------|
| JANA Cash Trust | 10.3% |
| JANA Short Maturity Diversified Aust Trust | 31.9% |
| JANA Small Caps Aust Share Trust | 0.3% |
| JANA Core Aust Share Trust | 3.7% |
| JANA High Alpha Aust Share Trust | 3.7% |
| JANA High Alpha Global Share Trust | 5.3% |
| JANA High Alpha Global Share Trust with Currency Hedge | 1.7% |
| JANA Emerging Markets Share Trust | 1.0% |
| JANA Enhanced Index Global Share with Currency Hedge | 1.8% |
| JANA Enhanced Index Global Share Trust | 3.7% |
| Jana Global Property Trust | 0.0% |
| JANA Multi-Sector Credit Trust | 4.9% |
| JANA Diversified Fixed Income | 15.2% |
| JANA Alternatives Trust | 5.6% |
| JANA Real Estate Trust Class A | 5.0% |
| Jana Diversified Infrastructure Trust | 6.1% |





MERT contact details

Information about your account is available upon request.

- Feel free to contact us if you wish to:
- change your name or address;
- change your preferred dependant;
- claim a benefit; or
- obtain further information about the fund or its benefits.

How we protect your privacy

The Privacy Amendment Act 2012 regulates the way in which MERT and its service providers must handle your personal information. The Privacy Amendment Act 2012 contains 13 Australian Privacy Principles, which detail the requirements in relation to the collection, use, disclosure, quality and security of personal and sensitive information.

These necessary policies, documentation and administration procedures to ensure compliance with the requirements of the Act have been completed.

If you would like a copy of MERT'S Privacy Statement, please contact the MERT administrator on freecall 1800 023 692 or visit our website www.mert.com.au

Don't forget you can quickly & easily review & manage your MERT account & make claims online at www.mert.com.au

In person MERT Administration Reception Level 22, Building 6, Parramatta Square
10 Darcy Street Parramatta NSW 2150

Mail MERT Administration Locked Bag 20
PARRAMATTA NSW 2124

Email mertadmin@aes.com.au

Phone Phone the MERT administrator any weekday between 8.00am and 7.00pm (EST) on freecall **1800 023 692**
International +61 2 8571 5458

Fax 1300 793 529

Disclaimer

While every effort has been made to provide members with accurate information, it should be noted that no statements made in this annual report to members purports to be investment advice, taxation advice, or legal advice by the administrator or directors.

"Australian Administration Services Pty Limited ("AAS") has prepared this report ("Annual Report") on the basis of information receipted to AAS by Mechanical and Electrical Redundancy Trust Pty Limited ("Trustee"), the custodian of the assets of MERT ("Fund"), the investment manager of the Fund and any other person directed by the Trustee to provide information to AAS for the purposes of the Annual Report ("Report Information").

The Trustee Report also contains such other information that AAS is required to provide to the Trustee in accordance with the administration agreement between the Trustee and

AAS ("AAS Information"). "AAS provides the AAS Information on the same terms as the administration agreement. AAS makes no representations or warranties as to the accuracy of the Report Information. AAS does not adopt or endorse the Report Information and recommends that the Trustee make its own enquiries to confirm the accuracy of the Report Information.

"AAS has prepared the Annual Report for the information and benefit of the Trustee and specifically disclaims any liability arising from loss, damage or costs sustained by any third party to whom the Trustee provides the Annual Report. The Trustee shall indemnify AAS in respect of any loss, damage or costs arising out of any third party claim against AAS in relation to the Annual Report."