

Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF (0839EA)



Bursa ETF Watch – Stability Amid Market Volatility

By Tan Jia Hui / jiahui@tradeviewcapital.my

Hold

Report: Update

Target Price: RM 1.02 (+7%)

Current Price: RM 0.955

Fund description and objective:

EQ8WAQF is designed for investors seeking exposure to liquid financial instrument 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 to 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



EQ8WAQF's 1-month tracking error of 0.1% and YTD tracking error of 0.3% (based on Novagni Analytics and Advisory) is reasonable, reflecting normal operational costs and effective benchmark alignment. On a year-to-date (YTD) basis, EQ8WAQF's NAV (+1.4%) underperformed its benchmark (+2.6%), likely due to tracking differences arising from rebalancing and dividend payout timing. The benchmark's weaker performance relative to the FBM100 Index (+5.3%) and the FBMS Index (+5.7%) was mainly due to its constituents, which consist of lower-beta stocks. While these stocks tend to be more resilient during market downturns, they typically underperform during stronger market conditions. Nevertheless, we view this positioning as appropriate, as such constituents help ensure stable dividend payouts while better preserving wealth.

From a macroeconomic perspective, markets remain cautious amid persistent uncertainty surrounding the disrupted global supply chains that had driven inflation in raw materials. The Fed's leadership transition risk is also coming into focus, with Kevin Warsh as the successor. This introduces additional uncertainty, as markets may adopt a more defensive stance given his differing policy framework (a combination of rate cuts alongside quantitative tightening), which could tighten liquidity. Concerns also arise from the perception that such a policy mix could undermine global confidence in US creditworthiness, particularly if he is viewed as politically influenced. Furthermore, his proposed policy mix may prove ineffective in an environment of potentially escalating inflation and increasing unemployment, as the market expects corporates to cut operating expenses to fund AI-related investments and adopt productivity-enhancing AI tools.

Historically, transitions in Fed leadership have led to increased market volatility, as investors reassess the outlook for monetary policy. Against this backdrop of persistent uncertainty, we believe EQ8WAQF remains appealing to lower-risk investors seeking resilience and stable income.

Recommendation



We downgraded to a HOLD call on EQ8WAQF with a revised 12-month target NAV of RM1.02 (from RM1.04), based on our fair value estimate and supported by consensus target price estimates from Bloomberg. We believe this is justified as, amid increasing market volatility, EQ8WAQF's performance should remain resilient and continue to deliver steady dividend payouts despite uncertain geopolitical conditions and potential changes in US monetary policy.

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

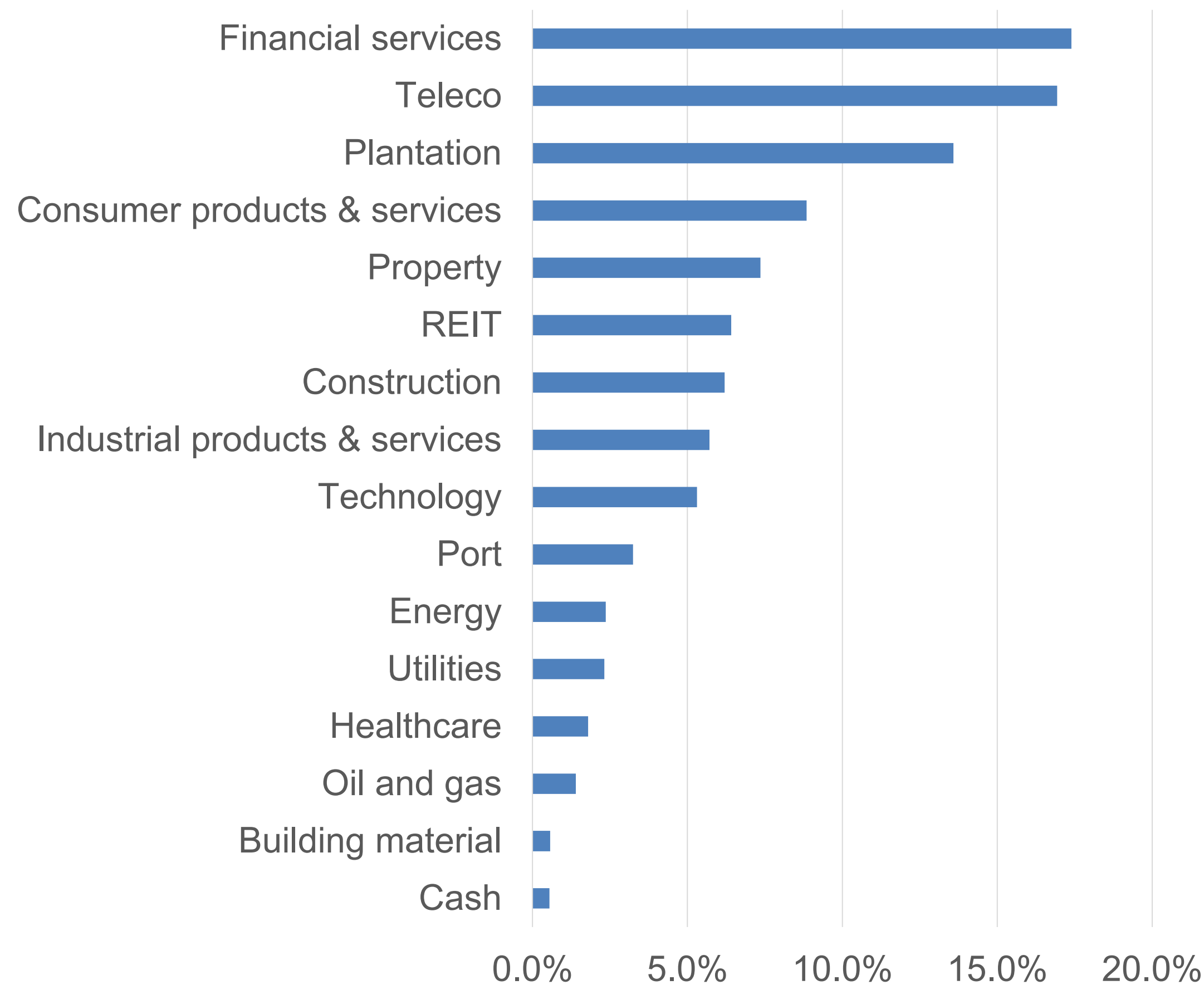
Market Price (RM)	0.955	Tracking Error (%)	
52 week high	1.05		
52 week low	0.915	1-month	0.1%
NAV (RM/unit)	0.94	1-year	0.3%
12-month target NAV (RM)	1.02		
Premium/Discount (%)	9	3- year annualised	N/A
Management expenses ratio (%)	0.60		
Asset under management (RM)	500,000	5-year annualised	N/A

