

PROSPECTUS

Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF

(an exchange-traded fund established and constituted in Malaysia on 9 September 2024)

PROSPECTUS IN RESPECT OF THE OFFERING OF UP TO 1,000,000,000 UNITS OF EQ8 FTSE MALAYSIA ENHANCED DIVIDEND WAQF ETF AT THE INITIAL ISSUE PRICE OF MYR1.00 EACH PURSUANT TO THE LISTING OF THE UNITS ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

The Securities Commission Malaysia ("SC") has approved the listing of and quotation for units of the Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF ("the Fund") on the Main Market of Bursa Malaysia Securities Berhad and a copy of this Prospectus has been registered by the SC.

The approval, and registration of this Prospectus, should not be taken to indicate that the SC recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment.

The SC is not liable for any non-disclosure on the part of Eq8 Capital Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*), the management company responsible for the Fund and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Admission to the Official List of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, the Fund or of its units.

This Prospectus is dated 28 November 2024

Manager



Eq8 Capital Sdn Bhd
(Formerly known as i-VCAP Management Sdn Bhd)
(Registration No.: 200701034939 (792968-D))

Trustee

Deutsche Bank Group 

Deutsche Trustees Malaysia Berhad
(Registration No.: 200701005591 (763590-H))

Shariah Adviser



Amanie Advisors Sdn Bhd
(Registration No.: 200501007003 (684050-H))

Participating Dealer

kenanga

Kenanga Investment Bank Berhad
(Registration No.: 197301002193 (15678-H))

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 19.

RESPONSIBILITY STATEMENTS

The directors of Eq8 Capital Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement, or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Kenanga Investment Bank Berhad, being the Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering.

ADDITIONAL STATEMENTS

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws and regulations including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to the Fund.

ISLAMIC FUND STATEMENT

The Fund offered in this Prospectus has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

ELECTRONIC PROSPECTUS

The contents of the electronic copy of this Prospectus and the copy of this Prospectus registered with the Securities Commission Malaysia are the same. Prospective investors may obtain a copy of the Electronic Prospectus from the website of the Fund at www.eq8.com.my.

The internet is not a fully secured medium. If investors doubt the validity or integrity of an Electronic Prospectus, investors should immediately request from the Manager a paper or printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper or printed copy of this Prospectus, the contents of the paper or printed copy of this Prospectus which are identical to the copy of this Prospectus registered with the Securities Commission Malaysia shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as “**Third Party Internet Sites**”), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, investors acknowledge and agree that:

- (i) each of the Manager, Participating Dealer and Placement Agent does not endorse and is not affiliated in any way with the Third Party Internet Sites. Accordingly, each of the Manager, Participating Dealer and Placement Agent is not responsible for the availability of, or the contents of any data, files or other material provided on Third Party Internet Sites. Investors bear all risks associated with the access to or use of Third Party Internet Sites;
- (ii) each of the Manager, Participating Dealer and Placement Agent is not responsible for the quality of products or services of the Third Party Internet Sites, particularly in fulfilling any terms of agreements with Third Party Internet Sites. Each of the Manager, Participating Dealer and Placement Agent is also not responsible for any loss or damage or cost that investors may suffer or incur in connection with or as a result of dealing with Third Party Internet Sites or the use of or reliance on any data, file or other material provided by such parties; and
- (iii) any data, file or other material downloaded from Third Party Internet Sites is done at the investors' own discretion and risk. Each of the Manager, Participating Dealer and Placement Agent is not responsible, liable or under any obligation for any damage to investors' computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the Fund's website (i.e. www.eq8.com.my), investors are advised that:

- (i) the Manager is only liable in respect of the integrity of the contents of an Electronic Prospectus to the extent of the contents of the Electronic Prospectus on the web server of Eq8 Capital Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*) which may be viewed via the investors' web browser or other relevant software. The Manager is not responsible for the integrity of the contents of an Electronic Prospectus which has been obtained from the web server of Eq8 Capital Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*) and subsequently communicated or disseminated in any manner to investors or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Manager is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, investors or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault with the web browsers or other relevant software, any fault on investors' or any third party's personal computers, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of Eq8 Capital

Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*) respectively, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on investors' personal computers.

LICENSING DISCLOSURE STATEMENT AND CONDITIONS

The following are statements required to be disclosed in this Prospectus under the Licence Agreement entered into between FTSE International Limited and the Manager dated 1 August 2024 and any licensing conditions for using the benchmark, including contingency plans in the event of cessation of the availability of the benchmark.

Licensing Disclosure Statement and Conditions

The licensor (and its relevant index partner(s) if a services contract relates to a partner index) shall not be liable under or in connection with a services contract to the licensee or any other person or entity whether in warranty, contract, tort or otherwise (including, but not limited to, liability for any negligent act or omission) for:

- (a) loss of profits;
- (b) loss of sales, revenue or anticipated savings;
- (c) loss of or damage to goodwill or reputation;
- (d) loss of opportunity or wasted expenditure;
- (e) loss caused through any act or omission of an information provider;
- (f) loss of data or loss of use damages;
- (g) loss or damage arising from any claim made, or loss incurred, by a client or customer of the licensee;
- (h) loss of value in or loss relating to any product that is linked to the performance of any licensor's index or data; or
- (i) any indirect, incidental, consequential or special loss, costs, charges, expenses or damage.

To the fullest extent permitted by law, the services are provided by the licensor under the services contract on an "as-is" basis and the licensor makes no warranties of any kind, whether express, implied, statutory or otherwise, and the licensor specifically disclaims all implied warranties, including any warranties of merchantability, fitness for a particular purpose, good title, satisfactory quality and non-infringement to the maximum extent permitted by applicable law. The licensor shall not be liable to the licensee or to any end user of the licensee in the event that any services are interrupted, changed or become unavailable for any reason. In furtherance of the foregoing, except as expressly set forth herein, the licensor does not warrant that the services will meet the licensee's specific needs, achieve a particular marketing or other business result, are error free, complete or will be provided on a timely basis or that the licensor's services are not susceptible to intrusion, attack or computer virus infection.

Excluding any deliberate default by the licensor, in no event shall the aggregate liability of the licensor, its group companies, officers, employees, contractors or subsidiaries in contract, tort (whether the liability arises because of breach of duty or negligence), misrepresentation, restitution, or otherwise, under or in connection with a services contract exceed the amount received by the licensor from the licensee over the period of twelve (12) months immediately preceding the month in which the claim arose (provided that, if more than one (1) claim arises out of the same event or series of events, then all such claims will be treated as a single claim, arising on the date on which the first such connected claim arises). Notwithstanding the foregoing, or any other provision to the contrary, the licensor's aggregate liability in connection with a services contract shall not exceed the average aggregate amount received by the licensor during all prior periods (if any) of twelve (12) consecutive months ending on the day before an anniversary of the commencement date.

Please refer to Section 3.2 as well as Section 2.3 for further information on the benchmark of the Fund.

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ABBREVIATIONS / DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following words and abbreviations shall have the following meanings:

- After Listing : The period which commences on the Listing Date and continues until the Fund is terminated.
- Application : A Creation Application and/or a Redemption Application, as the case may be.
- Application Cancellation Fee : The fee which may, at the discretion of the Manager, be charged by and payable to the Manager upon the cancellation of each Application.
- Authorised Securities : Any or all of the following:
- (i) Index Securities;
 - (ii) non-Index Securities which in the opinion of the Manager has a high correlation (i.e., positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting, and which are Shariah-compliant; and
 - (iii) if the Manager is of the opinion there exists liquidity constraints with the Index Securities and/or non-Index Securities, one or more Islamic collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Fund as determined by the Manager.
- Benchmark : The FTSE Bursa Malaysia EMAS Shariah Factor Enhanced Target Dividend Index (or such other name by which the index may be known) provided by the Index Licensor or such replacement index as may be determined by the Manager in accordance with the Deed and as set out in Section 3.2 of this Prospectus.
- Bursa Depository : Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W)).
- Bursa Securities : Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
- Business Day(s) : A day (other than Saturday, Sunday or public holiday in the Federal Territory of Kuala Lumpur) on which Bursa Securities is open for trading of securities or such other day as may be agreed upon between the Manager and the Trustee from time to time.
- Cash Component : (i) The amount of cash to be paid (in cleared funds) per Creation Unit Block which forms part of the In-Kind Creation Basket calculated as at the Valuation Point on the relevant Trade Date and notified by the Manager; or
- (ii) the amount of cash to be received per Redemption Unit Block which forms part of the In-Kind Redemption Basket calculated as at the

Valuation Point on the relevant Trade Date and notified by the Manager,

as the case may be.

- Cash Creation : The creation of Units in Creation Unit Block(s) in exchange for the Subscription Amount delivered by the Participating Dealer.
- Cash Redemption : The redemption of existing Units in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for the Redemption Amount.
- CDS : Central Depository System.
- CDS Account : An account established at Bursa Depository for the recording of deposit of securities and for dealing in such securities by the depositor.
- Central Depositories Act : The Securities Industry (Central Depositories) Act 1991 as may be amended from time to time.
- Clearing House : Bursa Malaysia Securities Clearing Sdn. Bhd. (Registration No.: 198301014323 (109716-D)).
- CMSA : The Capital Markets and Services Act 2007 as may be amended from time to time.
- Consideration : The price payable for Units applied for pursuant to:
- (a) a Subscription Application which shall be the Initial Issue Price multiplied by the number of Units applied for; or
 - (b) a Creation Application which shall be the Issue Price multiplied by the number of Units applied for,
- as the case may be.
- Creation Application : An application by the Participating Dealer (in accordance with the terms of the Participating Dealer Agreement) to the Manager for the creation of new Units in a Creation Unit Block (or whole multiples thereof).
- Creation Application Fee : The fees which may be charged by the Manager to the Participating Dealer on each Creation Application in addition to the Consideration and Transaction Costs.
- Creation Securities : The Authorised Securities comprised in an In-Kind Creation Basket.
- Creation Unit Block : The quantity of Units which will be issued upon a successful Creation Application:
- (i) for In-Kind Creation, in respect of one (1) whole In-Kind Creation Basket; and
 - (ii) for Cash Creation, in respect of the Subscription Amount.

The size of a Creation Unit Block may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer.

- Dealing Day : A day (other than Saturday, Sunday or public holiday in the Federal Territory of Kuala Lumpur) on which: (i) Bursa Securities is open for trading of securities, and (ii) the Benchmark is compiled and published and/or such other day as the Manager may, in consultation with the Trustee, from time to time determine but shall not include a Dealing Day on which a force majeure event occurs or is continuing.
- Dealing Deadline : For the purposes of Creation Application(s) and/or Redemption Application(s), such time on any particular Dealing Day as the Manager may, in consultation with the Trustee, from time to time determine and notified to the Participating Dealer.
- Deed : The deed dated 9 September 2024 entered into between the Manager and the Trustee constituting the Fund as from time to time altered, modified or added to in accordance with the provisions therein contained and shall include any supplemental thereto executed in accordance with the provisions thereof.
- Electronic Prospectus : A copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium, including but not limited to CD-ROMs.
- ETF : Exchange-traded fund.
- ETF Guidelines : Guidelines on Exchange-traded Funds issued by the SC and any amendments thereafter.
- financial institutions : If:
- (i) the institution is in Malaysia, any Licensed Bank, Licensed Investment Bank or Licensed Islamic Bank; or
 - (ii) the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
- Fund : Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF.
- Fund Assets : All the assets (including cash) of the Fund for the time being held or deemed to be held upon trust by the Trustee pursuant to the Deed including income of the Fund but excluding any amount which has been allocated for distribution to Unit Holders.
- In-Kind Creation : The creation of new Units in Creation Unit Block(s) in exchange for In-Kind Creation Basket(s) delivered by the Participating Dealer.
- In-Kind Creation Basket : The portfolio of Creation Securities and Cash Component (if any) that is required to be delivered by the Participating Dealer pursuant to a Creation Application in exchange for a Creation Unit Block as determined by the Manager in respect of each Dealing Day.

In-Kind Redemption	:	The redemption of existing Units in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for In-Kind Redemption Basket(s).
In-Kind Redemption Basket	:	The portfolio of Redemption Securities and Cash Component (if any) that will be received by the Participating Dealer pursuant to a Redemption Application in exchange for a Redemption Unit Block as determined by the Manager in respect of each Dealing Day.
Index Licensor	:	FTSE International Limited, the licensor of the Benchmark, who has the right to grant the Manager usage of the Benchmark.
Index Securities	:	The securities or interests issued by the companies that are included in the Benchmark from time to time or depository receipts that may be issued against such securities or interests.
Initial Issue Price	:	The price at which Units are issued under the Initial Subscription which is fixed at MYR1.00.
Initial Subscription	:	The offer for subscription of Units during the Initial Subscription Period.
Initial Subscription Period	:	The period of three (3) Business Days commencing at 9.00 a.m. on 28 November 2024 and ending at 5.00 p.m. on the closing date of the Initial Subscription, tentatively on 2 December 2024 or such other period as may be agreed between the Manager and the Trustee provided that the closing date of the Initial Subscription Period must be a Business Day.
IOPV	:	Indicative Optimised Portfolio Value which serves as an estimation of the NAV of the Fund's portfolio between Valuation Points as set out in Section 5.6 of this Prospectus.
Islamic ETF	:	An ETF which complies with Shariah.
Issue Price	:	The price per Unit at which Units are from time to time issued, based on the NAV per Unit and which shall be ascertained in accordance with the provisions of Section 5.5 - "Calculation of Issue Price and Redemption Price" of this Prospectus.
Licensed Bank	:	Has the meaning assigned to it in the Financial Services Act 2013.
Licensed Investment Bank	:	Has the meaning assigned to it in the Financial Services Act 2013.
Licensed Islamic Bank	:	Has the meaning assigned to it in the Islamic Financial Services Act 2013.
Listing	:	Admission to the Official List and the listing of and quotation for the Units on the Main Market of Bursa Securities.
Listing Date	:	The date of Listing.
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities and any amendments thereafter.
LPD	:	31 August 2024, being the latest practicable date prior to the registration of this Prospectus.

Manager or Eq8 Capital	:	Eq8 Capital Sdn Bhd (<i>Formerly known as i-VCAP Management Sdn Bhd</i>) (Registration No.: 200701034939 (792968-D)).
MYR	:	Ringgit Malaysia, the lawful currency of Malaysia.
Net Asset Value or NAV	:	The value of all the Fund Assets less the value of all the Fund's liabilities, at the Valuation Point.
NAV per Unit	:	The NAV of the Fund at a particular Valuation Point divided by the number of Units in issue, at the same Valuation Point.
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities.
Ordinary Resolution	:	A resolution passed at a meeting of Unit Holders duly convened and held in accordance with the provisions of the Deed by a simple majority of the votes validly cast by the Unit Holders present and voting in person or by proxy at the meeting.
Parent Index	:	FTSE Bursa Malaysia EMAS Shariah Index.
Participating Dealer	:	Kenanga Investment Bank Berhad (Registration No.: 197301002193 (15678-H)) and shall include any other eligible dealer who enters into a Participating Dealer Agreement in the form and substance acceptable to the Manager and Trustee.
Participating Dealer Agreement	:	The agreement entered into between the Participating Dealer, the Manager and the Trustee setting out, amongst others, the arrangement in respect of the creation and issue of Units and the redemption and cancellation of Units of the Fund.
Permitted Investments	:	The assets and instruments that the Fund is authorised to invest as set out in Section 3.6 of this Prospectus.
Placement Agent	:	Kenanga Investment Bank Berhad (Registration No.: 197301002193 (15678-H)) or such other party as may be appointed by the Manager from time to time.
Prospectus	:	This prospectus in respect of the Fund and includes any supplemental and/or replacement thereto.
Redemption Amount	:	The cash sum to be delivered to the Participating Dealer in respect of a Cash Redemption equivalent to the Redemption Price multiplied by the number of Units to be redeemed.
Redemption Application	:	An application by the Participating Dealer to the Manager for the redemption of existing Units in a Redemption Unit Block (or whole multiples thereof).
Redemption Application Fee	:	The fee which may, at the discretion of the Manager, be charged to the Participating Dealer on each Redemption Application in addition to the proceeds and the Transaction Costs.

