

Please note:

Effective from 1 October 2020, the management fee changed to a single tier fee of 0.35%.

Fact sheet | 30 September 2020

Vanguard High Yield Australian Shares Fund

Key fund facts

Management fee	
- First \$50,000	0.90% p.a.
- Next \$50,000	0.60% p.a.
- Balance over \$100,000	0.45% p.a.
Buy spread	0.05%
Sell spread	0.05%
Inception date	15 July 2004
Income distribution	Quarterly
Fund size	\$116.2 million
Number of holdings	65

Trading information

APIR code	VAN0017AU
Minimum investment	\$5,000

Benchmark information

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

Underlying fund information

Fund name	Vanguard Australian Shares High Yield Fund
Fund commencement date	14 June 2000
Total fund size	\$2,167.10 million

Investment objective

Vanguard High Yield Australian Shares 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% for 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	-4.31	-4.32	-4.38	0.93	-5.31
3 months	-2.24	-2.27	-2.46	0.95	-3.41
6 months	13.87	13.80	13.36	1.39	11.97
1 year	-15.13	-15.21	-15.90	3.60	-19.50
3 years (p.a.)	-0.06	-0.05	-0.95	6.18	-7.13
5 years (p.a.)	4.23	4.24	3.30	6.84	-3.54
10 years (p.a.)	6.70	6.54	5.74	6.65	-0.91
Inception (p.a.)	7.19	7.84	6.23	6.18	0.05

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

	Dec - Dec		June - June		
	Fund	Bmk	Fund	Bmk	Franking
YTD	-14.07	-14.14	-2.24	-2.27	113.30
2020	N/A	N/A	-12.26	-12.31	89.69
2019	20.83	20.88	14.51	14.40	63.97
2018	-7.30	-7.42	2.91	3.11	74.90
2017	10.24	10.65	17.28	17.61	51.41

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	0.9942	\$1.0079

As at 30 September 2020, the gross distribution of 1.477 cents per unit comprised 0.9942 of net (cash) distribution plus 0.4828 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 High Yield Australian Shares Fund

Characteristics

	Underlying fund	Bmk
Number of holdings	65	65
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 underlying fund.

Sector allocation¹ (%)

	Underlying 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.

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.

For more information:

Our telephone service is available from 8am to 6pm, Monday-Friday AEST.

For personal investors:

Call 1300 655 101
Email clientservices@vanguard.com.au

For advisers:

Call 1300 655 205
Email adviserservices@vanguard.com.au

For institutional investors:

Call 1300 655 102
Email institutional@vanguard.com.au

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