

# Investing in the road to zero carbon

Engaging with renewable energy champions on both sides of the Atlantic

## Enel

Enel, the Italian utility and another company at the vanguard of renewable energy deployments shares the philosophy of sustainable growth. Enel is a domestic champion but also a global company with a significant presence in the long-term growth markets of South America. Enel's strategy combines significant and growing investment in renewables with an acceleration in decarbonisation. The company is planning to triple renewables capacity by 2030, with wind and solar power expected to account for 80% of total capacity by the end of the decade. Coal is expected to be phased out completely by 2027.

Enabling the development of electric mobility is another key initiative, with Enel embarking upon the single largest deployment of charging stations in Europe. The company is proposing to quadruple the number of charging stations across the group over the next three years, from 186,000 at the end of 2020 to 780,000 in 2023.

Enel also has a clear commitment to returning cash to shareholders. The company's guidance for dividend growth over the next three years is at least 7% per annum.

We invested in Enel in June 2018 when concerns about the political and fiscal situation in Italy led to indiscriminate selling in the Italian stock market, particularly in the more interest-rate sensitive sectors. Enel's business is not confined to the domestic market and we saw the sentiment-driven weakness as a buying opportunity. The stock was purchased on a historic yield of more than 5% with the potential for robust and reliable growth in the dividend stream. 

Past performance is not a guide to future performance.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

The fund holds a small number of investments, and therefore a fall in the value of a single investment may have a greater impact than if it held a larger number of investments.

Investing in emerging markets involves a greater risk of loss due to greater political, tax, economic, foreign exchange, liquidity and regulatory risks, among other factors. There may be difficulties in buying, selling, safekeeping or valuing investments in such countries.

Further details of the risks that apply to the fund can be found in the fund's Key Investor Information Document and Prospectus.

The fund invests mainly in company shares and is therefore likely to experience larger price fluctuations than funds that invest in bonds and/or cash.





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