Redemption Price	:	The price per Unit at which Units are from time to time redeemed, based on the NAV per Unit, and which shall be ascertained in accordance with the provisions of Section 5.5 - "Calculation of Issue Price and Redemption Price" of this Prospectus.
Redemption Securities	:	The Authorised Securities comprised in an In-Kind Redemption Basket.
Redemption Unit Block	:	The quantity of Units which is required to be delivered to the Trustee upon a successful Redemption Application: <ul style="list-style-type: none"> (i) for In-Kind Redemption, in respect of one (1) whole In-Kind Redemption Basket; and (ii) for Cash Redemption, in respect of the Redemption Amount. <p>The size of a Redemption Unit Block may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer.</p>
Register	:	The register of Unit Holders kept and maintained by the Manager or its appointed agent.
Registrar	:	Boardroom Share Registrars Sdn. Bhd. (Registration No.: 199601006647 (378993-D)) or such other party as may be appointed by the Manager from time to time.
SACSC	:	Shariah Advisory Council of the SC.
SC	:	Securities Commission Malaysia.
Shariah	:	Islamic law originating from the <i>Qur'an</i> (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (<i>pbuh</i>) and <i>ijtihad of ulama'</i> (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
Shariah Adviser	:	Amanie Advisors Sdn Bhd (Registration No.: 200501007003 (684050-H)).
Shariah Investment Guidelines	:	Shariah investment guidelines issued for the Fund and endorsed by the Shariah Adviser.
Special Resolution	:	A resolution passed by a majority of not less than 75% of the total voting rights of the Unit Holders who are entitled to vote on the resolution at the meeting of Unit Holders, provided that for the purposes of terminating the Fund, a special resolution is passed by a majority in number representing at least 75% of the voting rights of the Unit Holders voting at the meeting of Unit Holders in person or by proxy.
Subscription Amount	:	The Consideration in cash to be paid by the Participating Dealer to the Fund in respect of a Cash Creation.
Subscription Application	:	An application for Units made through a Placement Agent during the Initial Subscription Period.

Trade Date	:	The Dealing Day on which the Manager receives or is deemed to have received a valid Application in accordance with the provisions of the Deed and the Participating Dealer Agreement provided that if such valid Application is received after the Dealing Deadline, the next Dealing Day shall be the Trade Date.
Transaction Costs	:	In relation to any particular transaction or dealing, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the Fund Assets or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Fund Assets or otherwise which may have become or may be payable in respect of (whether prior to, upon or after the occasion of) any transaction or dealing relating to the Fund.
Trustee	:	Deutsche Trustees Malaysia Berhad (Registration No.: 200701005591 (763590-H)).
Unit	:	An undivided beneficial interest in and ownership of the Fund.
Unit Holder	:	A person entered on the Register as the holder of Units in accordance with the provisions of the Deed.
USD	:	United States Dollar.
Valuation Point	:	At the official close of trading on Bursa Securities on each Dealing Day.
waqf	:	An Islamic endowment; a charitable trust whereby a certain property is held and preserved for the exclusive benefit of a certain charitable objective, and any use or disposition of it outside that specific objective is prohibited.
Waqf Asset	:	Means 50% of the annual income distribution (if any) of the Fund in the form of cash which is meant for waqf purposes.
Waqf Institution or YWM	:	Refers to Yayasan Waqaf Malaysia.

In this Prospectus, unless otherwise stated, monetary amounts are expressed exclusive of government and statutory taxes (if any).

All references to "we", "us" and "our" in this Prospectus mean Eq8 Capital, the manager of the Fund.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*.

Any reference to any legislation or guideline in this Prospectus is a reference to that legislation or guideline as for that time being amended or re-enacted.

INDICATIVE TIMETABLE

Dates & Time	Event
28 November 2024	: Issuance of this Prospectus
28 November 2024, 9.00 a.m.	: Opening date and time for the Initial Subscription through Placement Agent
2 December 2024, 5.00 p.m.	: Closing date and time for the Initial Subscription
By 9 December 2024	: Allotment of Units to successful applicants
10 December 2024	: Listing Date

Units subscribed for under the Initial Subscription will be created by the fifth (5th) Business Day from the closing date of the Initial Subscription Period. All Units created under the Initial Subscription will be deposited with Bursa Depository and credited into the CDS Accounts of the successful applicants prior to the Listing of the Fund.

Subsequent to the Listing of the Units on Bursa Securities, the Participating Dealer may request for the creation of additional Units in accordance with the terms of the Participating Dealer Agreement.

THE INDICATIVE TIMING AS SET OUT ABOVE IS SUBJECT TO CHANGE WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE DIRECTORS OF THE MANAGER (IN CONSULTATION WITH THE TRUSTEE AND PLACEMENT AGENT) MAY, IN THEIR ABSOLUTE DISCRETION, DECIDE TO EXTEND THE LISTING DATE SUBJECT TO THE APPROVAL OF THE RELEVANT AUTHORITIES, IF REQUIRED. NOTICE OF ANY SUCH EXTENSION WILL BE MADE ON THE FUND'S WEBSITE AT WWW.EQ8.COM.MY AND BY WAY OF ADVERTISEMENT PUBLISHED IN A WIDELY-CIRCULATED BAHASA MALAYSIA NEWSPAPER AND ENGLISH DAILY NEWSPAPER WITHIN MALAYSIA.

CORPORATE DIRECTORY

MANAGER

Eq8 Capital Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*)
(Registration No.: 200701034939 (792968-D))

Registered Office:

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel. No.: (+603) 2172 3000

Business Address:

Level 13, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel. No.: (+603) 2172 3000
E-mail: eq8@kenanga.com.my
Website: www.eq8.com.my

TRUSTEE

Deutsche Trustees Malaysia Berhad
(Registration No.: 200701005591 (763590-H))

Registered Office/Business Address:

Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel. No.: (+603) 2053 7522
Fax No.: (+603) 2053 7526
E-mail: dtmb.rtm@db.com

TRUSTEE'S DELEGATE (CUSTODIAN)

Deutsche Bank (Malaysia) Berhad
(Registration No.: 199401026871 (312552-W))

Registered Office / Business Address:

Level 19-20, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel. No.: (+603) 2053 6788
Fax No.: (+603) 2031 9822

SHARIAH ADVISER

Amanie Advisors Sdn Bhd
(Registration No.: 200501007003 (684050-H))

Registered Office:

Unit 11-3A, 3rd Mile Square
No. 151, Jalan Klang Lama Batu 3 ½
58100 Kuala Lumpur

Business Address:

Level 13A-2, Menara Tokio Marine Life
189, Jalan Tun Razak
50400 Kuala Lumpur
Tel. No.: (+603) 2161 0260

Fax No.: (+603) 2161 0262
E-mail: contact@amanieadvisors.com
Website: www.amanieadvisors.com

WAQF INSTITUTION

Yayasan Waqaf Malaysia
(Registration No.: PPAB-02/2008)
Aras 8, Block D, Kompleks Islam Putrajaya
Jalan Tun Abdul Razak, Presint 3
62100 Putrajaya
Tel No.: (+603) 8871 0800
Fax No.: (+603) 8861 0803
E-mail: info@ywm.gov.my
Website: www.ywm.gov.my

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd
Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

SOLICITOR

Messrs Wei Chien & Partners
D-20-02, Menara Suezcap 1
No.2, Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Kuala Lumpur

AUDITOR OF THE FUND AND THE MANAGER

Ernst & Young PLT
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

PARTICIPATING DEALER

Kenanga Investment Bank Berhad
(Registration No.: 197301002193 (15678-H))
Level 12, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

MARKET MAKER

Information relating to the market maker may be obtained from the Fund's website at www.eq8.com.my.

PLACEMENT AGENT

Kenanga Investment Bank Berhad
(Registration No.: 197301002193 (15678-H))
Level 12, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
(Registration No.: 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor

INDEX LICENSOR

FTSE International Limited
10 Paternoster Square
London
EC4M 7LS
United Kingdom

LISTING SOUGHT

Main Market of Bursa Securities

APPROVALS AND CONDITIONS

The SC had on 22 August 2024, approved the following proposals:

- (i) the establishment of the Fund, including the offering of the Fund's Units; and
- (ii) the Listing,

subject to the following:

- (i) the establishment of the Fund with an initial fund size of up to 1 billion Units; and
- (ii) the listing of and quotation for up to 1 billion Units of the Fund on the Main Market of Bursa Securities.

1. KEY DATA

This section is only a summary of the salient information about the Fund. Investors should read and understand the whole of this Prospectus prior to making an investment decision.

1.1 The Fund

Item	Brief Description	Section
Name of Fund	Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF	-
Category of Fund	Islamic equity exchange-traded fund	-
Type of Fund	Index tracking fund	-
Initial Approved Fund Size	1,000,000,000 Units	3.13
Initial Issue Price	MYR1.00	5.1.1
Base Currency	MYR	-
Financial Year End of the Fund	The period of twelve (12) months ending on 30 June of each calendar year. For avoidance of doubt, the first financial year shall commence on the date of this Prospectus and shall end on 30 June 2025.	-
Investment Objective	The Fund aims to closely correspond to the performance of the Benchmark while adhering to Shariah requirements, and channel a portion of the income distribution of the Fund for waqf purposes. <i>Any material change to the Fund's investment objective will require the approval of the Unit Holders.</i>	3.1.1
Investment Strategy	The Fund is a passively managed fund. The Manager will generally adopt a replication strategy to manage the Fund. The Manager may use techniques including indexing via full or partial replication in seeking to achieve the investment objective of the Fund, subject to conformity with Shariah Investment Guidelines.	3.1.5
Asset Allocation	<ul style="list-style-type: none"> A minimum of 90% of the Fund's NAV is to be invested in Authorised Securities; and A maximum of 10% of the Fund's NAV is to be invested in Islamic money market instruments and/or Islamic deposits placed with financial institutions. 	3.1.3
Benchmark	FTSE Bursa Malaysia EMAS Shariah Factor Enhanced Target Dividend Index	3.2

Item	Brief Description	Section
Investor's Profile	<p>The Fund is suitable for investors who:</p> <ul style="list-style-type: none"> • wish to invest in a liquid financial instrument with an index-tracking feature that focuses on high yield dividend Shariah-compliant equities. • seek medium-term (one (1) to three (3) years) to long-term (more than three (3) years) investment horizon. • intend to contribute part of their investment return towards waqf. 	3.1.2
Distribution Policy	<p>The Fund will distribute income annually at the discretion of the Manager, with 50% of the income distribution to be allocated as Waqf Asset and the remaining 50%* payable to Unit Holders.</p> <p><i>Note:</i> * The 50% of the income distribution payable to Unit Holders will be in the form of cash payout.</p>	3.9
Summary of Risk Factors	<p>General Risks of Investing in the Fund</p> <ul style="list-style-type: none"> • Returns and capital are not guaranteed • Market risk • Inflation risk • Passive investment • Tracking error risk • Concentration in a particular group of securities, industry or group of industries • Reliance on Participating Dealer • Liquidity risk • Units may trade at prices other than at NAV per Unit of the Fund • Trading in Units on Bursa Securities may be suspended or delisted • Suspension of creations and/or redemptions by the Manager • Timing between pricing, issue and trading • Market disruption events and settlement disruption events • Minimum Creation/Redemption Unit Block • Risk of rebalancing activities • Legal and regulatory risk 	2.1
	<p>Risk factors specific to the investment portfolio of the Fund</p> <ul style="list-style-type: none"> • Concentration risk • Reclassification of Shariah-compliant securities • Shariah non-compliance risk 	2.2
	<p>Risk factors related to the Benchmark</p> <ul style="list-style-type: none"> • Errors or inaccuracies in the Benchmark • The Benchmark is subject to fluctuations 	2.3

Item	Brief Description	Section
	<ul style="list-style-type: none"> • Composition of and weightings in the Benchmark may change • Licence to use the Benchmark may not be renewed • Compilation of the Benchmark 	
Use of Proceeds	For investments in Permitted Investments as set out in Section 3.6 of this Prospectus.	5.1.1
Offering of Units – Before Listing	During the Initial Subscription Period, application of the Units can be made through the Placement Agent. The minimum size of the Subscription Application under the Initial Subscription is 100 Units, or whole multiples thereof. Units will be issued at the Initial Issue Price to investors.	5.2
Offering of Units – After Listing	<p>Units may be purchased and sold in two ways:</p> <ul style="list-style-type: none"> • Participating Dealer In the primary market, the Participating Dealer (either acting for itself or for an investor as its client) may apply for the creation or redemption of Units in a Creation Unit Block or a Redemption Unit Block. • Bursa Securities In the secondary market, investors may purchase or sell the Units in board lots of 100 Units (or multiples thereof) on the Main Market of Bursa Securities. 	5.1.2 5.3 5.8
Creation / Redemption of Units	<ul style="list-style-type: none"> • Creation of Units The Participating Dealer (either for its own account or for the account of its clients) can apply for In-Kind Creation of new Units via the delivery of In-Kind Creation Basket or Cash Creation of new Units via the delivery of Subscription Amount. • Redemption of Units The Participating Dealer (either for its own account or for the account of its clients) can apply for In-Kind Redemption of Units via the delivery of existing Units in exchange for In-Kind Redemption Basket or Cash Redemption via the delivery of existing Units in exchange for Redemption Amount. 	5.3.1 5.3.2 5.3.5 5.3.6 5.3.3 5.3.4 5.3.7 5.3.8
Creation / Redemption Unit Block	<p>500,000 Units</p> <p>This quantity may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer. The creation/redemption of Units must be in a Creation/Redemption Unit Block (or whole multiple thereof).</p>	5.3.1 5.3.3 5.3.5 5.3.7

Item	Brief Description	Section
Trading of Units on Bursa Securities	Investors may trade (buy and sell) Units on the Main Market of Bursa Securities upon Listing.	5.8
Trading Board Lot Size	100 Units or such other number of Units as may be prescribed by the relevant laws.	5.8

1.2 Fees, Charges and Expenses

The following are the charges that the investors may incur **directly** when they invest in the Units.

(i) Through Participating Dealer

This table describes the fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealer to the Manager and/or the Trustee. Investors should check with the relevant Participating Dealer on the actual fees and charges which may be incurred.

