EQ8 DOW JONES ISLAMIC 25 ETF

(EQ8MY25 MK EQUITY, DJMT.KL)

TRADING BUY

(MAINTAINED)

Price: RM 1.05
Target Price (% return): RM 1.22 (+16%)
52-week High/Low: RM1.08/RM 0.96

Exchange-Traded Fund
Rationale for report: Company Result

Commodity exposure fuels upside

1H26 earnings turned positive, primarily driven by FV gains from Plantation, O&G and Industrial (PMAH) names, partially offset by weakness Consumer, Construction and Telco. We stay constructive on the Fund's sectorial mix: Plantations and O&G remain well-supported by strong CPO and Brent prices, while Healthcare benefits from the sustained demand for private healthcare. We maintain a TRADING BUY call as the fund's illiquidity nature persists with market price trading at discount to NAV.

- **Maintain TRADING BUY with TP of RM1.22.** This is based on Am's TPs (for stocks under our coverage) and consensus TPs (for stocks not under our coverage). Our TP represents only a 13% premium to the Fund's NAV but a 16% premium to its market price, reflecting the Fund's illiquid nature *(3-month ADTV = RM49k)*
- **1H26 gains led by commodity exposure.** Geopolitical conflicts constrained global supply chains, resulting in higher commodities, highly exposed sectors namely: Plantations, O&G and Industrials which collectively account for >44% of NAV benefitted from higher prices, resulting in stronger FV gains in 1H26 of RM1.6m. That said, dividend income which came in RM2.2m was still the main driver, reflecting fund's exposure to defensive yielders like Telcos and O&Gs.
- **Plantations remain the defensive spine** At 19% of NAV, we continue to view the sector favourably as CPO prices remain well-supported by regional demand. Furthermore, July MPOB data signalled frontloading activity ahead of the year-end El Nino window, and the accompanying production slowdown, supporting CPO prices which we peg at RM4,400/tonne for 2026F, benefiting upstream names.
- **Oil supply remains tight.** Physical flows remain impaired as the prolonged Hormuz disruption continues to constrain supply. Our Brent forecast of USD93/bbl for FY26F provides a supportive backdrop for Petronas capex recovery through FY26–28F, reinforced by energy-security needs to sustain domestic production. The fund retains diversified energy exposure through Dialog, Petronas Gas, Petronas Chemicals and Petronas Dagangan.

Analyst (s)

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Key Changes

Target Price: ↑

Stock and Financial Data

Units in circulation (million)	2.50
Market Cap (RMmil)	2.63
NAV (RM/Share)	1.07
P/NAV (x)	0.98
Premium/Discount (%)	2.0%
MER (%)	0.49
Free Float	100

Fund info

Date of inception	22-Jan-08
Shariah compliance	Yes
ISIN	MYL0821EA008
Stock code	0821EA
Short name	EQ8MY25
Bloomberg ticker	EQ8MY25 MK Equity
Benchmark index	DJIM Mly Ttns 25
Min tradable lot	100
Website	www.eq8.com.my

Management

Fund manager	Eq8 Capital Sdn Bhd
Investment manager	n.a.
Trustee	Deutsche Trustee Malaysia
Shariah adviser	Amanie Advisors
Participating dealer	CGS International Securities RHB Investment Bank

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EXHIBIT 1. 2026 Results Summary

(RM 'k)	1H26	1H25	YoY Chg (%)
Dividend income	2,186.5	2,282.3	-4.2%
Fair value gains/(loss)	1,565.4	(11,606.9)	n.a.
Profit income	9.9	11.8	-15.6%
Other income	63.0	-	n.a.
Investment income	**3,824.9**	**(9,312.8)**	**n.a.**
Expenses	(592.9)	(391.4)	51.5%
Pretax profit	**3,231.9**	**(9,704.3)**	**n.a.**
Taxation	-	-	n.a.
Net profit	**3,231.9**	**(9,704.3)**	**-133.3%**
Realised gain/(loss)	2,111.8	49.8	>100%
Unrealised gain/(loss)	1,120.1	(9,753.9)	n.a.

Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 2. Income distribution yield

Year	Income distribution yield (%)
2025	1.46
2024	1.34
2023	1.72
2022	1.79
2021	1.94

Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 3. Manager's performance

Year	Tracking error (%)
2025	5.63
2024	2.59
2023	1.87
2022	1.45
2021	5.63

Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 4. Total return %

Year	Fund (excl. dividend)	Benchmark (excl. dividend)
2026 – YTD	5.57	0.40
2025	-2.05	-2.71
2024	6.44	7.19
2023	1.85	0.05
2022	-11.84	-13.40
2021	-10.61	-7.75

Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 5. Fund performance

Total return (%) ***[excl. dividend]***	**1M**	**3M**	**6M**	**1Y**	**3Y**	**5Y**
Price	-0.98	1.00	-1.94	-2.88	2.23	2.23
NAV	-2.62	2.67	0.73	4.25	8.11	-4.13
Benchmark	-1.78	-0.72	-2.91	0.91	4.22	-10.83

