

Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF (0839EA)



Bursa ETF Watch –

Strengthening Its Defensive Positioning

By Benard Toh Rui Xiang / benard@tradeviewcapital.my

Buy

Report: Full Year

Target Price: RM 1.06 (+13%)

Current Price: RM 0.940

Fund description and objective:

EQ8WAQF is designed for investors seeking exposure to liquid financial instruments with an index-tracking feature that focuses on high yield dividend Shariah-compliant equities. The fund is passively managed and aims to closely align with the performance of the Benchmark while complying with Shariah requirements, to generate a portion of the income distribution of the Fund for waqf purposes which combines an income-focused strategy with a momentum-based approach. EQ8WAQF commits to annual income distribution, allocating 50% to Waqf assets for socio-economic projects like education, healthcare, and sustainability, while the other half is distributed to unitholders. This approach offers financial returns alongside meaningful societal impact, aligning with the growing demand for ESG and ethical investing.

Outlook



During FY2026 (1 July 2025 to 30 June 2026), EQ8WAQF recorded a NAV total return of 4.3%, underperforming its benchmark of 6.7%, mainly due to operational costs. Nevertheless, its 2.4% price return marginally outperformed the benchmark's 2.3%, while tracking error remained low at 0.27% (one-year) and 0.22% (YTD). Following the December 2025 index review, Velesto Energy Berhad and Malaysia Smelting Corporation Berhad were included, while PETRONAS Chemicals Group Berhad was removed. The June 2026 review subsequently reinstated PETRONAS Chemicals and added IOI Properties Group Berhad, while VS Industry Berhad was removed. Compared with June 2025, allocations increased in plantation (+6.4%), consumer products and services (+3.1%), property (+2.4%) and energy (+2.1%), while construction (-5.6%), industrial products and services (-2.9%) and technology (-2.7%) were reduced.

The macroeconomic backdrop remains volatile. Intensifying US-Iran hostilities have pushed Brent crude above US\$100 per barrel, heightening global supply disruption and inflation risks. The US 10-year Treasury yield has approached 5% amid the global bond sell-off, oil-driven inflation and increased expectations of monetary tightening. August PPI rose 0.4% MoM, in line with expectations, while the YoY increase accelerated to 5.4%. Headline CPI was also in line at 0.4% MoM and 3.4% YoY, although core CPI rose by a stronger-than-expected 0.3% MoM. All eyes are now on the September FOMC meeting, where a 25 bps rate hike is widely expected. Our base case is that any hike will be a one-off adjustment rather than the start of a renewed rate-hiking cycle, as a sustained tightening path would likely trigger significantly greater market volatility. Domestically, investors are likely to remain selective ahead of the tabling of Budget 2027, while continuing speculation over the timing of Malaysia's next general election may add to near-term policy uncertainty. Against this risk-off backdrop, we believe EQ8WAQF remains appealing to relatively lower-risk investors seeking resilient exposure and stable income, although elevated bond yields, energy-driven inflation and geopolitical volatility could continue to constrain market risk appetite.

Recommendation



We reiterate our BUY recommendation and raise our 12-month target NAV to RM1.06 (from RM1.02), based on our fair value estimate and supported by Bloomberg consensus target prices. We expect EQ8WAQF to remain resilient amid heightened market volatility while continuing to deliver steady dividend payouts despite geopolitical uncertainty and potential domestic political risks.

Fund Details

Shariah compliance	Yes	Fund mgmt company	Eq8 Capital Sdn Bhd
ISIN	MYL0839EA000	Trustee	Deutsche Trustees Malaysia Berhad
Stock code	0839EA		
Stock short name	EQ8WAQF	Benchmark index	FTSE Bursa Malaysia EMAS Shariah Factor Enhanced Target Dividend Index (FBEMSTDP)
Bloomberg ticker	EQ8WAQF		
Date of inception/listing date	10th Dec 2024	Participating dealer	Kenanga Investment Bank Berhad
Min. tradeable unit	100	Market maker	N/A
Min. creation/redemption unit block	500,000	Shariah Adviser	Amanie Advisors Sdn Bhd