Fees & Charges	
Creation/Redemption Application Fee	: MYR200.
Creation/Redemption Application Cancellation Fee	: Up to 1.00% of the Subscription Amount or Cash Redemption or up to 1.00% of the value of the In-Kind Creation Basket or In-Kind Redemption Basket, whichever is applicable, or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
Transaction Costs	: The Manager may charge Transaction Costs (incurred by the Fund) to prevent the NAV of the Fund from being diluted.
Other Fees	: The amount (other than Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealer, which is charged by Bursa Depository.

(ii) Through Bursa Securities

This table describes the charges that investors may incur (based on the charges imposed by Bursa Securities as at the date of this Prospectus which charges may be varied from time to time) when they buy or sell Units on Bursa Securities. Investors should check with their brokers on the actual fees and charges which may be incurred.

Fees & Charges	Details
Brokerage Fee	: As prescribed by Bursa Securities.
Bursa Securities Clearing Fee	: 0.03% of the transaction value subject to a maximum of MYR1,000 per transaction. A MYR10 minimum fee per transaction is applicable for direct business contracts.

Further information on the charges that investors will incur when trading Units on Bursa Securities can be found at www.bursamalaysia.com.

The following are the charges that the investors may incur indirectly when they invest in the Units.

Fees & Charges	Details
Management Fee	: 0.60% per annum of the NAV of the Fund
Trustee Fee	: Up to 0.08% per annum of the NAV of the Fund
Index Licence Fee	: 10% per annum of the management fee of the Fund, subject to a minimum of USD7,500 per annum.
	<i>Note: The Manager will bear the index licence fee for the first three (3) years from the Listing Date and such other subsequent period as may be determined by the Manager.</i>
	<i>The index licence fee for a preceding quarter will be calculated within fifteen (15) days from each quarter date and payment of such quarterly index licence fee will be made by the Fund within thirty (30) days from the date such quarterly index licence fee is payable.</i>

1.3 Establishment Costs of the Fund

The cost of establishment and Listing of the Fund which includes the following expenses will be borne by the Fund:

- Cost of preparation and publishing of this Prospectus;
- Professional and advisory fees; and
- Regulatory fees,

(collectively, the "**Establishment Costs**").

The aforesaid Establishment Costs shall be funded upfront by the Manager as and when incurred. The Manager is allowed to charge the Establishment Cost, which shall not exceed MYR500,000.00, over a period of two (2) years to reduce the impact of dilution on the returns of the Fund.

1.4 Other Information

The Deed is dated 9 September 2024 entered into between the Manager and the Trustee.

1.5 Avenue for Advice

Investors may contact Eq8 Capital by email at eq8@kenanga.com.my.

2. RISK FACTORS

An investment in the Units involves risk. Prospective investors should rely on their own evaluation and carefully consider the following risk factors in addition to other information contained elsewhere in this Prospectus, before investing in the Fund.

The following risk factors may not be exhaustive, and additional risks and uncertainties not presently known to the Fund or the Manager, or which are currently deemed to be immaterial may become material in the future, which could have a material adverse effect on the Fund or the price of the Units.

2.1 General Risks of Investing in the Fund

(i) Returns and capital not guaranteed

Investors should be aware that by investing in the Fund, there is no guarantee of any returns or capital appreciation. Unlike fixed deposits placed directly by the investors into any financial institutions which carry a specific rate of return, the Fund does not provide a fixed rate of return. There is no guarantee that investors will enjoy any capital appreciation or will not experience any loss of capital invested in the Fund.

(ii) Market risk

General movements in the market and factors that affect the investment climate and investor sentiment could affect the level of trading and therefore the market price of the Units, which can go down in price as well as up. These risks include market fluctuations caused by factors such as economic and political developments.

(iii) Inflation risk

Inflation is one of the long term risks as it creates uncertainty over the future value of the investments. Any investment is subject to the risk that the investments may not grow proportionately with the inflation rate. A return on investment which is lower than inflationary rate would reduce Unit Holder's purchasing power per MYR, even though the value of the investment in monetary terms has increased.

(iv) Passive investment

As the objective of the Fund is to track the performance of the Benchmark, the Fund is not actively managed and invests all or a substantial portion of the Fund Assets in the Index Securities regardless of their investment merit. Investors should take note that the Manager does not attempt to select investments individually or take defensive positions in declining markets. Therefore, a decline in the performance of the Benchmark will result in a corresponding fall in the value of the Fund irrespective of the performance of the overall market. Accordingly, there can be no assurance that the movement of the Benchmark and the NAV of the Fund will correspond with the movement of the overall market.

(v) Tracking error risk

The imperfect correlation between the NAV of the Fund and the Benchmark may occur due to factors such as the fees and expenses incurred by the Fund, rounding of share prices, changes to the Benchmark, dividend purification, payout for waqf purposes and, regulatory policies. There is no assurance that the Fund will be able to fully track the performance of the Benchmark.

To minimise the tracking error, the Manager aims to adopt a full replication strategy in managing the Fund. However, a partial replication technique may be adopted if the Manager believes that the full replication technique is not the most efficient method to track the Benchmark.

(vi) Concentration in a particular group of securities, industry or group of industries

If the Benchmark comprises Index Securities that are concentrated in a particular group of securities, industry or group of industries, the Fund may be adversely affected by the performance of those securities and be subject to price volatility. Further, the Fund may also be more susceptible to any single economic, market, political or regulatory occurrence.

(vii) Reliance on Participating Dealer

The creation and redemption of Units may only be effected through the Participating Dealer. As at the date of this Prospectus, the Manager has entered into a Participating Dealer Agreement with the Participating Dealer. This enables the Participating Dealer to request the creation of new Units and/or require the redemption of existing Units. If the existing Participating Dealer were to withdraw at any time and no new or additional participating dealer is appointed and/or enters into a Participating Dealer Agreement with the Manager, no new Units may then be created or redeemed. Since the number of the participating dealer at any given time will be limited, and there may even be only one (1) participating dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely.

Although the Participating Dealer has agreed, pursuant to the Participating Dealer Agreement, with the Manager that it will create and redeem for investors, whether or not a Participating Dealer agrees with the investors to create or to redeem Units for them has to be agreed between the relevant investor and that Participating Dealer. The Participating Dealer may charge a fee for providing this service. The Participating Dealer will not be able to create or redeem Units during a suspension period.

(viii) Liquidity risk

Although the Units are listed for trading on Bursa Securities, there is no assurance that an active trading market for such Unit will develop or be maintained. There is no certain basis for predicting the actual price levels at, or volume in which, the Units may trade. Accordingly, if a Unit Holder needs to sell his Units at a time when no active market for them exists, the price he receives for his Units (assuming he is able to sell them) is likely to be lower than the price received if an active market did exist.

Whilst the market maker has been appointed by the Manager, there can be no assurance that such liquidity risk will be fully mitigated. Investors should note, however, that the liquidity in the market for the Units may be adversely affected if the market maker fails or ceased to fulfil its role as a market maker. Subject to applicable regulatory requirements, the Manager intends to ensure that there is at least one (1) market maker for the Fund to facilitate efficient trading.

(ix) Units may trade at prices other than at NAV per Unit of the Fund

The NAV per Unit of the Fund represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below its NAV per Unit. There is a risk, therefore, that Unit Holders may not be able

to buy or sell at a price close to its NAV per Unit. The deviation from NAV per Unit is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on Bursa Securities. However, given that the Units can be created and redeemed in Creation Unit Blocks and Redemption Unit Blocks by Participating Dealer, as applicable, it is not anticipated that large discounts or premiums will be sustained.

Further, the role of the market maker is intended to minimise the difference between the trade prices on Bursa Securities and the NAV per Unit of the Fund.

(x) Trading in Units on Bursa Securities may be suspended or delisted

Unit Holders and potential Unit Holders will not be able to buy, nor will Unit Holders be able to sell Units on Bursa Securities during any period in which trading of the Units is suspended. Bursa Securities may suspend the trading of Units pursuant to Bursa Securities' rules and policies whenever Bursa Securities determines that it is appropriate in the interests of a fair and orderly market to protect Unit Holders. The creation and redemption of Units may also be suspended if the trading of Units on Bursa Securities is suspended.

Further, Bursa Securities imposes certain requirements for the continued listing of securities, including the Units, on Bursa Securities. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of the Units on the Main Market or that Bursa Securities will not change the Listing Requirements. The Fund may be terminated if its Units are delisted from Bursa Securities.

(xi) Suspension of creations and/or redemptions by the Manager

Dealings of Units on Bursa Securities may not necessarily be suspended in the event that the creation and/or redemption of Units is temporarily suspended by the Manager in accordance with the terms of the Deed. If the creation and/or redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund's underlying assets.

(xii) Timing between pricing, issue and trading

The Initial Issue Price is fixed at MYR1.00 per Unit.

The Initial Subscription is expected to close on 2 December 2024 and the Units are only expected to commence trading on the Main Market by the sixth (6th) Business Day after the closing date of the Initial Subscription Period. Investors should note that they will not be able to buy or sell Units on the Main Market of Bursa Securities until the Units are listed on the Main Market of Bursa Securities. Accordingly, investors are at risk if there is a change in the composition and/or weighting of the Benchmark, or the value of investment holdings falls before trading of the Units on the Main Market of Bursa Securities begins.

(xiii) Market disruption events and settlement disruption events

There may be a suspension of the determination of the NAV of the Fund, suspension of trading in Units and/or suspension in Creation Application and/or Redemption Application if there is a market disruption event or a settlement disruption event in Bursa Securities.

Market disruption events may include without limitation, any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Bursa Securities) in the constituents of the Benchmark, the closure of Bursa Securities prior to its scheduled closing time on any Dealing Day and any general moratorium declared in respect of banking activities which may result in the inability to perform settlement activities relating to the constituents of the Fund.

Settlement disruption events may include without limitation, any technical difficulties experienced by the Manager, which are out of the control of the Manager in processing a valid Creation Application and/or Redemption Application.

(xiv) Minimum Creation / Redemption Unit Block

Units will normally only be issued or redeemed in Creation Unit Block or Redemption Unit Block (currently 500,000 Units). Investors who do not hold a Redemption Unit Block may only be able to realise the value of their Units by selling their Units on Bursa Securities.

(xv) Risk of rebalancing activities

Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Fund's ability to carry out its rebalancing activities as scheduled by the Index Licensor. This may result in the NAV of the Fund may not correlate exactly with the performance of the Benchmark. Costs of market exposure arising from the ability to rebalance on schedule would be directly borne by the Fund, which therefore may increase the tracking error risk to the Fund.

(xvi) Legal and regulatory risks

The Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objective of the Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may, in turn, affect the performance of the Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Fund. In the worst case scenario, a Unit Holder may lose all of his investment in the Fund.

2.2 Risk factors specific to the investment portfolio of the Fund

(i) Concentration risk

The Fund Assets are invested mainly in constituents of the Benchmark, comprising securities of large market capitalisation companies that are listed on Bursa Securities. As most of these companies' business activities are based predominantly in Malaysia, the performance of the Benchmark and consequently the Fund, would be susceptible to any major economic, market, political or regulatory changes in Malaysia.

(ii) Reclassification of Shariah-compliant securities

The reclassification may occur if the Shariah-compliant securities invested by the Fund are reclassified to be Shariah non-compliant in the periodic review of the securities by the SACSC and the Shariah Adviser. If this occurs, the Manager will have to take the necessary steps to dispose of such securities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from

the disposal of the Shariah non-compliant securities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant securities at a price lower than the investment cost. Please refer to the Shariah Investment Guidelines in Section 3.7 of this Prospectus for further details.

(iii) Shariah non-compliance risk

As the Fund can only invest in Shariah-compliant investments, there is always a risk that losses may be suffered by the Fund when the Fund is forced to dispose of investments to rectify any Shariah non-compliance. This risk is mitigated through the appointment of the Shariah Adviser, who will be responsible to ensure that the Fund is managed and administered in accordance with the Shariah Investment Guidelines in Section 3.7 of this Prospectus.

2.3 Risk factors related to the Benchmark

(i) Errors or inaccuracies in the Benchmark

Factors such as technical glitch in the Index Licensor's or the exchange's system and inconsistency of information provided by multiple data vendors to the Index Licensor may affect the accuracy and completeness in the calculation of the Benchmark. These inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Benchmark may result in significant deviations between the NAV of the Fund and the Benchmark. The Manager and Trustee are not responsible or involved in the compilation or calculation of the Benchmark, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

(ii) The Benchmark is subject to fluctuations

The investment objective of the Fund is to ensure that the NAV of the Fund corresponds closely with the performance of the Benchmark. As the Benchmark may experience periods of volatility or decline in the future, this may result in the NAV of the Fund and the price of the Units experiencing similar volatility or decline.

(iii) Composition of and weightings in the Benchmark may change

The constituents in the Benchmark can be changed by the Index Licensor from time to time and may not necessarily comprise the same set of constituents at the time of the investment in the Units. The price of the Units may rise or fall as a result of such changes. The composition of the Benchmark may also change if one of the constituent companies were to be de-listed or if a new eligible company were to be listed and is added to the Benchmark. If this happens, the weighting and composition of the Index Securities invested by the Fund would be changed as considered appropriate by the Manager in order to achieve the Fund's investment objective.

(iv) Licence to use the Benchmark may not be renewed

The Manager has been granted a licence by the Index Licensor to use the Benchmark in connection with the operation, marketing and promotion of the Fund. The Fund may be terminated if the Index Licence Agreement is not renewed or is terminated and the Manager is unable to identify or agree with the Index Licensor or any other index provider's terms for the use of a suitable replacement index that uses, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as

the Benchmark. If the objective of the replacement index differs from the Benchmark, any replacement index will be subject to the approval of the Unit Holders and the approval of the SC. If the objective of the replacement index does not differ from the Benchmark, any replacement index will be subject to the approval of the SC and notified to Unit Holders. Accordingly, prospective investors should note that the ability of the Fund to track the Benchmark depends on the continuation in force of the Index Licence Agreement in respect of the Benchmark or a suitable replacement.

(v) Compilation of the Benchmark

No warranty, representation or guarantee is given as to the accuracy or completeness of the Benchmark and its computation or any information related thereto. The process and the basis of computing and compiling the Benchmark and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Licensor without notice.

3. ABOUT THE FUND

3.1 Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF

3.1.1 Investment Objective

The Fund aims to closely correspond to the performance of the Benchmark while adhering to Shariah requirements, and channel a portion of the income distribution of the Fund for waqf purposes.

Any material change to the Fund's investment objective will require the approval of the Unit Holders.

3.1.2 Investor's Profile

The Fund is suitable for investors who:

- wish to invest in a liquid financial instrument with an index-tracking feature that focuses on high yield dividend Shariah-compliant equities.
- seek medium-term (one (1) to three (3) years) to long-term (more than three (3) years) investment horizon.
- intend to contribute part of their investment return towards waqf.

3.1.3 Asset Allocation

- A minimum of 90% of the Fund's NAV is to be invested in Authorised Securities; and
- A maximum of 10% of the Fund's NAV is to be invested in Islamic money market instruments and/or Islamic deposits placed with financial institutions.

