

## **Manulife Investment Management II ICAV (the ICAV)**

The ICAV is an open-ended umbrella ICAV with segregated liability between its Funds and is organised under the laws of Ireland as an ICAV pursuant to the ICAV Act. The ICAV is authorised by the Central Bank pursuant to the UCITS Regulations. The ICAV was incorporated on 15 April 2015 under registration number C139800.

**22 JUNE 2023**

### **ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA**

**Information contained herein is selective, containing specific information in relation to the ICAV.**

**This document (the "Austrian Country Supplement") forms part of and should be read in conjunction with the Prospectus for the ICAV dated 3 October 2022 (and any Addenda or Supplements thereto) (together the "Prospectus"). This document is for distribution in Austria only.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used herein.

## **REGISTRATION AND SUPERVISION**

The ICAV has notified the Austrian Financial Market Authority of its intention to sell shares in its sub-funds in the Republic of Austria in accordance with Section 140 para 1 of the Austrian Investment Fund Act 2011 (the **InvFG**) whereby shares in the following sub-funds are admitted to public distribution in Austria:

1. Manulife U.S. All Cap Core Equity Fund
2. Manulife Strategic Fixed Income Fund
3. Manulife Emerging Markets Debt Fund

## **FACILITY FOR INVESTORS IN AUSTRIA**

The function of the facility the meaning of Art. 92 of Directive 2009/65/EC, as amended by Directive (EU) 2019/1160, in Austria has been assumed by UniCredit Bank Austria AG ("UniCredit Bank")

The details of UniCredit Bank are as follows:

UniCredit Bank Austria AG  
Schottengasse 6-8  
1010 Wien  
Austria

The fees payable to UniCredit Bank will be paid at normal commercial rates.

Investors may buy, sell and switch shares in accordance with the procedures laid out in the Prospectus or through UniCredit Bank in Austria. All payments made to investors (e.g., proceeds, dividend distributions and other payments) can be executed through UniCredit Bank in Austria.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the ICAV and UniCredit Bank in Austria:

- the Instrument of Incorporation of the ICAV in English;
- the Prospectus and Supplements (as amended and/or supplemented) in English;
- the Key Investor Information Documents in English and German; and
- the annual and semi-annual reports relating to the ICAV in English.

## **PUBLICATION**

Pursuant to section 141 and 142 of the InvFG, the ICAV has to publish the annual report for the last financial year, the semi-annual report, the Key Investor Information Documents, the Prospectus, the subscription and redemption prices of the Shares as well as all other documents and information, which must be published in Ireland, in Austria in accordance with the provisions provided for under section 136 para 4 of the Austrian Investment Funds Act.

## **PROCEDURE IN THE EVENT OF TERMINATION**

In the event that the ICAV or a sub-fund of the ICAV ceases to market shares in Austria, the investors will be notified hereof. The investors will be informed that the information and documentation will still be

available to the investors in the same way as before. However, it will be stressed that the KIID will no longer be available in the German language. Furthermore, the procedure for the payment of dividend and redemption or sale proceeds will be unchanged for the Austrian investors, unless the general procedure of the ICAV or the Austrian legislative environment is subject to change.

## **DISTRIBUTION**

Shares of the sub-funds will be distributed through licensed banks and licensed investment firms.

## **TAXATION IN AUSTRIA OF AUSTRIAN INVESTORS**

The following is a summary of taxation in Austria of Austrian investors in the ICAV.

The description below is based solely upon Austrian tax law in force as of May 2017. Austrian tax laws may be subject to change, possibly with retroactive effect.

The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted it will not be possible to describe all possible tax questions and consequences, which may arise when investing in the ICAV and therefore, this summary is not exhaustive. Under all circumstances potential investors **are advised to consult their own tax advisor**, e.g. attorney or auditor, on the consequences of investment into the ICAV.

### **General Information**

Investment funds are transparent according to Austrian tax law. This means that income from a fund is not taxed at fund level but at investor level.