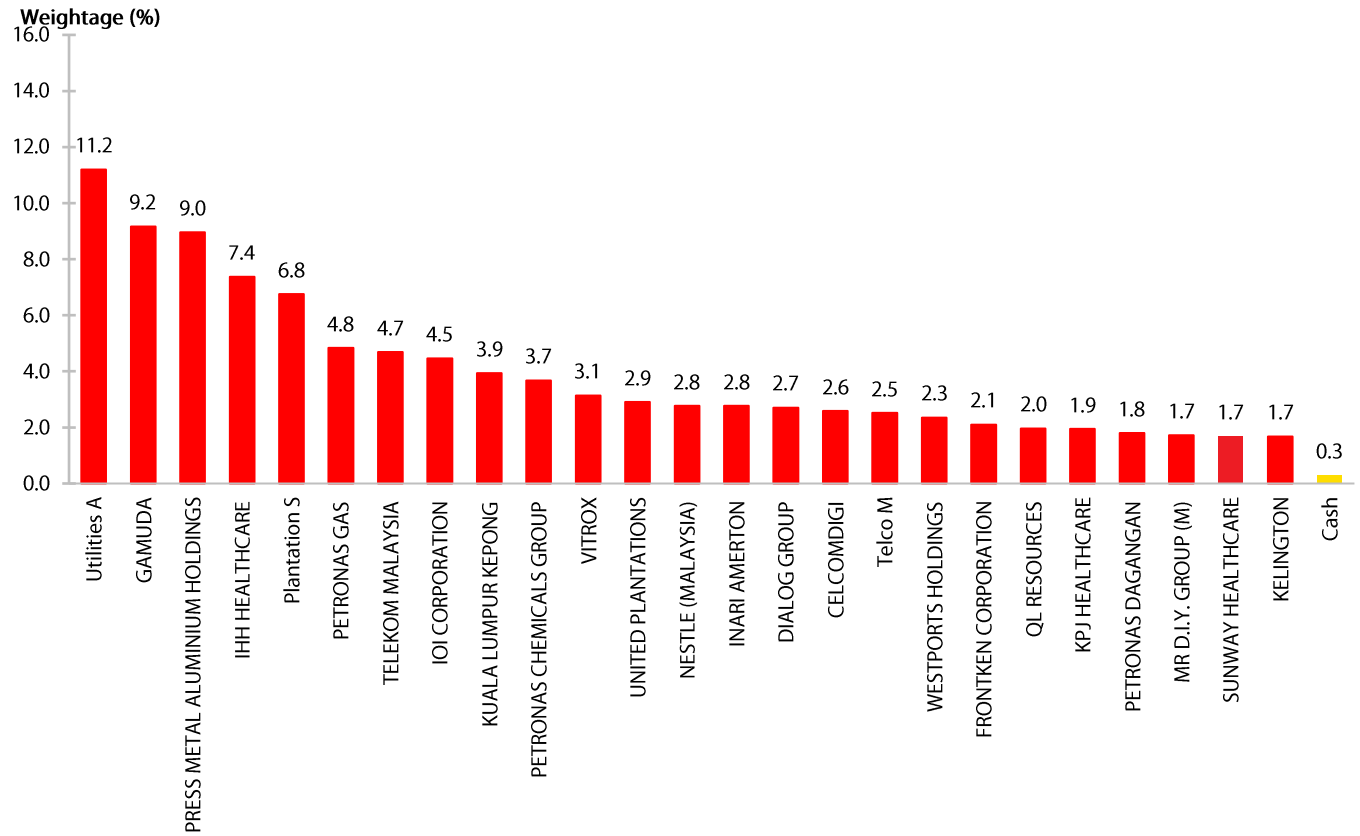
Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 6. EQ8MY25 – NAV & FV

Stock	No. of shares	Market Price/ share (RM)	Market Value (RM)	TP (RM/share)	Source	Target Value (RM)
Utilities A	23,333	12.86	300,067	14.19	Ambank	331,100
GAMUDA	48,333	5.08	245,533	4.40	AmBank	212,667
PRESS METAL ALUMINIUM HOLDINGS	33,333	7.20	240,000	9.41	Consensus	313,667
IHH HEALTHCARE	25,000	7.90	197,500	10.25	Consensus	256,250
Plantation S	30,000	6.03	180,900	7.35	AmBank	220,500
PETRONAS GAS	7,500	17.26	129,450	18.11	AmBank	135,825
TELEKOM MALAYSIA	15,833	7.94	125,717	6.85	AmBank	108,458
IOI CORPORATION	25,833	4.62	119,350	5.00	AmBank	129,167
KUALA LUMPUR KEPONG	5,000	21.10	105,500	23.61	AmBank	118,050
PETRONAS CHEMICALS GROUP	23,333	4.22	98,467	4.81	AmBank	112,233
VITROX	7,500	11.22	84,150	10.25	AmBank	76,875
UNITED PLANTATIONS	2,500	31.18	77,950	31.18	Consensus	77,950
NESTLE (MALAYSIA)	833	89.02	74,183	135.00	AmBank	112,500
INARI AMERTON	26,667	2.78	74,133	3.25	AmBank	86,667
DIALOG GROUP	38,333	1.89	72,450	2.40	AmBank	92,000
CELCOMDIGI	27,500	2.52	69,300	3.55	AmBank	97,625
Telco M	19,167	3.52	67,467	4.45	AmBank	85,292
WESTPORTS HOLDINGS	9,167	6.86	62,883	4.50	Ambank	41,250
FRONTKEN CORPORATION	10,833	5.20	56,333	5.69	Consensus	61,642
QL RESOURCES	13,333	3.93	52,400	4.41	Consensus	58,800
KPJ HEALTHCARE	20,833	2.50	52,083	3.52	Consensus	73,333
PETRONAS DAGANGAN	2,500	19.32	48,300	21.82	Consensus	54,550
MR D.I.Y. GROUP (M)	37,500	1.23	46,125	1.60	AmBank	60,000
SUNWAY HEALTHCARE	21,667	2.09	45,283	2.40	AmBank	52,000
KELINGTON	5,000	8.95	44,750	12.30	AmBank	61,500
Cash In Hand			8,225			8,225
NAV			2,678,500			3,038,125
NAV/unit			1.07			1.22