3.1.4 Investment Approach

The Fund is not an actively managed investment fund where considerable discretion is involved in the buying and selling of Shariah-compliant securities based on the Manager's economic, financial and market analysis and investment judgment. Instead, the role of the Manager is essentially passive. The Manager aims to deliver an investment performance which reflects the performance of the Benchmark.

3.1.5 Investment Strategy

The Fund is a passively managed fund. The Manager will generally adopt a replication strategy to manage the Fund. The Manager may use techniques including indexing via full or partial replication in seeking to achieve the investment objective of the Fund, subject to conformity with Shariah Investment Guidelines.

(a) Full replication technique

Under the full replication technique, the Manager will ensure (insofar as practicable and in accordance with the provisions of the Deed) that the Fund Assets comprise only, or substantially the Index Securities in substantially the same weightings as they appear in the Benchmark.

However, a partial replication technique may be adopted if the Manager believes that the full replication technique is not the most efficient method to track the Benchmark.

(b) Partial replication technique

Under the partial replication technique, the Manager will invest in a representative sample of Shariah-compliant securities selected by the Manager using amongst others, a quantitative analytical model in a technique known as “portfolio sampling”. Non-Index Securities may be held by the Fund when using the partial replication technique. However, such non-Index Securities will be expected to have a high level of correlation (i.e. positive correlation coefficient of at least 0.7) with the Index Securities they are substituting, ensuring that they have passed the necessary Shariah and liquidity screenings.

If the Manager is of the opinion that there are liquidity constraints with the Index Securities and/or non-Index Securities, the Fund may invest in one or more Islamic collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Fund, as determined by the Manager.

The Fund may also invest up to 10% of its NAV in Islamic money market instruments and/or Islamic deposits placed with financial institutions.

3.2 Benchmark

3.2.1 Introduction

The benchmark of the Fund, namely the FTSE Bursa Malaysia EMAS Shariah Factor Enhanced Target Dividend Index, is constructed, calculated, maintained and published by FTSE Russell.

The Benchmark is designed to achieve dividend yield enhancement relative to the Parent Index, while also incorporating size and momentum active factor exposures. The Benchmark aims to ease concerns about turnover, yield trap, concentration, capacity and diversification, all of which serve to manage the Benchmark’s risk and volatility across various market conditions.

The Index Licensor is not a related corporation of the Manager.

3.2.2 Construction of the Benchmark

The constituents of the Benchmark will be screened using the SACSC’s screening methodology based on the following criteria:

3.2.2.1 Islamic Index Screens

3.2.2.1.1 Business activity benchmarks

The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

(i) The 5-percent benchmark

The 5-percent benchmark is applicable to the following businesses/activities:

- conventional banking and lending;
- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork-related activities;
- non-halal food and beverages ("F&B") including F&B without halal certification¹;
- tobacco, cigarette, electronic cigarettes and their related activities and products;
- interest income² from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator, late payment charges and penalty charges);
- dividends² from Shariah non-compliant investments;
- Shariah non-compliant entertainment; and
- other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the total income of the company must be less than 5-percent.

(ii) The 20-percent benchmark

The 20-percent benchmark is applicable to the following businesses/activities:

- share trading;
- stockbroking business;
- cinema;
- rental received from Shariah non-compliant activities; and
- other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For the abovementioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the total income of the company must be less than 20-percent.

3.2.2.1.2 Financial ratio benchmarks

For the financial ratio benchmarks, the SACSC takes into account the following:

(i) Cash over total assets

Cash only includes cash placed in conventional accounts and instruments whereas cash placed in Islamic accounts and instruments is excluded from the calculation.

¹ For listed companies whose activities involved in manufacturing, processing and marketing of food products, they shall obtain halal certification from Jabatan Kemajuan Islam Malaysia ("JAKIM") or any other halal certification bodies recognized by JAKIM.

² Interest income and dividends from Shariah non-compliant investments will be compared against the group revenue. However, if the main activity of the company is holding of investments, the dividends from Shariah non-compliant investments will be compared against the group revenue and group profit before taxation.

(ii) Debt over total assets

Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

Each ratio, which is intended to measure *riba* and *riba*-based elements within a company's statements of financial position, must be less than 33 percent.

In addition to the above two-tier quantitative criteria, the SACSC also takes into account the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching.

Further details on the SACSC can be obtained from the SC's website at www.sc.com.my.

3.2.2.2 Screening Criteria for the Benchmark

A constituent of the Parent Index must meet the following screening criteria to be eligible for inclusion in the Benchmark:

(i) Excluded companies

- Companies that have not paid a dividend in the previous twelve (12) months prior to the review data cut-off date are excluded.
- Companies in the underlying universe with Z-score of yield greater than three (3) and ranking in the bottom fifth percentile (by security count) for momentum, where momentum is negative, will be excluded.

(ii) Z-score of yield

Yield is defined as each company's 12-month trailing dividend yield, with the data cut-off date is the close of business on the last business day of the month prior to the review month.

(iii) Momentum

Momentum is defined as the cumulative total return in local currency, calculated over the period that starts twelve (12) months prior to the review effective date and ends the Monday following the third (3rd) Friday of the previous month. A full history is required to calculate momentum.

(iv) Size

Size is calculated as the natural logarithm of each company's full market capitalisation in USD. Shares in issue as of the review effective date and price and foreign exchange rates as of the data cut-off date are used to calculate each company's full market capitalisation. A Z-score for size is calculated following the procedure detailed in the ground rules of FTSE Global Factor Index Series.

3.2.2.3 Weighting Methodology

The constituent weightings within the Benchmark are determined using FTSE target exposure methodology. The Benchmark is constructed using the multiple tilt methodology, wherein variable tilt strengths are chosen to satisfy fixed exposure targets.

3.2.2.4 Index Exposure Targets and Index Constraints

A trailing 12-month yield target uplifted in comparison to the yield of the Parent Index, is set to the Benchmark. Active factor exposures are applied as the featural characteristics.

Constraints are set to enhance the tradability of the Benchmark.

The table below displays the parameters used in the Benchmark:

		Benchmark
Active non-factor exposure targets	Dividend yield increase	60%
Active factor exposure targets	Value	–
	Quality	–
	Small size	$\geq 0.5\sigma$
	Momentum	≥ 0
	Low vol	–
Constraints	Beta banding	–
	Country	–
	Industry	–
	Capacity ratio	10x
	Max two-way turnover (%)*	40
	Max stock weight (%)	10
	Min stock weight (basis point)	50

3.2.3 Constituents of the Benchmark

As at the LPD, the top ten (10) constituents of the Benchmark and their respective weightings are as follows:

No.	Company Name	Weightings (%)
1	Inari Amertron	10.00
2	Time Dotcom	10.00
3	Bursa Malaysia	8.52
4	Gamuda	8.40
5	Kossan Rubber	6.35
6	VS Industry	5.50
7	Axis Real Estate Investment Trust	5.44
8	Bank Islam Malaysia	4.46
9	Bermaz Auto	4.42
10	United Plantations	4.24

Source: FTSE Russell, as at 31 August 2024

There is no guarantee or assurance of exact or identical replication at any time of the performance of the Benchmark. Index composition of the Benchmark may change and securities may be de-listed.

There is a lack of discretion for the Fund to adapt to market changes due to the inherent investment nature of the Fund and that a fall in the Benchmark is expected to result in a corresponding fall in the value of the Fund.

3.2.4 Review of Constituents

- (a) The Benchmark is reviewed periodically according to its Parent Index. The semi-annual review of the Parent Index constituents takes place in June and December using data from the close of business on the Monday four (4) weeks prior to the review effective date. Any constituent changes will be implemented after the close of business on the third (3rd) Friday (i.e. effective Monday) of June and December of the same year. The Benchmark follows the event maintenance of the Parent Index.
- (b) Details of the outcome of the review and the dates, on which any changes are to be implemented, will be published after the close of business on the Thursday before the first (1st) Friday of June and December of the same year to give users of the Benchmark sufficient notification of the changes before their implementation.

3.2.5 Calculation of the Benchmark

The Benchmark is calculated and published in Ringgit Malaysia and the end of day Benchmark values are available through Bloomberg (Ticker: FBEMSTDP) and the Fund's website at www.eq8.com.my.

The Benchmark has a base date of 19 June 2006.

The index ground rules and methodology should be read in conjunction with the following documents, which can be accessed using the links below:

For FTSE Bursa Malaysia Index Series Methodology:

https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-bursa-malaysia-index-series-ground-rules.pdf

For FTSE Global Target Dividend Index Series Methodology:

https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-target-dividend-index-series-ground-rules.pdf

For FTSE Global Factor Index Series Methodology:

https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-factor-index-series-ground-rules.pdf

3.2.6 Replacement of the Benchmark

The Manager may, after taking into account the interests of the Unit Holders and subject to the approval of the SC, replace the Benchmark with another index in the event any of the following occurs:

- (i) the Benchmark ceases to exist;
- (ii) a major change is made in the formula or method used to calculate the Benchmark (other than a change in accordance with the operating rules of the Benchmark, such as a change in constituents), which may affect the Shariah compliancy of the constituents of the Benchmark;
- (iii) a new index replacing the Benchmark is released;
- (iv) in the opinion of the Manager's board of directors a new index permitting better valuation of the Fund is released. The decision to replace the Benchmark, will be based on objective financial criteria, including an index with lower turnover ratio and/or an index that charges lower index licence fee, all of which will translate to lower cost and higher return for the Fund;
- (v) it becomes difficult to invest in the Shariah-compliant securities forming the Benchmark or if part of the Shariah-compliant securities forming the Benchmark have limited liquidity;
- (vi) the Index Licensor increases its licence fee to a level the Manager considered too high;
- (vii) in the Manager's opinion, the quality (including the precision and availability of data) of the Benchmark has deteriorated; or
- (viii) a major change in the Shariah screening methodology which may impact the ability of the Manager to implement the investment policy of the Fund.

3.2.7 Further Information on the Benchmark

Latest information and other important news on the Benchmark will be published on FTSE's website at www.lseg.com/en/ftse-russell/ (for index ground rules and methodology) and the Fund's website at www.eq8.com.my (for end of day Benchmark values).

In the event of a cessation of the availability of the Benchmark, the Manager will source for alternative arrangement within three (3) months from the date of notice of such cessation from the Index Licensor.

3.3 Tracking Error & Strategies to Minimise such Tracking Error

Investors should note that there is no guarantee or assurance that the investment results of the Fund will exactly correspond to the performance of the Benchmark.

Tracking errors may occur when comparing the performance of the Fund against the Benchmark. Although the Fund's primary investment strategy is to adopt a full replication strategy, there is no assurance that the replication can be perfect. The Fund may also adopt a representative sampling strategy if the Manager believes that the full replication technique is not the most efficient method to track the Benchmark. As such, the difference between the Fund's portfolio compositions with the Benchmark's compositions would result in tracking error. Additionally, expenses of the Fund would also contribute to tracking error.

In order to minimize tracking error, the Manager shall closely monitor the Fund's performance, its correlation with the Benchmark, and the Fund's portfolio with the Benchmark constituents and will make adjustments to rebalance the Fund's portfolio as and when required.

3.4 Correlation and rebalancing

Correlation, in this context, is the measure of how the NAV of the Fund's portfolio moves in relation to the Benchmark. If the NAV of the Fund moves exactly the same direction as the Benchmark, it would indicate a perfectly positive correlation or 100% correlation. If the NAV of the Fund does not move exactly the same direction as the Benchmark, the correlation is less than 100%.

The Benchmark is a theoretical calculation while the Fund's portfolio is an actual holding of Shariah-compliant securities. The performance of the two may vary due to Transaction Costs, fees, expenses and taxes.

In managing the Fund, the Manager will attempt to achieve a high positive correlation between the NAV of the Fund and the Benchmark. The Manager will be responsible for monitoring the correlation and if in the Manager's belief, the current portfolio is not tracking the Benchmark closely and that it will lead to a lower correlation, then the Manager may judiciously rebalance the portfolio to improve the correlation or to rectify the divergence.

Except for rebalancing of the Fund's portfolio in the event of changes to the Benchmark and when there is a creation and/or redemption of Units, the rebalancing of the Fund's portfolio of investments will be performed as and when required, to reflect any changes to the composition of or weighting of Shariah-compliant securities in the Benchmark.

3.5 Risk Management Strategies & Techniques

The risk management strategies and techniques employed by the Manager include the use of a replication strategy either via full or partial replication to achieve the investment objective of the Fund as well as to minimise its tracking error.

The Manager has established liquidity risk management policy to enable it to identify, monitor and manage the liquidity risk of the Fund in order to meet the redemption requests from the Participating Dealer with minimal impact to the Fund as well as to safeguard the interests of the remaining Unit Holders.

To manage the liquidity risk, the Manager has put in place the following procedures:

- (a) the Fund must maintain sufficient investment in Islamic money market instruments, Islamic deposits and/or cash. This will allow the Fund to have sufficient buffer to meet the redemption requests from the Participating Dealer;
- (b) regular review on the Fund's investment portfolio including its liquidity profile; and
- (c) regular monitoring of the Fund's net flows against redemption requests during normal and adverse market conditions are performed as pre-emptive measures in tracking the Fund's liquidity status. This will ensure that the Manager is prepared and able to take the necessary action proactively to address any liquidity concerns, which would mitigate potential risks in relation to meeting the redemption requests from the Participating Dealer.

However, if the Manager has exhausted the above avenue, it will in consultation with the Trustee and having considered the interests of the Unit Holders, resort to suspend the Redemption Application to manage the liquidity of the Fund under exceptional circumstances, where the fair value of a material portion of the Fund Assets cannot be reasonably determined. In such event, Participating Dealer will not be able to redeem their Units and the Unit Holders will be compelled to remain invested in the Fund for a longer period of time. Hence, the Unit Holders' investments will continue to be subject to the risks inherent to the Fund. Any Redemption Application received by the Manager during the suspension period will only be accepted and processed on the next Dealing Day after the cessation of suspension of the Fund.

In managing the liquidity of the Fund, the Manager reserves the right to halt the subscription, creation or redemption of Units on a Dealing Day if such subscription, creation or redemption of Units exceeds the daily limits of 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund on that Dealing Day as determined by the Manager from time to time taking into consideration the average trading volume of the Index Securities.

For information concerning certain risk factors which should be considered by prospective investors, see "Risk Factors" in Section 2 of this Prospectus.

3.6 Permitted Investments & Investment Restrictions

Permitted Investments:

- (i) Authorised Securities;
- (ii) Islamic money market instruments;
- (iii) Islamic deposits placed with financial institutions; and
- (iv) Units or shares in Islamic collective investments schemes.

Notwithstanding the above, the Manager is only allowed to invest in securities which comply with the Shariah Investment Guidelines which have been issued by the Shariah Adviser. If any of the Index Securities do not comply with the Shariah Investment Guidelines, the Manager may:

- (i) rebalance the Fund's portfolio by increasing the holdings in the other Index Securities which comply with the Shariah Investment Guidelines;
- (ii) replace the Shariah non-compliant Index Securities with non-Index Securities that comply with the Shariah Investment Guidelines and have a high correlation to the Index Securities that they are substituting; or
- (iii) invest in Islamic liquid assets (i.e. Islamic deposits and Islamic money market instruments),

subject always to the investment scope and restrictions of the Fund.

