

Vanguard Australian Shares High Yield Fund

Key fund facts	
Management fee	0.35% p.a.
Buy spread	0.05%
Sell spread	0.05%
Inception date	14 June 2000
Income distribution	Quarterly
Wholesale class size	\$847.9 million
Total fund size	\$2,167.1 million
Number of holdings	65

Trading information	
APIR code	VAN0104AU
Minimum investment	\$500,000 (No minimums apply for platforms)
Platform availability	For platform availability visit vanguard.com.au/mastertrust

Benchmark information	
Benchmark (Bmk)	FTSE Australia High Dividend Yield Index ^D
Number of holdings	65

Investment objective

Vanguard Australian Shares High Yield Fund seeks to track the return of the FTSE Australia High Dividend Yield Index before taking into account fees, expenses and tax.

Fund overview

The Fund provides low-cost exposure to companies listed on the Australian Securities Exchange (ASX) that have higher forecast dividends relative to other ASX-listed companies. Security diversification is achieved by restricting the proportion invested in any one industry to 40% of the total Fund and 10% in any one company. Australian Real Estate Investment Trusts (A-REITs) are excluded from the index.

Performance return^{A, B, D} (%)

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	-4.30	-4.32	-4.33	1.09	-5.42
3 months	-2.24	-2.27	-2.33	1.11	-3.44
6 months	13.89	13.80	13.69	1.73	11.96
1 year	-15.10	-15.21	-15.40	3.34	-18.74
3 years (p.a.)	-0.04	-0.05	-0.41	5.76	-6.17
5 years (p.a.)	4.23	4.24	3.84	6.19	-2.35
10 years (p.a.)	6.69	6.54	6.28	6.37	-0.09
Inception (p.a.)	7.17	7.72	6.77	5.60	1.17

Year to year franking levels and gross return^{A, B, D, E} (%)

	Dec - Dec		June - June		
	Fund	Bmk	Fund	Bmk	Franking
YTD	-14.04	-14.14	-2.24	-2.27	98.8
2020	N/A	N/A	-12.23	-12.31	93.9
2019	20.82	20.88	14.51	14.40	92.1
2018	-7.29	-7.42	2.88	3.11	61.0
2017	10.19	10.65	17.25	17.61	57.3

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	1.4504	\$1.2664

As at 30 September 2020, the gross distribution of 2.0649 cents per unit comprised 1.4504 of net (cash) distribution plus 0.6145 by way of franking credits and foreign tax credits.

Notes

- ^A Past performance is not an indication of future performance.
- ^B Returns assume reinvestment of all distributions. Returns for periods longer than 1 year are annualised. Fund gross returns are before management fees and taxes, but after transaction and operational costs. Fund total return is the fund gross return less management fees. Index returns do not allow for taxes, management, transaction and operational costs.
- ^C Past distributions are not an indication of future distributions.
- ^D Prior to 29 April 2011, the fund's benchmark was the S&P/ASX 200 ex A-REIT Index. Prior to 1 July 2004, the benchmark was the S&P/ASX 100 Accumulation Index.
- ^E The franking level is an indication of the amount of imputation tax credits at the fund level which may be claimable by Australian investors. A higher percentage indicates a larger amount of imputation tax credits attributed relative to the net tax attributed by the fund.

Vanguard Australian Shares High Yield Fund

Characteristics

	Fund	Bmk
Number of holdings	65	65
Median market cap	\$50.2B	\$50.2B
Price/Earnings ratio	14.5x	14.5x
Price/Book ratio	1.6x	1.6x
Return on equity ratio	11.6%	11.6%
Earnings growth rate	8.8%	8.8%
Equity yield (dividend)	5.0%	5.0%
Forecast equity yield (dividend)	3.7%	3.7%
Forecast equity yield grossed-up (dividend)	5.1%	5.1%

Top 10 holdings

1. BHP Group Ltd.
2. Commonwealth Bank of Australia
3. Wesfarmers Ltd.
4. Westpac Banking Corp.
5. National Australia Bank Ltd.
6. Transurban Group
7. Australia & New Zealand Banking Group Ltd.
8. Rio Tinto
9. Telstra Corp. Ltd.
10. Macquarie Group Ltd.

The top 10 holdings represent 67.3% of the total fund.

Sector allocation ¹ (%)

	Fund	Bmk
Financials	40.3	40.2
Basic Materials	21.9	22.0
Consumer Discretionary	11.7	11.7
Industrials	11.5	11.5
Telecommunications	5.0	5.0
Consumer Staples	4.5	4.5
Energy	3.3	3.3
Utilities	1.8	1.8

Sector categories are based on the Industry Classification Benchmark system ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB classification as of the effective reporting period. Beginning September 2020, FTSE Russell is enhancing the ICB structures to provide additional granularity from the industry through subsector levels. Please note that there may be differences in sector names and classifications as these changes are implemented across the industry through March 2021.

Notes:

1. Allocation follows FTSE ICB classification.

For more information:

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Glossary

Median market cap is the midpoint of market capitalisation (market price multiplied by the number of shares outstanding) of the shares in the fund. Half the shares in the fund will have higher market capitalisation, half will have lower.

Price/Earnings ratio (P/E ratio) is a measure of the market value of a share compared to the earnings of the company. A share with a price of \$10, and earnings last year of \$1 a share, would have a P/E ratio of 10. For a fund, the ratio is the weighted average P/E ratio of the shares it holds. In general, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. Companies with negative earnings are excluded from the calculation.

Price/Book ratio is calculated by dividing the current market price of the share by the book value per share of the company.

Return on equity ratio is a measure of how much profit a company generates relative to its shareholders' equity. For a fund, the ratio is the weighted average return on equity ratio of the shares it holds.

Earnings growth rate is a measure of the trailing Earnings Per Share growth for a given company and share. For a fund, the rate is the weighted average earnings growth of the shares it holds.

Equity yield (dividend) is the dividend income earned by shares, expressed as a percentage of the market price of those shares. For a fund, the yield is the weighted average equity yield of the shares it holds.

Forecast equity yield (dividend) is the forecast dividend income divided by the current market price of a share (forecast dividends sourced from I/B/E/S). Within a fund, the yield is calculated for each share and weighted by each share's market value.

Forecast equity yield grossed-up (dividend) is the forecast equity yield grossed up by the historical franking level of each underlying share within the fund.