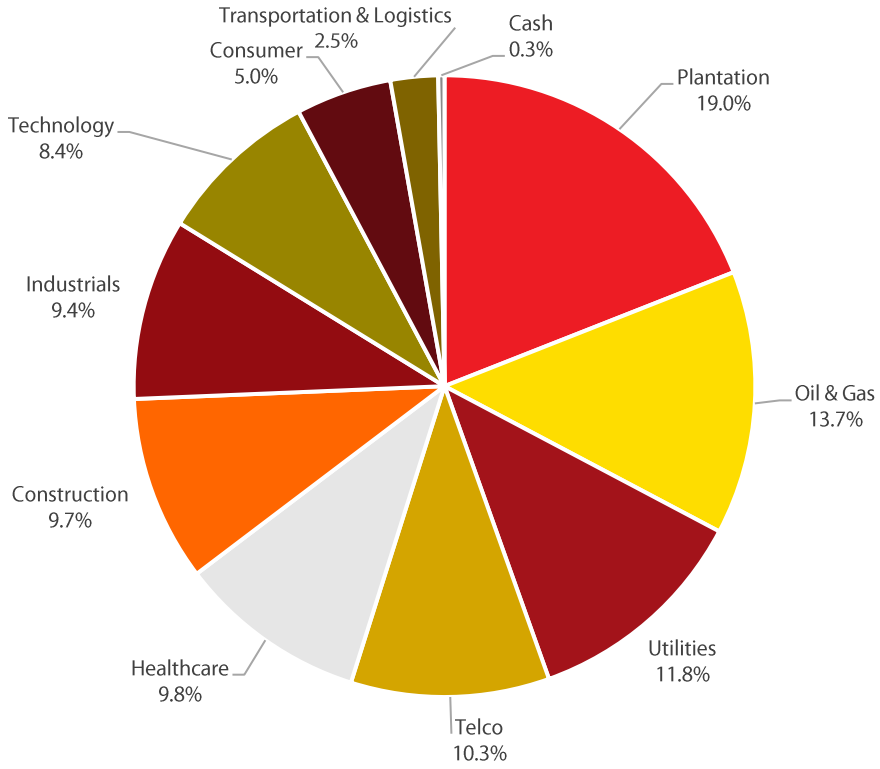
Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 7. EQ8MY25 – Constituents & weightings (%)



Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 8. EQ8MY25 – Sectorial breakdown (%)



Source: EQ8MY25, AmInvestment Bank Bhd.

EXHIBIT 9. 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 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 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	The volatility from the average of excess returns versus the benchmark of defined granularity over the timeframe specified. Tracking error is used as a measure of quality of benchmark tracking.

For more info on the definition of ETF and benefits of investing in it, kindly refer to http://www.bursamarketplace.com/mkt/themarket/etf.
For more info about the ETF, kindly refer to the fund's website, Bursa's website or its prospectus.

EXHIBIT 10. Performance

TRADING BUY	Minimum expected total return (capital gains + dividend yield) of 15%, contingent upon the occurrence of certain event(s).
BUY	Minimum expected total return (capital gains + dividend yield) of 15% over a period of 12 months.
HOLD	Expected total return (capital gains + dividend yield) of between <+15% and >-15% over a period of 12 months).
UNDERWEIGHT	Minimum expected negative total return (capital gains + dividend yield) of 15%–20% over a period of 12 months.
SELL	Minimum expected negative total return (capital gains + dividend yield) of >20% over a period of 12 months.
UNRATED	Stock not within AmBank Research regular coverage; AmBank Research does not have a view on its fair value and valuation.
ACCEPT OFFER	Shareholders are recommended to accept the offer of share acquisition after an evaluation by the analyst that shows the offer is "fair and reasonable", providing an exit opportunity to the shareholders to realise their investment in cash at the offer price.

Source: AmInvestment Bank Bhd.

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