Investment Restrictions and Limits:

1. The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV. This limit does not apply to placements of Islamic deposits arising from:
 - (i) Subscription monies received prior to the commencement of investment by the Fund;
 - (ii) Liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various financial institutions would not be in the best interests of Unit Holders; or
 - (iii) Monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various financial institutions would not be in the best interest of Unit Holders.
2. The value of the Fund's investments in Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
3. The value of the Fund's investments in Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
4. The value of the Fund's investments in units or shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV.

The abovementioned restrictions and limits will be complied with at all times based on the up-to-date value of the Fund, and the value of its investments and instruments.

The Manager will take all necessary steps and actions to rectify any breach to the abovementioned restrictions or limits within a reasonable period as may be specified under the relevant laws.

3.7 Shariah Investment Guidelines

As an Islamic ETF, the Fund must comply with the Shariah Investment Guidelines which have been established and endorsed by the Shariah Adviser. As a general rule, the Fund can only invest in securities and financial instruments that comply with Shariah. Key features of the Shariah Investment Guidelines are highlighted below.

3.7.1 Permitted Investments

The following are the Shariah Investment Guidelines for the Fund, which the Manager, is to strictly adhere to on a continuous basis. The Shariah Investment Guidelines cover the Fund's investments as well as its operational and administrative matters in relation to Shariah matters.

As a general rule, the Fund can only invest in the following Permitted Investments:

- (i) Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the Benchmark.

The Shariah compliance screening methodology as set out in Section 3.2.2.1 above are adopted by the Shariah Adviser in determining the Shariah status of the Index Securities.

(ii) Non-Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the underlying index.

The Shariah compliance screening methodology as set out in Section 3.2.2.1 above are adopted by the Shariah Adviser in determining the Shariah status of the non-Index Securities.

For companies that are not constituents of the Benchmark, the Shariah compliance screening methodology as set out in Section 3.2.2.1 above are also adopted by the Shariah Adviser in determining the Shariah status of investments of the Fund.

(iii) Islamic collective investment scheme ("CIS")

The Shariah Adviser shall verify all the investments made by the Fund in Islamic CIS are certified by the appointed Shariah board of the Islamic CIS.

(iv) Islamic money market instruments

The Fund may also invest into any Islamic money market instruments classified as Shariah-compliant by the Shariah Advisory Council of the Bank Negara Malaysia or the Shariah Adviser.

(v) Islamic deposits

The Fund is prohibited from investing in interest-bearing deposits and recognizing any interest income.

3.7.2 Rules on divestment of Shariah non-compliant securities

The Manager must comply with the divestment rules under the following circumstances:

(i) "Shariah-compliant securities" which are subsequently considered "Shariah non-compliant"

This refers to securities which were earlier classified as Shariah-compliant but due to certain reasons, such as changes in the companies' operations, are subsequently considered Shariah non-compliant. In this regard, if on the date the securities turned Shariah non-compliant and the value of the securities held exceeds or is equal to the investment cost, the Fund must liquidate its holdings of those Shariah non-compliant securities. Any dividends received up to the day of the announcement of the reclassification of the securities ("Announcement Date") and capital gains arising from the disposal of the Shariah non-compliant securities on the Announcement Date can be kept by the Fund. However, any dividend received and excess capital gains derived from the disposal of the Shariah non-compliant securities after the Announcement Date at a market price that is higher than the closing price on the Announcement Date should be channelled to *baitulmal* and/or

charitable bodies as advised by the Shariah Adviser and approved by the Trustee.

On the other hand, the Fund is allowed to hold on to its investments in the Shariah non-compliant securities if the market price of the said securities is below the Fund's investment costs. It is also permissible for the Fund to keep the dividends received from those securities during the holding period until such a time when the total amount of dividends received and the market value of those Shariah non-compliant securities equal the Fund's investment cost. At this stage, the Fund will be advised to dispose of its holding.

In addition, during the holding period, the Fund will be allowed to subscribe to:

- (a) any issue of new securities by a company whose Shariah non-compliant securities are held by the Fund. For example, rights issues, bonus issues, special issues and warrants excluding securities whose nature is Shariah non-compliant such as irredeemable convertible unsecured loan stock; and
- (b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund,

on condition that they expedite the disposal of the Shariah non-compliant securities.

(ii) Shariah non-compliant securities

If the Manager mistakenly invests in Shariah non-compliant securities, the Manager needs to dispose of those Shariah non-compliant securities, within one (1) month of being aware of the status of the securities. Any gain, whether made in the form of capital gain or dividend or interest, received by the Fund before or after the disposal of the securities has to be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser and approved by the Trustee. The Fund has a right to retain only the investment cost.

3.7.3 Income purification

Any income from Shariah non-compliant investments such as interest income, excess capital gain from disposal of Shariah non-compliant securities or dividend distribution received by the Fund from its investment portfolio which relates to Shariah non-compliant activities are considered Shariah non-compliant income. This Shariah non-compliant income is subject to an income purification process as determined by the Shariah Adviser from time to time and without limitation. The Shariah non-compliant income has to be channelled to charitable bodies as advised by the Shariah Adviser and approved by the Trustee.

For dividend purification process, the level of Shariah non-compliant income will be determined by the Index Licensor and provided to the Manager and Shariah Adviser annually.

3.7.4 Periodic review

At the end of each quarter, the Shariah Adviser will review the Fund to ensure that the Fund's operating procedures and investments comply with Shariah. Upon completion of each review, the Shariah Adviser will deliver its opinion on the Fund's compliance with Shariah. Further, a report on the Fund's compliance status for the financial period concerned will be prepared by the Shariah Adviser and included in the Fund's semi-annual and annual reports.

The Shariah Adviser confirms that the investment portfolio of the Fund will comprise instruments that have been classified as Shariah-compliant by the SACSC and, where applicable the Shariah Advisory Council of Bank Negara Malaysia. For instruments that are not classified as Shariah-compliant by the SACSC or the Shariah Advisory Council of Bank Negara Malaysia, the Shariah Adviser will review and determine the Shariah status of the said securities in accordance with the ruling issued by the Shariah Adviser.

3.8 Securities Lending & Financing

Securities Lending

The Fund will not participate in the lending of securities.

Financing

The Fund is not permitted to seek cash financing or borrow other assets (including the borrowing of securities within the meaning of the SBL Guidelines) in connection with its activities. However, the Fund may seek Islamic cash financing for the purpose of meeting redemption requests and for short-term bridging requirements and such Islamic cash financing are subjected to the following:

- the Fund's Islamic cash financing is only on a temporary basis and that financing are not persistent;
- the Islamic cash financing period should not exceed one (1) month;
- the aggregate Islamic cash financing of the Fund must not exceed 10% of the Fund's NAV at the time the Islamic cash financing is incurred; and
- the Fund may only obtain Islamic cash financing from Islamic financial institutions.

3.9 Distribution Policy

The Fund will distribute income annually at the discretion of the Manager, with 50% of the income distribution to be allocated as Waqf Asset and the remaining 50%* payable to Unit Holders.

Note:

** The 50% of the income distribution payable to Unit Holders will be in the form of cash payout.*

Mode of Income Distribution

Distribution of income to the Unit Holders will be based on the number of Units held by each Unit Holder as at the entitlement date of the income distribution.

Details of the entitlement date, distribution amount, ex-entitlement dates and payment date for the distributions will be published on Bursa Securities' website at www.bursamalaysia.com and the Fund's website at www.eq8.com.my.

An income distribution to the Unit Holders shall be made in the following manner:

- (i) by way of e-Dividend;
- (ii) by way of a cheque sent to the Unit Holders' postal address; or
- (iii) such other method to be determined by the Manager and the Trustee, and allowed under the relevant rules and regulations in Malaysia.

3.10 Waqf Mechanism

3.10.1 Establishing a Waqf

In Arabic language the word "*Waqf*" or "*Habs*" means to stop or hold. Technically, waqf refers to making a property invulnerable to any disposition that leads to transfer of ownership and donating the benefit of that property to beneficiaries. In this regard, waqf can be described as the confinement of a property (movable or immovable) by a donor(s) and the dedication of its use and benefits in perpetuity for the well-being of society over generations.

As a continuous charitable contribution given away for goodwill, waqf is a binding commitment and once created, must stay permanent. This inherent perpetuity gives waqf the flexibility to accommodate the changing needs of society over time.

The Shariah places the following four (4) pillars for purposes of establishing a waqf:

(a) *Waqif* (a party who waqf the asset)

Refers to the donor of the waqf asset, i.e. the Unit Holder(s) of the Fund.

- (i) The *waqif* can be a natural or legal person. If the *waqif* is a legal person, the waqf decision should be made by the members and/or shareholders and not the board of directors.
- (ii) The *waqif* must be legally entitled to dispose of his or her property.
- (iii) The decision of a person whose legal competence is restricted because of irrationality is invalid.
- (iv) The validity of waqf decision of a person whose legal competence is restricted because of indebtedness shall be subject to the confirmation by his creditors. When the creditors refuse or decline the waqf of the indebted person, the waqf becomes invalid.

(b) *Mauquf* (waqf asset)

Refers to the waqf asset, i.e. the portion of annual income distribution of the Fund transferred by the Unit Holder(s) in the form of cash which is meant for waqf purposes.

- (i) The waqf asset should fulfil the following conditions:
 - 1) it shall be a Shariah-accepted asset;
 - 2) it shall be known; and
 - 3) the *waqif* shall be the sole owner of the asset in which nobody else should have a right of disposition at the time of establishing the waqf;
 - (ii) Waqf asset can also be in the form of money. The income generated from utilisation of the money will be distributed to identified beneficiaries, while retaining the principal amount.
- (c) *Mauquf a'laih* (beneficiaries)
- Refers to the recipient of the waqf asset. For the purpose of the Fund, it refers to YWM as the recipient of the waqf contribution.
- (i) The waqf should not be made for any impermissible purpose.
 - (ii) It is permissible to make waqf for the benefit of non-Muslims, provided that the cause to be served does not involve activities which are contrary to Shariah. It is also permissible to make waqf for the benefit of the rich.
- (d) *Sighah* (the form of the waqf)
- (i) Formation of waqf can take place verbally, in writing, or in any form of disposition which is normally considered as indicating it.
 - (ii) Waqf can be declared as effective starting from a future date, such as when the donor declares his property to become waqf starting from next year.

The distribution of Waqf Asset is further elaborated in Section 3.10.4 of this Prospectus.

3.10.2 Selection of Waqf Institution

We will select a waqf institution as a recipient of the waqf contribution based on the following criteria:

- (a) the waqf institution shall be authorised by the Federal or State Islamic religious council to act as a mutawalli (waqf administrator) or collection agent for waqf purposes;
- (b) the waqf institution shall have a proper governance structure and framework;
- (c) the waqf institution shall have an audited annual financial statement; and
- (d) the waqf institution shall have a published annual report on its waqf distribution and/or utilisation.

Subject to the approval from the Shariah Adviser, if the appointed waqf institution no longer meets the above criteria, we will take immediate action to remove and replace the waqf institution with another waqf institution that meets the criteria. In addition,

we may appoint more than one (1) waqf institution as a recipient of the waqf contribution of the Fund, for example, in the event we deem it to be more efficient to have more than one (1) waqf institution receiving the waqf distribution. The Unit Holders, in subscribing to the Fund, agree to delegate the right to select or remove the waqf recipient to the Manager, subject to the approval from the Shariah Adviser.

We have appointed YWM as the recipient and administrator of the waqf contribution, based on the fulfilment of the above criteria and considering YWM was established as a result of the efforts undertaken by thirteen (13) State Islamic Religious Councils ("SIRC") and Department of Waqf, Zakat and Hajj of the Prime Minister's Department ("JAWHAR") as Malaysia's national waqf entity. Currently, YWM is the appointed mutawalli (waqf administrator) by eight (8) SIRCs in Malaysia.

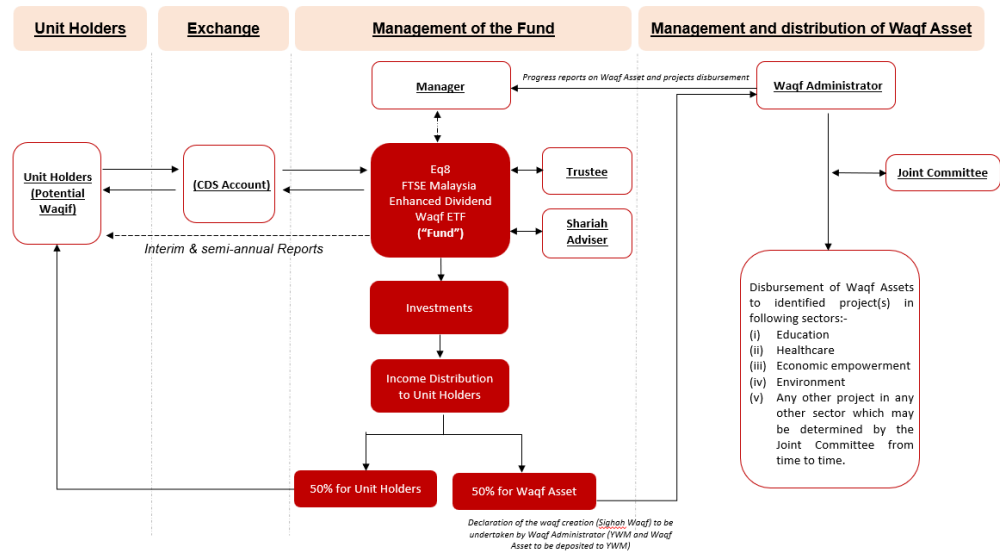
3.10.3 Waqf Institution

YWM is a national waqf entity. It was officially established on 23 July 2008 under the Trustees (Incorporation) Act 1952 through Legal Affairs Division of the Prime Minister's Department. Its establishment was initiated by the JAWHAR.

The Chairman of the Board of Trustees of YWM is the Minister in the Prime Minister's Department (Religious Affairs) and the Vice-Chairman is the Director-General of JAWHAR. The other members of the Board of Trustees consist of representatives of thirteen (13) SIRC, one (1) representative from the Ministry of Finance, one (1) representative from the Ministry of Economic Affairs, and representatives from the corporate sector.

YWM is responsible for assisting, supporting and providing advisory services to SIRC on matters related to the development and reengineering of waqf assets and properties through traditional and contemporary Shariah-compliant structures and instruments.

3.10.4 Waqf Arrangement



Note:

The Joint Committee will oversee the distribution/disbursement of the Waqf Asset by the Waqf Institution. The Joint Committee will comprise of representatives from Eq8 Capital, YWM and may from time to time comprise of other members as the Manager deems fit. The Joint Committee is responsible for:

- (a) determining the manner in which the Waqf Asset is to be distributed;*
- (b) approving the identified projects that the Waqf Asset is to be distributed;*
- (c) monitoring the progress of the identified projects;*
- (d) approving the report prepared by the Waqf Institution on the administration of the Waqf Asset on a semi-annual basis prior to such report being sent to the Manager;*
- (e) approving the amount in the Waqf Asset which shall be placed by the Waqf Institution into Islamic deposits with financial institutions and/or Islamic collective investment schemes pending the full disbursement of the Waqf Asset to the identified projects as well as the duration of such placement; and*
- (f) any other duties or responsibilities as may be agreed by the Joint Committee from time to time.*

An administrative fee at the rate of 5% of the amount of Waqf Asset deposited each time with YWM is payable to YWM for administering and distributing the Waqf Asset. The remuneration and out of pocket expenses of the members of the Joint Committee may also be payable from the Waqf Asset or in such other manner as may be determined by the Joint Committee.