Fund Pricing

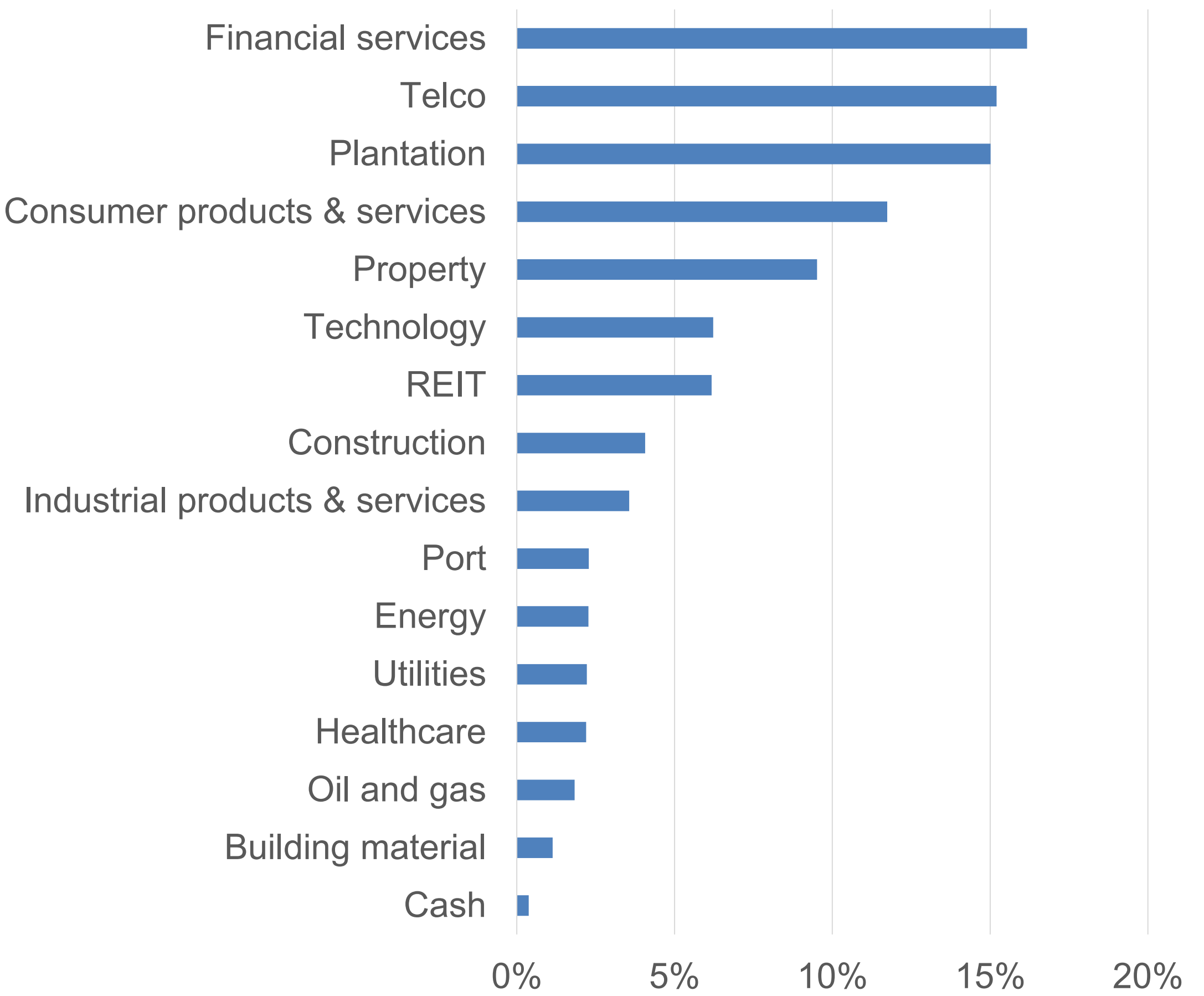
Market Price (RM)	0.940	Tracking Error (%)	
52 week high	1.05		
52 week low	0.910	1-month	0.04%
NAV (RM/unit)	0.957	1-year	0.27%
12-month target NAV (RM)	1.06		
Premium/Discount (%)	-2	3- year annualised	N/A
Management expenses ratio (%)	0.60		
Asset under management (RM)	500,000	5-year annualised	N/A

Source: Market Price and NAV as at 11st September 2026

Top 10 by Constituent Weight

UNITED PLANTATIONS BHD	10%
TIME DOTCOM BHD	10%
BURSA MALAYSIA BHD	10%
SIME DARBY BHD	7%
INARI AMERTRON BHD	6%
AXIS REAL ESTATE INVESTMENT TRUST	6%
ECO WORLD DEVELOPMENT GROUP	5%
BANK ISLAM MALAYSIA BHD	4%
IOI PROPERTIES GROUP BHD	3%
MALAYSIA BUILDING SOCIETY BHD	3%

Sectoral Weighting



Total return

Total return based on	1mth	3mth	6mth	YTD	1yr	3yr	5yr	Since inception
Price	+1.8%	-1.6%	-1.6%	0.0%	+4.1%	N/A	N/A	-6.1%
NAV	+0.3%	+2.3%	+2.1%	+3.6%	+3.1%	N/A	N/A	-2.9%
Benchmark	+0.3%	+2.6%	+2.5%	+5.0%	+5.0%	N/A	N/A	-2.5%

Source: Bloomberg as at 11st September 2026, Since inception is on 10th December 2024

