

Best Dividend ETF's



Trade for
Good.



What Is a Dividend ETF?

Dividend ETFs offer a convenient way to access multiple dividend-paying stocks in one go.

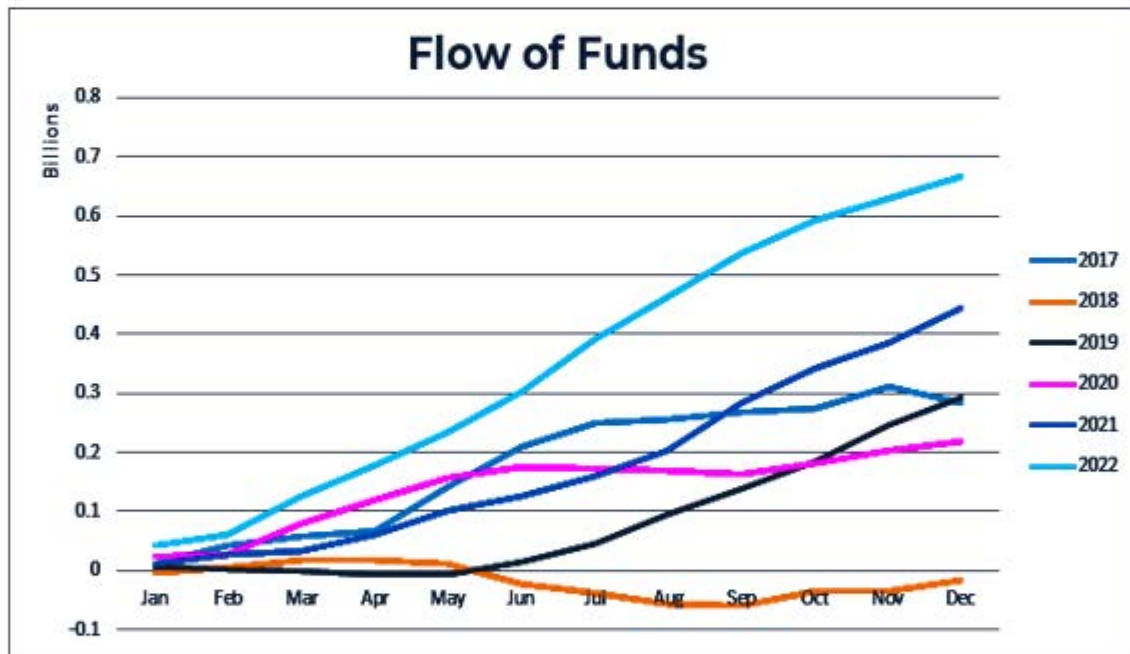
These dividend ETFs are known as **'high yield' or 'income' ETFs**.

All ETFs that include holdings of companies that pay dividends will deliver dividends to investors.

Trade for
Good.



Some ETFs focus on an investment strategy that **prioritize stocks** likely to **pay reliable dividends** to shareholders.



Source ASX

Trade for
Good.



Benefits of Dividend ETF

- You can **self-manage your investments**, if your investment priorities change
- ETFs generally have **no minimum investment requirements**
- ETFs include a **variety of stocks**, also means you've instantly diversified
- Many Australian companies **pay fully or partially franked dividends**, which means some or all of the tax has already been paid

Trade for
Good.



Downsides of Dividend ETF

- **ETF management fees**, also you need to pay brokerage fees each time you buy or sell.
- High dividends don't correlate perfectly with rising share prices.
- **No control** over which assets or companies' in the dividend ETF.
- ETFs can be considered more tax efficient, but you'll still need to carefully around **CGT and taxation around foreign income.**

Trade for
Good.



Different Types of Dividend ETFs

Passive vs. Active ETFs

ETFs that **match the index funds**, normally ones in the top 200 are known as **Passive**. Normally they have **lower fee's**.

Active ETFs, is where a **fund manager adjusts the stocks** in the ETF in line with their particular strategy, this extra expertise typically attracts **higher fees**.

Trade for
Good.



ASX vs. Global Dividend ETFs

Large **ASX companies** have a **good track record** of paying reasonably **generous dividends**.

Australian shares also tend to pay higher yields than global shares.

You can **diversify or streamline your exposure** to international markets by an ETF.

The ASX also offers ETFs that have holdings of global stocks, & track US-based and other international indexes.

Trade for
Good.



Metrics to Compare ETF Performance

- Total Return: returns based on price of ETF
- Dividend or Trailing Yield: dividend yield %
- Funds under management (**FUM**)
- Net asset value (**NAV**)
- Management **fees** or expense ratio
- **Index tracking**: assessing how closely the return performance of the ETF tracks the return performance of the index.

Trade for
Good.



Best Dividend ETFs

Name: Vanguard Australian Shares High Yield ETF
(**ASX:VHY**)

Fee/Managed Expense Ratio: 0.25% p.a.

Dividend yield: 5.8%

Income distribution: Quarterly

Total return history over 5 years: 9.04%

Name: SPDR® S&P®/ASX 200 Resources Fund
(**ASX:OZR**)

Fee/Managed Expense Ratio: 0.34% p.a.

Dividend yield: 7.34%

Income distribution: Twice a year

Total return history over five years: 13%

Trade for
Good.



Name: Betashares Equity Yield Maximiser Fund
(**ASX:YMAX**)

Fee/Managed Expense Ratio: 0.97% p.a. (no performance fee)

Dividend yield: 8.8%

Income distribution: Quarterly

Total return over five years: 6.11%

Name: Russell Investments High Dividend Australian Shares ETF (**ASX:RDV**)

Fee/Managed Expense Ratio: 0.34% p.a.

Dividend yield: 6.71%

Income distribution: Quarterly

Total return history over five years: 5.54%

Name of ETF: SPDR MSCI Australia Select High Dividend Yield Fund (**ASX:SYI**)

Fee/Managed Expense Ratio: 0.35% p.a.

Dividend yield: 6.48%

Income distribution: Quarterly

Total return history over five years: 7.67%

Trade for
Good.