3.10.5 General Guideline on Disbursement of Waqf Asset to Identified Projects

The Waqf Asset shall be distributed by YWM to any identified projects in the following sectors:

- (a) Education;
- (b) Healthcare;
- (c) Economic empowerment;
- (d) Environment; and
- (e) Any other project in any other sector which may be determined by the Joint Committee from time to time that is deemed beneficial to the community or *ummah*.

Generally, Waqf Asset disbursement projects under sectors mentioned above shall cover various layers of services or areas of those sectors wherever applicable.

The Waqf Asset shall be converted into tangible, movable or non-movable assets. In the case that the disbursement involves multiple cost elements such as labour and raw materials, the total costs involved shall be taken as the project costs.

For each sector, the general disbursement criteria shall include but are not limited to the following:

Education

- (a) Providing new or improving existing education related facilities; and
- (b) Providing new or improving existing education related equipment.

Healthcare

- (a) Providing new or improving existing healthcare related facilities; and
- (b) Providing new or improving existing healthcare related equipment.

Economic empowerment

- (a) Establishing business platforms for micro enterprisers;
- (b) Providing new or improving existing economic empowerment related facilities; and
- (c) Providing new or improving existing economic empowerment related equipment.

Environment

Establishing or improving existing environmental related project such as in:

- (a) Renewable energy;
- (b) Solid waste management;
- (c) Waste water management;
- (d) Reforestation;
- (e) Clean water; and
- (f) Affordable and clean energy.

Investors may obtain information relating to YWM and the progress of the waqf initiatives from www.ywm.gov.my and the Fund's website at www.eq8.com.my.

3.11 Valuations of the Fund Assets

Listed Shariah-compliant securities

The value of investment in Shariah-compliant securities shall be calculated by reference to the last transacted price on Bursa Securities. Suspended Shariah-compliant securities will be valued at their last transacted price unless there is conclusive evidence to show that value of that Shariah-compliant security has gone below or above the suspended price or where the quotation of the Shariah-compliant securities has been suspended for a period exceeding fourteen (14) days, their fair value will be determined in good faith by the Manager based on the methods or basis approved by the Trustee after appropriate technical consultation.

Islamic money market instruments

The valuation of Islamic money market instruments will be based on the price quoted by a bond pricing agency registered with the SC.

Islamic deposits

The value of any Islamic deposits placed with financial institutions shall be determined each day by reference to the principal value of such investments and the profits accrued thereon for the relevant period.

Islamic collective investment schemes

An unlisted Islamic collective investment schemes will be valued based on its last published net asset value per unit. For listed Islamic collective investment schemes, the valuations shall be done in the same manner as listed Shariah-compliant securities described above.

If any of the valuation methods above are not available or if the value of the investments determined in the manner described above, in the opinion of the Manager, does not represent a fair value of such investments, then such investments shall be valued at fair value as may be determined in good faith by the Manager based on methods or basis which have been verified by the auditors of the Fund and approved by the Trustee.

3.12 Valuation Point for the Fund

The Fund will be valued at the official close of trading of Bursa Securities on each Dealing Day other than where there is a suspension of calculation of the NAV of the Fund.

The valuation of the Fund shall be done in a fair manner in accordance with the approved Malaysian accounting standards and applicable Malaysian laws and guidelines.

3.13 Listing of the Fund

The approval for admission to the Official List and the listing of and quotation for up to 1,000,000,000 Units of the Fund on the Main Market of Bursa Securities was obtained from Bursa Securities on 18 October 2024.

The admission to the Official List and the listing of and quotation for the Units on the Main Market of Bursa Securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Units issued have been duly credited into the CDS Accounts of the successful applicants and notices of allotment have been dispatched to the successful applicants. Upon Listing, the Units will trade in board lots of 100 Units or such other number of Units as may be prescribed by the relevant laws. Admission to the Official List of Bursa Securities shall not be taken as an indication of the merits of the Fund, the Units or the Initial Subscription.

In the event that the Listing does not occur due to any reasons, all monies received in respect of any Units subscribed for by the applicants will be repaid in full without interest. If any such monies are not repaid within fourteen (14) days after the Fund becomes liable to repay it, the provision of Section 243(2) of the CMSA shall apply accordingly.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as a prescribed security. In consequence thereof, the Units offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.

3.14 Cross Trade

The Manager may perform cross trades between funds subject to internal and regulatory requirements. However, cross trades between the personal account of an employee of the Manager and any funds' account or between the Manager's proprietary accounts and its client's accounts are strictly prohibited. Compliance with the relevant internal and regulatory requirements on cross trades is closely monitored and reported to the person(s) or members of a committee undertaking the oversight function of the Fund.

4. FEES & CHARGES

4.1 Charges directly incurred by an investor

4.1.1 Charges for the Creation and Redemption of Units through the Participating Dealer

All Creation Applications and Redemption Applications must be submitted to the Manager through the Participating Dealer and the creation and redemption of Units must be implemented in accordance with the terms and conditions set out in the Participating Dealer Agreement.

This table describes the fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealer to the Manager and/or the Trustee. Investors should check with the relevant Participating Dealer on the actual fees and charges which may be incurred.

Fees & Charges	Details
Creation/Redemption Application Fee	: MYR200.
Creation/Redemption Application Cancellation Fee	: Up to 1.00% of the Subscription Amount or Cash Redemption or up to 1.00% of the value of the In-Kind Creation Basket or In-Kind Redemption Basket, whichever is applicable, or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
Transaction Costs	: The Manager may charge Transaction Costs (incurred by the Fund) to prevent the NAV of the Fund from being diluted.
Other Fees	: The amount (other than the Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealer, which is charged by Bursa Depository.

Additionally, investors should note that they may have to pay fees and expenses to the Participating Dealer for its services for and in connection with applying for the creation and redemption of Units through the Participating Dealer. These fees and expenses are charged by the Participating Dealer for providing its services and to meet the expenses in connection therewith.

4.1.2 Charges for the Buying and Selling of Units on Bursa Securities

This table describes the charges that investors may incur (based on the charges imposed by Bursa Securities as at the date of this Prospectus which charges may be varied from time to time) when they buy or sell Units in the Fund on Bursa Securities. Investors should check with their brokers on the actual fees and charges which may be incurred.

Fees & Charges	Details
Brokerage Fee	: As prescribed by Bursa Securities.

Fees & Charges	Details
Bursa Securities Clearing Fee	: 0.03% of the transaction value subject to a maximum of MYR1,000 per transaction. A MYR10 minimum fee per transaction is applicable for direct business contracts.

Further information on the charges that investors will incur when trading Units on Bursa Securities can be found at www.bursamalaysia.com.

4.2 Fees and expenses indirectly incurred by an investor

Fees & Charges	Details
Management Fee	: 0.60% per annum of the NAV of the Fund
Trustee Fee	: Up to 0.08% per annum of the NAV of the Fund
Index Licence Fee	: 10% per annum of the management fee of the Fund, subject to a minimum of USD7,500 per annum.
	<i>Note: The Manager will bear the index licence fee for the first three (3) years from the Listing Date and such other subsequent period as may be determined by the Manager.</i>
	<i>The index licence fee for a preceding quarter will be calculated within fifteen (15) days from each quarter date and payment of such quarterly index licence fee will be made by the Fund within thirty (30) days from the date such quarterly index licence fee is payable.</i>

All of the abovementioned fees and expenses will be deducted from the Fund Assets.

4.3 Establishment Costs of the Fund

The cost of establishment and Listing of the Fund which includes the following expenses will be borne by the Fund:

- Cost of preparation and publishing of this Prospectus;
- Professional and advisory fees; and
- Regulatory fees,

(collectively, the "**Establishment Costs**").

The aforesaid Establishment Costs shall be funded upfront by the Manager as and when incurred. The Manager is allowed to charge the Establishment Cost, which shall not exceed MYR500,000.00 over a period of two (2) years to reduce the impact of dilution on the returns of the Fund.

4.4 Permitted Expenses

The Manager and/or the Trustee shall be entitled to pay the following fees, costs and expenses from the Fund Assets to the extent they have been incurred in relation to the operation and administration of the Fund:

- (i) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Manager in respect of the Fund;
- (ii) the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the Permitted Investments;
- (iii) all fees, charges, expenses and disbursements of any Shariah adviser, legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the Fund Assets and in the ongoing performance of their respective duties and obligations under the Deed, or otherwise in connection with the Fund;
- (iv) all fees, charges, expenses and disbursements incurred in relation to the safe custody, acquisition, holding, registration, realisation of or other dealing with any foreign investments of the Fund Assets and all transactional fees as may be agreed from time to time between the Manager and the Trustee in relation to all transactions involving the whole or any part of the Fund Assets;
- (v) all charges and expenses incurred for any meeting of Unit Holders other than convened by and for the Manager's or the Trustee's benefit;
- (vi) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on Bursa Securities and/or the authorisation or other official approval or sanction of the Fund under the CMSA or any other applicable laws or regulations;
- (vii) the fees and expenses incurred in connection with depositing and holding Units with Bursa Depository and the Clearing House (and in any other securities depository or clearing system);
- (viii) Establishment Costs;
- (ix) all charges, costs and expenses incurred by the Manager and/or the Trustee in respect of and/or in connection with the maintenance of a website or webpages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unit Holders, the Registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
- (x) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the Manager's or the Trustee's benefit;

- (xi) all costs incurred in respect of the preparation, publication and distribution of the annual reports and of all cheques, statements, notices and other documents relating to the Fund;
- (xii) all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor of the Fund or the appointment of a new management company, a new trustee or a new auditor other than those for the benefit of the Manager or the Trustee;
- (xiii) all expenses incurred in the collection of income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;
- (xiv) all expenses associated with the distributions declared pursuant to the Deed including without limitation fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- (xv) all fees and expenses incurred by the Manager and the Trustee in terminating the Fund;
- (xvi) fees for the fund valuation and fund accounting of the Fund Assets; and
- (xvii) such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities) as permitted or required (as the case may be) under the applicable laws which the Manager or the Trustee is entitled to charge to the Fund.

4.5 Policy on Rebates and Soft Commissions

The Manager or any of its delegates thereof shall not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings (if any) in the investments of the Fund. Accordingly, any rebate or shared commission should be directed to the account of the Fund.

The soft commissions can be retained by the Manager provided that:

- (i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

All fees and charges payable by investors are subject to all applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

5. DEALING INFORMATION

5.1 Applications for the Purchase and Sale of Units

5.1.1 Before Listing

During the Initial Subscription Period, investors may apply to subscribe for the Units through the Placement Agent. See Section 5.2 for more details on the application procedure.

During the Initial Subscription Period, the Initial Issue Price is fixed at MYR1.00 per Unit.

Proceeds received by the Fund from the Initial Subscription will be used for investments in Permitted Investments. The timeframe for full utilisation of the proceeds will be within five (5) Business Days of the receipt of the proceeds.

5.1.2 After Listing

After Listing, there are two (2) methods of subscribing for or redeeming Units:

(i) Creation / Redemption of Units via the Participating Dealer (primary market)

A Participating Dealer (either acting for itself or for an investor as its client) may apply for the creation or redemption of Units. Investors who wish to apply for the creation or redemption of Units can do so through the Participating Dealer.

Creation of Units can be done via In-Kind Creation or Cash Creation in a Creation Unit Block (or whole multiples thereof). Redemption of Units can be done via In-Kind Redemption or Cash Redemption in a Redemption Unit Block (or whole multiples thereof).

Under certain circumstances, the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Creation Basket or In-Kind Redemption Basket with cash (as set out in Sections 5.3.2 (iv) and 5.3.4 (vi) of this Prospectus).

See Section 5.3 for more details on the application for the creation and redemption of Units procedure.

(ii) Buying / Selling of Units on Bursa Securities (secondary market)

Investors can buy Units in MYR through a licensed intermediary such as a stockbroker or any of the share dealing services offered by banks or other financial advisers.

Further details are set out in Section 5.8 of this Prospectus.

5.1.3 Investors and the Participating Dealer

Where investors choose to apply for the creation or redemption of Units via the Participating Dealer (primary market) in the manner described above, the following should be noted:

- (i) The application for the creation and/or redemption of Units can only be made through the Participating Dealer.

- (ii) Investors who apply for the creation and/or redemption of Units through the Participating Dealer should note that the Participating Dealer may, for its own account, charge fees and expenses not set out in this Prospectus for providing its services and apply its own conditions for application for or redemption of Units in addition to those set out in this Prospectus.
- (iii) The Participating Dealer will accept requests received from investors, subject to normal market conditions, agreement as to fees and completion of client acceptance procedures, to create and/or redeem Units on behalf of such investors. Investors should note that although the Manager has a duty to closely monitor the operations of the Fund, neither the Manager nor the Trustee are/is empowered to compel the Participating Dealer to disclose its fees agreed with specific investors or other proprietary or confidential information to the Manager or the Trustee, or to accept any such application requests received from investors.
- (iv) Investors should note that the arrangements set out between the Participating Dealer and the investor are solely a contractual arrangement between the investor and the Participating Dealer. The Manager and the Trustee are not parties to these arrangements. Therefore, neither the Manager nor the Trustee shall be held responsible to the respective investors for these arrangements. An investor should contact the Participating Dealer and obtain further details before entering into any such arrangement.

5.2 Procedures for the Application and Acceptance of the Initial Subscription

5.2.1 The table below details the opening and closing of Subscription Applications:

Event	Date	Time
Opening date and time for the Initial Subscription through Placement Agent	28 November 2024	9.00 a.m.
Closing date and time for the Initial Subscription	2 December 2024	5.00 p.m.

The Manager (in consultation with the Trustee and Placement Agent) may in its absolute discretion, extend the closing date for the Initial Subscription. If the closing date for the Initial Subscription is extended, the dates for allotment to successful applicants and the Listing of the Fund will be extended accordingly. Any extension of the abovementioned dates will be announced to investors via the Fund's website at www.eq8.com.my.

Investors are advised to contact the Placement Agent directly for further information on the application procedure.

5.2.2 An applicant must meet the following requirements:

- Have a CDS account.
- (i) A Malaysian citizen who is at least eighteen (18) years old; or
- (ii) A corporation/institution.

5.2.3 Each application must be for at least 100 Units or multiple of 100 Units.

5.2.4 In respect of Cash Creation:

- Payment for the Units can be made via any of the following methods:
 - (i) Payment via telegraphic transfer from investors; or
 - (ii) Payment via cheques; or
 - (iii) Bank draft; or
 - (iv) Cashier's order.
- Application of Units submitted by the Placement Agent to the Manager can only be made in MYR.

5.3 Procedures for Creation and Redemption of Units via the Participating Dealer (primary market)

The procedures set out in this Section are in relation to the creation and redemption of Units After Listing.