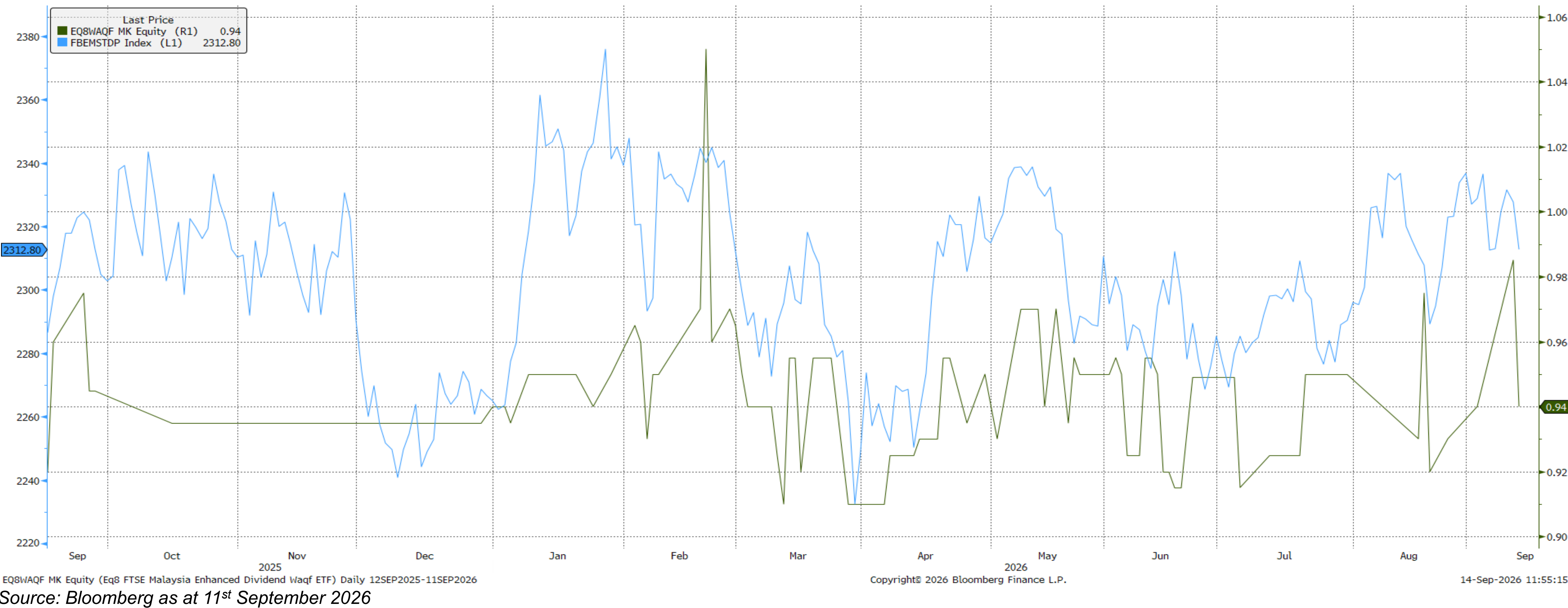
Dividend Yield

Year	Dividend Yield
2022	N/A
2023	N/A
2024	N/A
2025	1.8%
YTD	N/A

Total Return on NAV

Year	EQ8WAQF	FBEMSTDP
2022	N/A	N/A
2023	N/A	N/A
2024	+0.4%	+0.3%
2025	-7.0%	-8.4%
YTD	+3.6%	+5.0%

Fund & Benchmark Performance Chart



Definition of ETF and benefits of investing in ETF:

<https://www.bursamarketplace.com/mkt/themarket/etf/EQFT>
https://www.bursamalaysia.com/trade/trading_resources/listing_directory/company-profile?stock_code=0839EA
<https://www.eq8.com.my/eq8-ftse-malaysia-enhanced-dividend-waqf-etf>

Glossary:

Creation Application	An application to create new Units
Redemption Application	An application to redeem existing Units
Creation Unit Block	The quantity of Units which will be issued upon a successful Creation Application in respect of one (1) whole In-Kind Creation Basket This quantity of Units may change from time to time as determined by the Manager, approved by the Trustee and notified to the Participating Dealers
Redemption Unit Block	The quantity of Units which are required to be delivered to the Trustee in exchange for one (1) whole In-Kind Redemption Basket in a Redemption Application. This quantity of Units may change from time to time as determined by the Manager, approved by the Trustee and notified to the Participating Dealers
Creation Securities	The Permitted Investments which, together with the Cash Component (if any), comprise an In-Kind Creation Basket or multiples thereof, are required to be deposited with the Trustee (but which shall not form part of the Fund Assets until such time as the Creation Application is successfully completed) by or for the account of a Participating Dealer pursuant to an approved and successful Creation Application submitted by that Participating Dealer.
Redemption Securities	The Permitted Investments which, together with the Cash Component (if any), comprise an In-Kind Redemption Basket or multiples thereof, are to be distributed from the Fund to or for the account of a Participating Dealer pursuant to an approved and successful Redemption Application submitted by that Participating Dealer in accordance with the provisions of the Deed.
Tracking error	Tracking error is the divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark.



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Tradeview Research Investment Rating System

ETFs:

BUY: Total stock return expected to exceed +10% over 12-month period

HOLD: Total stock return to be between -10% and +10% over a 12-month period

SELL: Total stock return expected to below -10% over a 12-month period

Equity:

BUY: Total stock return expected to exceed +15% over 12-month period

HOLD: Total stock return to be between -15% and +15% over a 12-month period

SELL: Total stock return expected to below -15% over a 12-month period

TRADING BUY: Total stock return expected to exceed +10% over 6-month period

TRADING SELL: Total stock return expected to below -10% over a 6-month period