

# Vanguard Australian Shares High Yield ETF

VHY

## Key ETF facts

Management fee	0.25% p.a.
Indirect costs	0.00% p.a.
Inception date	23 May 2011
Income distribution	Quarterly
Distribution reinvestment plan	Yes
ETF size	\$1,319.2 million
Total fund size	\$2,167.1 million
Number of holdings	65

## Trading information

ASX code	VHY
ISIN	AU000000VHY4
Minimum investment	No minimum
ETF listed on ASX	26 May 2011

## Benchmark information

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

## Investment objective

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

## ETF overview

The ETF 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 ETF and 10% in any one company. Australian Real Estate Investment Trusts (A-REITs) are excluded from the index.

## Performance return<sup>A,B,C</sup> (%)

	ETF gross	Bmk	ETF total	Distb'n	Growth
1 month	-4.31	-4.32	-4.33	1.08	-5.41
3 months	-2.24	-2.27	-2.30	1.11	-3.41
6 months	13.88	13.80	13.74	1.78	11.96
1 year	-15.09	-15.21	-15.31	3.39	-18.70
3 years (p.a.)	-0.04	-0.05	-0.29	5.75	-6.04
5 years (p.a.)	4.24	4.24	3.98	6.24	-2.26
10 years (p.a.)	N/A	N/A	N/A	N/A	N/A
Inception (p.a.)	6.52	6.47	6.26	6.32	-0.06

## Year to year franking levels and gross return<sup>A,B,C,E</sup> (%)

	Dec - Dec		June - June		
	ETF	Bmk	ETF	Bmk	Franking
YTD	-14.04	-14.14	-2.24	-2.27	98.8
2020	N/A	N/A	-12.22	-12.31	94.0
2019	20.83	20.88	14.51	14.40	92.1
2018	-7.29	-7.42	2.88	3.11	48.3
2017	10.19	10.65	17.27	17.61	55.1

## Income distribution<sup>D</sup>

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	56.9043	\$49.7230

As at 30 September 2020, the gross distribution of 81.0121 cents per unit comprised 56.9043 of net (cash) distribution plus 24.1078 by way of franking credits and foreign tax credits.

## Notes

- <sup>A</sup> Past performance is not an indication of future performance.
- <sup>B</sup> Returns assume reinvestment of all distributions. Returns for periods longer than 1 year are annualised. ETF gross returns are before management fees and taxes, but after transaction and operational costs. ETF total return is the ETF gross return less management fees. Index returns do not allow for taxes, management, transaction and operational costs.
- <sup>C</sup> Returns assume that an investor purchased shares at Net Asset Value (NAV) and does not reflect the transaction costs imposed on the creation and redemptions of ETF units, brokerage or the bid ask spread that investors pay to buy and sell ETF securities on the Australian Securities Exchange.
- <sup>D</sup> Past distributions are not an indication of future distributions.
- <sup>E</sup> 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 ETF

## Characteristics

	ETF	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 ETF.

## Sector allocation<sup>1</sup> (%)

	ETF	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

<sup>1</sup> Allocation follows FTSE ICB classification.

### For more information:

Personal investors can transact in Vanguard ETFs through their financial adviser or stockbroker. Our telephone service is available from 8am to 6pm, Monday-Friday AEST.

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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.