During this period:

- (i) Both Creation Applications and Redemption Applications may be made by the Participating Dealer before the Dealing Deadline on any Dealing Day. If the Creation Applications and Redemption Applications are received on a day which is not a Dealing Day or received after the Dealing Deadline of a Dealing Day, such Applications will be treated as having been received on the following Dealing Day;
- (ii) Creation Applications by the Participating Dealer can be made by way of In-Kind Creation or Cash Creation in a Creation Unit Block (or whole multiples thereof); and
- (iii) Redemption Applications by the Participating Dealer can be made by way of In-Kind Redemption or Cash Redemption in a Redemption Unit Block (or whole multiples thereof).

The Issue Price and Redemption Price for the Units After Listing shall be ascertained in accordance with the provisions of Section 5.5 of this Prospectus.

Units issued After Listing, pursuant to Creation Applications made by the Participating Dealer, will be registered in the name of the Participating Dealer in the Register and will be deposited with Bursa Depository. Subject to the agreement between an investor and the Participating Dealer, the Units applied for or on behalf of the investor will thereafter be credited to the CDS Account of the investor.

5.3.1 Procedures for In-Kind Creation

- (i) Creation of new Units can only be made on a Dealing Day after the Creation Application is submitted to the Manager by the Participating Dealer to exchange In-Kind Creation Basket(s) for Units in a Creation Unit Block (or whole multiples thereof).
- (ii) The In-Kind Creation Basket will be determined by the Manager on each Dealing Day and published on the Fund's website at www.eq8.com.my and Bursa

Securities' website at www.bursamalaysia.com prior to the opening of the market on the following Business Day.

- (iii) For a Creation Application to be valid, it must:
- be submitted by the Participating Dealer in accordance with the Participating Dealer Agreement;
 - include the certifications required under the Participating Dealer Agreement;
 - specify the number of Creation Unit Blocks; and
 - specify the person making the Creation Application or on whose behalf the Creation Application is being made (if applicable).
- (iv) The Manager will instruct the Trustee to create and issue new Units if the Creation Application is valid and the Creation Securities to be delivered to the Trustee have been approved by the Manager.
- (v) The new Units will be created and issued, and the Register will be updated accordingly. The Issue Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date.

5.3.2 Provisions applicable for In-Kind Creation

- (i) The Manager and/or the Trustee reserve the right in its/their sole discretion, provided that it is reasonable, to reject or suspend a Creation Application if:
- the Creation Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
 - the Creation Securities and the Cash Component (if any) do not correspond with the In-Kind Creation Basket for the applicable Dealing Day;
 - the aggregate of the Creation Unit Block(s) in respect of a Creation Application and the number of Units then in issue exceeds the authorised size of the Fund as approved from time to time by the SC;
 - the Manager and/or the Trustee reasonably believes that the acceptance of the Creation Securities would be unlawful;
 - if Bursa Securities is closed;
 - the Manager has suspended the rights of the Participating Dealer to make Creation Applications pursuant to the Deed; or
 - in the reasonable opinion of the Manager, the Creation Application may breach any terms or conditions of the Participating Dealer Agreement, this Prospectus and/or the Deed.
- (ii) In addition, the Trustee may (by notice to the Manager) refuse to:
- create Units; or

- create Units in the number instructed by the Manager,

if the Trustee considers that such creation is not in the interest of the Unit Holders or that it would result in a breach of the provisions of the Deed and other applicable laws.

(iii) Cancellation of Units created pursuant to a Creation Application:

- The Manager may instruct the Trustee to cancel the Units created (but not yet issued) pursuant to a Creation Application if:
 - (a) the Creation Securities have not vested upon the Fund or to the Trustee's satisfaction;
 - (b) the full amount of the Cash Component (if any) has not been received in cleared funds by or on behalf of the Trustee;
 - (c) the Creation Application Fee and Transaction Costs (if any) payable have not been received in cleared funds by or on behalf of the Manager; (in the case of Creation Application Fee) and Trustee for the account of the Fund (in the case of Transaction Costs); or
 - (d) the aggregate of the value of the Creation Securities delivered to the Trustee and the amount of cash paid to the Trustee in respect of the Cash Component (if any) does not equal to the Consideration,

by such time and date as determined by the Manager (in consultation with the Trustee) in accordance with the Participating Dealer Agreement.

- If any Units are cancelled as described above, the Creation Securities (if already vested upon the Fund) and the Cash Component (if already received in cleared funds by or on behalf of the Trustee) shall be redelivered to the Participating Dealer.

The relevant cancelled Units shall be deemed to never have been created and the Participating Dealer shall have no right or claim against the Manager or the Trustee in respect of such cancellation. Further, the Manager may charge the Participating Dealer the Application Cancellation Fee.

(iv) Substitution of Creation Securities with cash

- (a) Following a Creation Application by the Participating Dealer,
 - if the Manager determines in its discretion that an Authorised Security is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee; or
 - if the Manager is satisfied that the Participating Dealer is prevented by regulation or otherwise from investing or engaging in a transaction in any Authorised Securities,

then the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Creation Basket with cash.

- (b) If the Manager exercises its discretion pursuant to the abovementioned, the cash in lieu amount should equal the market value of any substituted Authorised Securities at the Valuation Point for the relevant Trade Date and shall comprise part of the Cash Component (if any). Such substituted Authorised Securities will then cease to be a Creation Security comprising part of the In-Kind Creation Basket.
- (c) The Manager, in consultation with the Trustee, is entitled to charge the Participating Dealer (for which cash is paid in lieu of delivering any Creation Securities), in addition to the Transaction Costs, such other fees that may be incurred by the Manager and/or Trustee in relation to the creation of the Units and/or the Creation Application.
- (v) Once a Creation Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager unless a suspension period has been declared by the Manager in accordance with the Deed.
- (vi) Any commission, remuneration or other sum payable by the Manager in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the Fund Assets.

5.3.3 Procedures for In-Kind Redemption

- (i) Redemption of Units can only be made on a Dealing Day after the Redemption Application is submitted to the Manager by the Participating Dealer to exchange Units in a Redemption Unit Block or whole multiples thereof for In-Kind Redemption Basket(s).
- (ii) The In-Kind Redemption Basket will be determined by the Manager on each Dealing Day and published on the Fund's website at www.eq8.com.my and Bursa Securities' website at www.bursamalaysia.com prior to the opening of the market on the following Business Day.
- (iii) For a Redemption Application to be valid, it must:
 - be submitted by the Participating Dealer in accordance with the Participating Dealer Agreement;
 - include the certifications required under the Participating Dealer Agreement;
 - specify the number of Redemption Unit Blocks; and
 - specify the person making the Redemption Application or on whose behalf the Redemption Application is being made (if applicable).
- (iv) Upon receipt of a valid Redemption Application, the Manager will instruct the Trustee (by notice in writing) to effect the redemption, which will be settled by way of a transfer of the Redemption Securities and payment of the Cash Component (if any).
- (v) The Units will be redeemed and cancelled and the Register will be updated accordingly. The Redemption Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date.

The Fund size shall be reduced by the number of Units cancelled. The Trustee shall transfer the applicable Redemption Securities out of the Fund Assets to the Participating Dealer and pay the Cash Component (if any).

The Manager may deduct and set-off the Redemption Application Fee against any Cash Component (if any) payable to the Participating Dealer.

5.3.4 Provisions applicable for In-Kind Redemption

(i) The Manager and/or the Trustee reserve the right in its/their sole discretion, provided that it is reasonable, to reject or suspend a Redemption Application if:

- the Redemption Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or the Trustee);
- the total number of Units in respect of which Redemption Applications are received by the Manager on a Dealing Day exceeds the limit set out in Section 5.3.4(viii)(a) below;
- the Manager has suspended the rights of the Participating Dealer to make Redemption Applications pursuant to the Deed;
- if Bursa Securities is closed; or
- in the reasonable opinion of the Manager, the Redemption Application may breach any terms or conditions of the Participating Dealer Agreements, this Prospectus and/or the Deed.

(ii) In addition, the Trustee may (by notice to the Manager) refuse to:

- redeem Units; or
- redeem Units in the number instructed by the Manager,

if the Trustee considers that such redemption is not in the interest of the Unit holders or that it would result in a breach of the provisions of the Deed and other applicable laws.

(iii) Transfer of Redemption Securities and payment of Cash Component:

The Redemption Securities transferable and Cash Component payable (if any) to the Participating Dealer in respect of the redemption of Units shall be transferable and payable (if required) provided that:

- the Redemption Application has been received by the Manager in accordance with the Deed;
- the Units to be redeemed have been delivered to the Trustee or its nominee; and
- the full amount of the Cash Component (if negative, after deduction of the Redemption Application Fee payable) has been paid in full.

- (iv) The Manager may deduct and set-off the Redemption Application Fee and Transaction Costs (if any) against any Cash Component payable to the Participating Dealer.
- (v) If the Units to be redeemed are not delivered to the Trustee or its nominee for redemption in accordance with the provisions of the Deed:
- the Redemption Application shall be deemed never to have been made (except that the Redemption Application Fee shall remain due and payable); and
 - the Manager may charge the Participating Dealer:
 - (a) the Application Cancellation Fee;
 - (b) any losses arising from the sale of the Fund Assets and any costs incurred by the Fund in connection with such failed redemption.
- (vi) Substitution of Redemption Securities with cash
- (a) Following a Redemption Application by the Participating Dealer,
- if the Manager determines in its discretion that an Authorised Security is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Unit by the Participating Dealer; or
 - if the Manager is satisfied that the Participating Dealer is prevented by regulation or otherwise from investing or engaging in a transaction in any Authorised Security,
- then the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Redemption Basket with cash.
- (b) If the Manager exercises its discretion pursuant to the abovementioned, the cash in lieu amount should equal the market value of any substituted Authorised Securities at the Valuation Point for the relevant Trade Date and shall comprise part of the Cash Component (if any). Such substituted Authorised Securities will then cease to be a Redemption Security comprising part of the In-Kind Redemption Basket.
- (c) The Manager, in consultation with the Trustee, is entitled to charge the Participating Dealer (for which cash is paid in lieu of delivering any Redemption Securities), in addition to the Transaction Costs, such other fees that may be incurred by the Manager and/or Trustee in relation to the redemption of the Units and/or the Redemption Application.
- (vii) Once a Redemption Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager, and the Units cannot be transferred back to the Participating Dealer unless a suspension period has been declared by the Manager in accordance with the Deed.

- (viii) Limit on redemption per Dealing Day
- (a) If the total number of Units (for which Redemption Applications have been received by the Manager) on a Dealing Day exceeds 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund on that Dealing Day, the Manager shall be entitled to limit the total number of Units to be redeemed on that Dealing Day to 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund.
 - (b) Any Units which are not redeemed in respect of a particular Dealing Day ("First Relevant Dealing Day") as a result of the limit imposed by the Manager (as set out in Section 5.3.4(viii)(a) above) shall be carried forward for redemption on the Dealing Day following the First Relevant Dealing Day (such Dealing Day being hereinafter referred to as "Second Relevant Dealing Day").
 - (c) The Manager will inform the Participating Dealer of the higher percentage (if any) referred to in Section 5.3.4(viii)(a) above and of the number of Units the redemption of which have been deferred under Section 5.3.4(viii)(b) above, within one (1) Dealing Day after the First Relevant Dealing Day and these Units shall be redeemed on the Second Relevant Dealing Day.
 - (d) If Redemption Applications are carried forward, any other Redemption Application received after the First Relevant Dealing Day and before the Second Relevant Dealing Day shall also be carried forward, and be deemed to be a Redemption Application submitted on the Second Relevant Dealing Day. Redemption Applications carried forward from the First Relevant Dealing Day shall be redeemed in priority to Redemption Applications received after such First Relevant Dealing Day.

5.3.5 Procedures for Cash Creation

- (i) Subject to Section 5.3.6, Cash Creation whereby a Creation Application is submitted by the Participating Dealer to the Manager can only be made on a Dealing Day.
- (ii) The Subscription Amount will be determined by the Manager on each Dealing Day and published on the Fund's website at www.eq8.com.my and Bursa Securities' website at www.bursamalaysia.com prior to the opening of the market on the following Business Day.
- (iii) For a Creation Application to be valid, it must:
 - be submitted by the Participating Dealer in accordance with the Participating Dealer Agreement;
 - include the certifications required under the Participating Dealer Agreement;
 - specify the number of Creation Unit Blocks; and
 - specify the person making the Creation Application or on whose behalf the Creation Application is being made (if applicable).
- (iv) Upon receipt of a valid Creation Application, the Manager will instruct the Trustee to create and issue new Units, which will be settled in cash.

- (v) The new Units will be created and issued, and the Register will be updated accordingly. The Issue Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date.

5.3.6 Provisions applicable for Cash Creation

- (i) The Manager and/or the Trustee reserves the right in its/their sole discretion, provided that it is reasonable, to reject or suspend a Creation Application if:
 - the Creation Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
 - the aggregate of the Creation Unit Block(s) in respect of a Creation Application and the number of Units then in issue exceeds the authorised size of the Fund as approved from time to time by the SC;
 - if Bursa Securities is closed;
 - the Manager has suspended the rights of the Participating Dealer to make Creation Applications pursuant to the Deed; or
 - in the reasonable opinion of the Manager, the Creation Applications may breach any terms or conditions of the Participating Dealer Agreement, this Prospectus and/or the Deed.

- (ii) In addition, the Trustee may (by notice to the Manager) refuse to:

- create Units; or
- create Units in the number instructed by the Manager,

if the Trustee considers that such creation is not in the interest of the Unit Holders or that it would result in a breach of the provisions of the Deed and other applicable laws.

- (iii) Cancellation of Units created pursuant to a Creation Application:

- The Manager may instruct the Trustee to cancel the Units created (but not yet issued) pursuant to a Creation Application if:
 - (a) the full Subscription Amount has not been received in cleared funds by or on behalf of the Manager and/or the Trustee (as the case may be); or
 - (b) the Creation Application Fee and Transaction Costs (if any) payable have not been received in cleared funds by or on behalf of the Manager (in the case of Creation Application Fee) and Trustee for the account of the Fund (in the case of Transaction Costs),

by such time and date as determined by the Manager (in consultation with the Trustee) in accordance with the Participating Dealer Agreement.

- If any Units are cancelled as described above, the Subscription Amount (if already received by or on behalf of the Trustee) shall be redelivered to the Participating Dealer.

The relevant cancelled Units shall be deemed to never have been created and the Participating Dealer shall have no right or claim against the Manager or the Trustee in respect of such cancellation. Further, the Manager may, but shall not be bound to:

- (a) charge the Participating Dealer the Application Cancellation Fee;
 - (b) charge the Participating Dealer any losses arising from the acquisition or disposal of the Authorised Securities and any costs incurred by the Fund in connection with such failed creation; and
 - (c) require the Participating Dealer to pay to the Trustee (for the account of the Fund) in respect of each Unit so cancelled, the amount (if any) by which the Issue Price (as at the Trade Date of the Creation Application) exceeds the Redemption Price (which would have been applicable if the Manager had received a Redemption Application on the date on which such Units are cancelled).
- (iv) Once a Creation Application is submitted, it cannot be revoked or withdrawn without the Manager's consent unless a suspension period has been declared by the Manager in accordance with the Deed.
- (v) Any commission, remuneration or other sum payable by the Manager in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the Fund Assets.