Source: Market Price and NAV as at 21st May 2026

Top 10 by Constituent Weight

TIME DOTCOM BHD	10%
BURSA MALAYSIA BHD	10%
UNITED PLANTATIONS BHD	9%
AXIS REAL ESTATE INVESTMENT TRUST	6%
INARI AMERTRON BHD	5%
ECO WORLD DEVELOPMENT GROUP	5%
BANK ISLAM MALAYSIA BHD	4%
GAMUDA BHD	4%
SIME DARBY BHD	4%
WESTPORTS HOLDINGS BHD	3%

Sectoral Weighting



Total return

Total return based on	1mth	3mth	6mth	YTD	1yr	3yr	5yr	Since inception
Price	+2.1%	-9.0%	+2.1%	+1.6%	+5.2%	N/A	N/A	-4.6%
NAV	-0.8%	-1.3%	+1.3%	+1.4%	+3.1%	N/A	N/A	-5.0%
Benchmark	-0.9%	-1.0%	+2.4%	+2.6%	+5.4%	N/A	N/A	-4.8%

Source: Bloomberg as at 21st May 2026, Since inception is on 10th December 2024

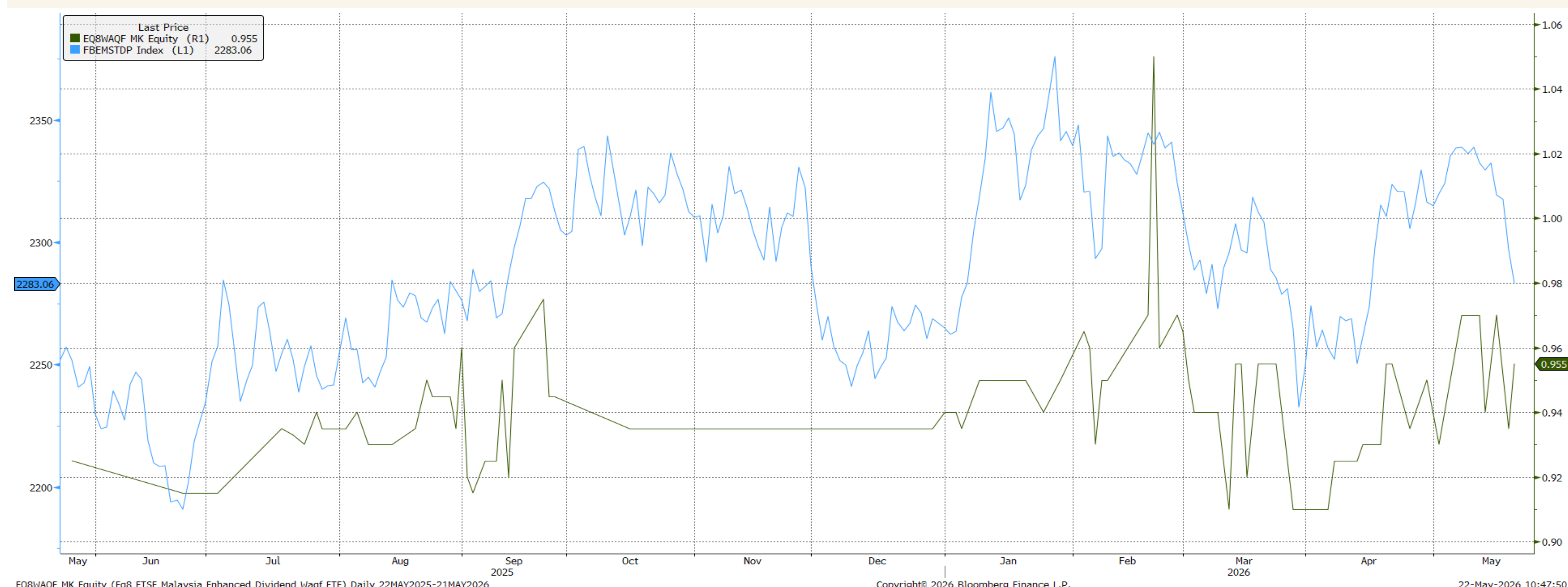
Dividend Yield

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	+1.4%	+2.6%

Fund & Benchmark Performance Chart



Source: Bloomberg as at 21st May 2026

Definition of ETF and benefits of investing in ETF:

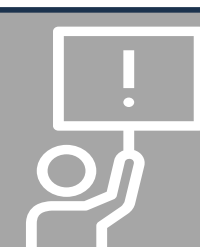
<https://www.bursamarketplace.com/mkt/themarket/etf/EQFT>

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