According to Austrian tax law, interest, dividends and other income less expenses received by the fund ("Net Investment Income") as well as certain portions of the realised capital gains are considered taxable income, regardless if they are distributed to the investor or accumulated ("Deemed Distributed Income, DDI") by the fund.

The Investmentfondsgesetz 2011 generally provides for two tax categories of foreign investment funds:

- Investment funds, which have a tax representative, who reports the relevant tax information to the OeKB ("reporting funds" and
- Investment funds, which do not have a tax representative and which are therefore subject to the lump-sum taxation ("non-reporting funds" or "black funds").

### **Private investors**

#### ***Taxation of deemed distributed income***

Accumulated income generated within an investment fund is taxable as DDI once a year. The taxable DDI is subject to 27,5% tax. For private investors having the fund units on Austrian deposit the 27,5% tax is deducted by the Austrian depositary bank. In case the fund units are held on foreign deposit the taxable DDI has to be included in the private investor's personal income tax return. The taxable DDI consists of

- the ordinary income (interest income, dividend income, other ordinary income) minus the fund's expenses and
- 60% of net realised capital gains.

Realised capital losses (after netting with realised capital gains) can be credited against the ordinary income (dividends, interest and other income minus expenses). If capital losses exceed the ordinary income, the exceeding amount can be carried forward at share class level. In the following financial years, these carry forwards have to be offset in a first step against realised capital gains and in a second step against the ordinary income.

### ***Taxation of distributions***

The taxable distributed income is subject to 27,5% tax. If the securities are held on Austrian deposit, the 27,5% tax is withheld by the Austrian depository bank. In case the securities are held on foreign deposit the distribution has to be included into the private investor's personal income tax return.

### ***Sale of fund units***

In case private investors sell their fund units, the difference between the sales price and the purchase price increased by already taxed DDI is generally subject to 27,5% tax, irrespective of the holding period. Special rules apply for fund units purchased before 1 January 2011. If the fund units are held on Austrian deposit, the 27,5% tax shall be withheld by the Austrian depository bank. It has to be considered that the sales (preliminary) charge must generally not be considered as incidental acquisition cost. In order to avoid a double taxation of the realised capital gain the fund unit's acquisition costs are increased by the annually taxed DDI.

### ***Proof of taxable income***

The tax on distributions and on the DDI is calculated by Oesterreichische Kontrollbank (OeKB), based on comprehensive tax information filed by an Austrian tax representative. The information regarding the DDI has to be reported to the OeKB within seven months after the fund's financial year-end. The withholding tax on the DDI is deducted by the Austrian depository bank, as soon as it is reported to the OeKB.<sup>1</sup> **Investment funds, for which the DDI is not reported to the OeKB on an annual basis by an Austrian tax representative, are subject to a very unfavourable lump-sum taxation.**

### ***Backup Withholding Tax***

The backup withholding tax was abolished on 1 April 2012. As according to the new investment fund taxation regime, the income from fund units is always subject to a withholding tax deduction by the depository bank (as far as the fund units are held on Austrian deposit).

### ***Individuals holding the fund units as business property***

If fund units are held by individuals as business property (sole proprietors or partnerships), the tax rules as described above for private investors are generally applicable with the following exemptions:

- Individuals holding the fund units as business property have to include the realised capital gains into the income tax return.
- The capital gains are subject to 27,5% tax. Any tax withheld on capital gains by the Austrian depository bank will be credited on the individual's income tax.
- 100% of the accumulated net realised capital gains are taxable.
- The sales (preliminary) charge can be considered as incidental acquisition cost.

## **Corporate Investors**

The Net Investment Income as well as all realised capital gains are subject to 25% Corporate Income Tax and must be included in the corporate income tax return of the corporation. To avoid double taxation in case of redemption, the DDI, which must be taxed on an annual basis, can be capitalised. This procedure ensures that the taxable capital gain in case of redemption is reduced by the DDI which was already taxed in previous years.

Corporate investors can avoid the withholding tax deduction by way of providing the Austrian bank with a certificate of exemption. If no certificate of exemption is provided, the deducted withholding tax can be credited against the Corporate Income Tax.