



Unédic ASSEO

Industrials, supporting the re-integration of jobseekers into the labour market in France

FIRST BOUGHT

June 2020.

WHAT IS IT?

France's unemployment insurance agency, which helps re-integrate unemployed people back into the workforce by providing financial support and job training programs. Unédic's social bonds help the agency fulfil its role as a social safety net and support the reintegration of jobseekers into the labour market.

WHY DO WE OWN IT?

At the height of the pandemic in 2020, Unédic adapted quickly to support those in need, issuing what was then the largest social bond worldwide to deal with the adverse impact of COVID-19 on employment.¹ Moreover, a sizeable portion of the agency's social bonds is allocated to furloughing, which allows companies to temporarily suspend workers from their jobs if needed and provide them with a percentage of their gross hourly pay. In this way, eight million jobs were protected over 2020 and 2021, 70% of which were in small- and medium-sized enterprises with

fewer than 50 employees.² The agency also provides training to help the unemployed acquire new skills.

COMPETITIVE ADVANTAGE – IMPACT

The COVID-19 pandemic highlighted the importance of unemployment insurance as a tool to manage the impact of economic volatility and mitigate the negative consequences of job loss for individuals and communities. Unédic provides detailed and transparent reporting, including breakdowns by gender, age, qualification and industry of former employment.

We believe Unédic's bonds support both our financial and impact goals. From an impact perspective, we see a close alignment with our 'Education and Job Training' theme given the agency's social mission, which is to provide protection against the socio-economic uncertainties of the labour market and to assist qualifying individuals in finding or returning to work. From an investment standpoint, we favour the quality and liquidity of the bonds, reflecting the creditworthiness of the issuer and its guarantor. In addition, the bonds typically offer a yield premium over the French government bonds of the same maturity, furthering the positive investment case.

KEY POINTS FOR UNÉDIC ASSEO

- Through its social bonds, Unédic allocated €27 billion to support the unemployed in 2020 and 2021
- Unédic supported 2.6 million recipients of unemployment insurance in 2022³
- In April 2023, Unédic successfully issued a €1 billion social bond⁴

CONSIDER THE RISKS

Investors should consider the risks that may impact their capital, before investing. The value of your investment may fluctuate from the time of the original investment. Please refer to the risks section enclosed. A decision to invest should take account of all the characteristics and objectives described in the prospectus and KIID/KID and/or offering documents. Please refer to the sustainability related disclosures for information on the commitments of the portfolio: <https://www.wellington.com/en/legal/sfdr>.

Sources: ¹Unédic – Allocation and Impact Reporting – Social Bonds 2021, February 2023. | ²Unédic – Activity Report 2021. | ³Indicateurs de suivi de l'Assurance chômage – les données ouvertes de l'Assurance chômage, Unédic, May 2023. | ⁴Unédic issues its unique €1 billion Social Bond as part of its 2023 financing plan.

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Please refer to the fund prospectus and KIID/KID for a full list of risk factors and pre-investment disclosures.

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