5.3.7 Procedures for Cash Redemption

- (i) Subject to Section 5.3.8, Cash Redemption whereby a Redemption Application is submitted by the Participating Dealer to the Manager can only be made on a Dealing Day.
- (ii) The Redemption Amount will be determined by the Manager on each Dealing Day and published on the Fund's website at www.eq8.com.my and Bursa Securities' website at www.bursamalaysia.com prior to the opening of the market on the following Business Day.
- (iii) For a Redemption Application to be valid, it must:
 - be submitted by the Participating Dealer in accordance with the Participating Dealer Agreement;
 - include the certifications required under the Participating Dealer Agreement;
 - specify the number of Redemption Unit Blocks; and
 - specify the person making the Redemption Application or on whose behalf the Redemption Application is being made (if applicable).
- (iv) Upon receipt of a valid Redemption Application, the Manager will instruct the Trustee (by notice in writing) to effect the redemption, which will be settled by cancelling the Units and payment of proceeds in cash.

- (v) The Units will be redeemed and cancelled and the Register will be updated accordingly. The Redemption Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date.

The Fund size shall be reduced by the number of Units cancelled. The Trustee shall pay the Redemption Amount out of the Fund Assets to the Participating Dealer.

The Manager may deduct and set-off the Redemption Application Fee against the Redemption Amount payable to the Participating Dealer.

5.3.8 Provisions applicable for Cash Redemption

- (i) The Manager and/or the Trustee reserves the right in its/their discretion, provided that it is reasonable to reject or suspend a Redemption Application if:

- the Redemption Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
- the number of Units in respect of which Redemption Applications are received by the Manager exceeds the limit set out in Section 5.3.8(vi)(a) below;
- the Manager has suspended the rights of the Participating Dealer to make Redemption Applications pursuant to the Deed;
- if Bursa Securities is closed; or
- in the reasonable opinion of the Manager, the Redemption Application may breach any of the terms or conditions of the Participating Dealer Agreement and/or the Deed.

- (ii) In addition, the Trustee may (by notice to the Manager) refuse to:

- redeem Units; or
- redeem Units in the number instructed by the Manager,

if the Trustee considers that such redemption is not in the interest of the Unit Holders or that it would result in a breach of the provisions of the Deed and other applicable laws.

- (iii) Payment of Redemption Amount for Cash Redemption:

The Redemption Amount in respect of the redemption of Units shall be payable to the Participating Dealer provided that:

- the Redemption Application has been received by the Manager in accordance with the Deed;
- the Units to be redeemed have been delivered to the Trustee; and
- the Redemption Application Fee has been paid in full.

- (iv) The Manager may deduct and set-off the Redemption Application Fee and Transaction Costs (if any) against any Redemption Amount payable to the Participating Dealer.
- (v) If the Units to be redeemed are not delivered to the Trustee in accordance with the provisions of the Deed:
 - the Redemption Application shall be deemed never to have been made (except that the Redemption Application Fee shall remain due and payable); and
 - the Manager may charge the Participating Dealer:
 - (a) the Application Cancellation Fee;
 - (b) any losses arising from the sale of the Fund Assets and any costs incurred by the Fund in connection with such failed redemption; and
 - (c) the amount (if any) by which the Redemption Price exceeds the Issue Price (which would have been applicable if the Manager had received a Redemption Application on the date on which such Units were redeemed).
- (vi) Limit on redemption per Dealing Day
 - (a) If the total number of Units (for which Redemption Applications have been received by the Manager) on a Dealing Day exceeds 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund on that Dealing Day, the Manager shall be entitled to limit the total number of Units to be redeemed on that Dealing Day to 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund.
 - (b) Any Units which are not redeemed in respect of a particular Dealing Day ("First Relevant Dealing Day") as a result of the limit imposed by the Manager (as set out in Section 5.3.8(vi)(a) above) shall be carried forward for redemption on the Dealing Day following the First Relevant Dealing Day (such Dealing Day being hereinafter referred to as "Second Relevant Dealing Day").
 - (c) The Manager will inform the Participating Dealer of the higher percentage (if any) referred to in Section 5.3.8(vi)(a) above and of the number of Units the redemption of which have been deferred under Section 5.3.8(vi)(b) above, within one (1) Dealing Day after the First Relevant Dealing Day and these Units shall be redeemed on the Second Relevant Dealing Day.
 - (d) If Redemption Applications are carried forward, any other Redemption Application received after the First Relevant Dealing Day and before the Second Relevant Dealing Day shall also be carried forward, and be deemed to be a Redemption Application submitted on the Second Relevant Dealing Day. Redemption Applications carried forward from the First Relevant Dealing Day shall be redeemed in priority to Redemption Applications received after such First Relevant Dealing Day.

- (vii) Once a Redemption Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager, and the Units cannot be transferred back to the Participating Dealer unless a suspension period has been declared by the Manager in accordance with the Deed.

5.4 Computation of NAV

The valuation of the Fund will be done in the Fund's base currency, namely MYR.

The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at a particular Valuation Point. Please refer to Section 3.12 of this Prospectus on details of the valuation point for the Fund.

5.5 Calculation of Issue Price and Redemption Price

The Deed provides that the Issue Price or Redemption Price of each Unit for any relevant Dealing Day will, subject to the qualification below, be calculated by the Manager and shall be based on the NAV of the Fund as at the Valuation Point on the Trade Date divided by the number of Units in issue, truncated to four (4) decimal places, or in such manner as may be determined by the Manager from time to time in consultation with the Trustee. The benefit of any such adjustment shall accrue to the Fund.

The Manager may, in consultation with the Trustee, add to the Issue Price (but not include within it) such sum (if any) as the Manager may consider representative of the appropriate provision for Transaction Costs which shall be for the account of the Fund.

5.6 IOPV

The IOPV per Unit will be calculated by the Manager close to real-time (fifteen (15) seconds intervals or as otherwise required by Bursa Securities) on each Business Day to serve as an approximation to the NAV of the Fund. The IOPV per Unit, which is the estimated NAV per Unit of the Fund, is calculated as follows:

- (i) the value of the Fund Assets at the respective interval on a Business Day, including liquid assets;
- (ii) minus the liabilities of the Fund; and
- (iii) dividing the aggregation of sub-paragraphs (i) and (ii) above by the number of Units in issue.

5.7 Obtaining information on the NAV and IOPV per Unit

Details of the NAV of the Fund and the NAV per Unit of each Business Day will be made available the following Business Day while the IOPV per Unit will be made available to investors in near real time, at 15-minute intervals, throughout each Business Day on Bursa Securities' website at www.bursamalaysia.com and/or on the Fund's website at www.eq8.com.my.

5.8 Trading of the Units on Bursa Securities (secondary market)

After Listing, Units of the Fund can be bought and sold on Bursa Securities throughout the trading day like any other publicly-traded shares. Units are generally purchased and sold in “board lots” of 100 Units or such other number of Units as may be prescribed by the relevant laws. However, brokerage firms may permit investors to purchase or sell Units in smaller “odd-lots”, although prices of Units traded in “odd-lots” may differ from Units purchased and sold in “board lots”.

However, investors should note that transactions in the secondary market on Bursa Securities will occur at quoted market prices which may differ from the daily NAV per Unit due to market demand and supply, liquidity and trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than the daily NAV per Unit.

When buying or selling Units through a broker, investors will incur customary brokerage and clearing fees.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as a prescribed security. In consequence thereof, the Units will be deposited directly with Bursa Depository and any dealings in these Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.

As an investor, the Unit Holder is the beneficial owner of the Units as shown in the records of Bursa Depository. Bursa Depository serves as the securities depository for all Units. The Unit Holder is not entitled to receive physical delivery of Unit certificates or to have Units registered in its name, and it is not considered a registered owner of Units. Therefore, to exercise any right as the beneficial owner of Units, the Unit Holder must rely upon the procedures of Bursa Depository. These procedures are the same as those that apply to securities listed on Bursa Securities.

5.9 Unit Trading Prices

The trading prices of Units on Bursa Securities may differ from their daily NAV per Unit and IOPV per Unit and can be affected by market forces such as supply and demand, economic conditions and other factors. Unit Holders may keep track of the current market price of the Units via Bursa Securities’ website at www.bursamalaysia.com on a daily basis.

5.10 Market Making

It is the Manager’s intention to facilitate the provision of liquidity for Unit Holders through the appointment of the market maker who is required to maintain a market for the Units. In maintaining a market for Units, the market maker may realise profits or sustain losses. Any profit made by the market maker may be retained by it for its absolute benefit and it shall not be liable to account to the Fund in respect of such profits.

Although the market maker may buy and sell Units just like retail investors via Bursa Securities, there is no guarantee or assurance as to the price at which a market for the Units will be made. Additional market maker(s) may be appointed in future by the Manager. A list of market makers appointed by the Manager for the Fund may be obtained from Bursa Securities’ website at www.bursamalaysia.com and on the Fund’s website at www.eq8.com.my. The Manager will also notify Bursa Securities of any changes to the list of market makers.

6. SALIENT TERMS OF THE DEED

The Deed had been entered into between the Manager and the Trustee. The Fund is constituted by the Deed and regulated primarily by the CMSA and the ETF Guidelines. The terms and conditions of the Deed and of any deed supplemental thereto entered into pursuant to the provisions of the Deed is binding on each of the Unit Holders and all persons claiming through or under such Unit Holders as if they had:

- (i) been a party to and had executed the Deed and any such supplemental deed;
- (ii) thereby covenanted for themselves and for all such persons to observe and be bound by all the provisions thereof; and
- (iii) thereby authorised the Trustee and the Manager respectively to do all such acts and things as the Deed or any such supplemental deed may require or authorise the Trustee or the Manager (as the case may be) to do.

6.1 Rights of Unit Holders

A Unit Holder has the right, among others, to the following:

- (i) to inspect the Register, free of charge, at any time during normal working hours at the registered office of the Manager, and obtain such information pertaining to its Units as permitted under the Deed and the ETF Guidelines;
- (ii) to receive distributions declared by the Fund (if any), and to other rights and privileges as set out in the Deed;
- (iii) to vote for the removal of the Trustee or the Manager through a Special Resolution; and
- (iv) to receive annual reports or any other reports of the Fund.

Unit Holders' rights may be varied by changes to the Deed, the ETF Guidelines or judicial decisions or interpretation.

6.2 Liabilities and limitations of Unit Holders

6.2.1 Liabilities

- (i) A Unit Holder need not indemnify the Trustee, the Manager or any creditor of any one or more of them if there is a deficiency of Fund Assets when compared with Fund's liabilities.
- (ii) The right (if any) of the Trustee, the Manager or any such creditor to seek indemnity is limited to having recourse to the Fund.

6.2.2 Limitations

A Unit Holder cannot:

- (i) interfere with the rights or powers of the Manager and/or the Trustee in their dealings with the Fund;

- (ii) assert an interest in any particular part of the Fund Assets;
- (iii) require the transfer to the Unit Holder of any particular part of the Fund Assets;
- (iv) attend meetings whether of shareholders, creditors, ratepayers or otherwise or to take part in or to consent to any action concerning any property, corporation or scheme in connection with the Fund Assets;
- (v) exercise any rights, powers or privileges in respect of any of the Fund Assets;
- (vi) lodge with a government authority or any person any caveat or other notice whether under the provisions of any regulation, legislation, rule or otherwise:
 - (a) prohibiting the government authority or person (either conditionally or absolutely) from taking the action specified in the caveat or notice or forbidding (either conditionally or absolutely) the registration of any person as transferee or proprietor of, or of any instrument or thing affecting any particular part of the Fund Assets; or
 - (b) claiming any estate or interest in any particular part of the Fund Asset; or
- (vii) interfere in any way with the Fund.

For full details of the rights of a registered Unit Holder of the Fund, please refer to the Deed.

6.3 Maximum fees and charges permitted by the Deed

This table describes the maximum fees permitted by the Deed and payable indirectly by investors.

Fees	%
Management Fee	3.00% per annum of the NAV of the Fund.
Trustee Fee	0.10% per annum of the NAV of the Fund.

A lower fee and/or charge than what is stated in the Deed may be charged, all current fees and/or charges will be disclosed in this Prospectus.

Any increase of the fees and/or charges that is stated in this Prospectus may be made provided that:

- (i) In relation to the Manager,
 - (a) the higher management fee does not exceed the maximum rate stipulated in the Deed;
 - (b) the Manager has notified the Trustee in writing of the higher management fee and the Trustee agrees after considering the matters required under the ETF Guidelines;
 - (c) the Manager has announced to Bursa Securities of the higher management fee and its effective date;

- (d) thirty (30) days have elapsed since the date of the announcement in Section 6.3(i)(c) above; and
 - (e) a supplementary or replacement prospectus stating the higher management fee and its effective date, has been registered, lodged and issued.
- (ii) In relation to the Trustee,
 - (a) the higher trustee fee does not exceed the maximum rate stipulated in the Deed;
 - (b) the Trustee has notified the Manager in writing of the higher trustee fee and the Manager agrees after considering the matters required under the ETF Guidelines;
 - (c) the Manager has announced to Bursa Securities of the higher trustee fee and its effective date;
 - (d) thirty (30) days have elapsed since the date of announcement in Section 6.3(ii)(c) above; and
 - (e) a supplementary or replacement prospectus stating the higher trustee fee and its effective date, has been registered, lodged and issued.

Any increase in the maximum rates for the management fee and trustee fee stipulated in the Deed and this Section 6.3 may only be made by way of supplementary deed and in accordance with the requirements of the CMSA.

6.4 Expenses permitted by the Deed

The Manager and/or the Trustee shall be entitled to pay the following fees, costs and expenses from the Fund Assets to the extent they have been incurred in relation to the operation and administration of the Fund:

- (i) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Manager in respect of the Fund;
- (ii) the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the Permitted Investments;
- (iii) all fees, charges, expenses and disbursements of any Shariah adviser, legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the Fund Assets and in the ongoing performance of their respective duties and obligations under the Deed, or otherwise in connection with the Fund;
- (iv) all fees, charges, expenses and disbursements incurred in relation to the safe custody, acquisition, holding, registration, realisation of or other dealing with any foreign investments of the Fund Assets and all transactional fees as may be agreed from time to time between the Manager and Trustee in relation to all transactions involving the whole or any part of the Fund Assets;

- (v) all charges and expenses incurred for any meeting of Unit Holders other than convened by and for the benefit of the Manager and the Trustee;
- (vi) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on Bursa Securities and/or the authorisation or other official approval or sanction of the Fund under the CMSA or any other applicable laws or regulations;
- (vii) the fees and expenses incurred in connection with depositing and holding Units with Bursa Depository and the Clearing House (and in any other securities depository or clearing system);
- (viii) Establishment Costs;
- (ix) all charges, costs and expenses incurred by the Manager and/or the Trustee in respect of and/or in connection with the maintenance of a website or webpages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unit Holders, the Registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
- (x) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the benefit of the Manager or the Trustee;
- (xi) all costs incurred in respect of the preparation, publication and distribution of the annual reports and of all cheques, statements, notices and other documents relating to the Fund;
- (xii) all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor of the Fund or the appointment of a new management company, a new trustee or a new auditor other than those for the benefit of the Manager or the Trustee;
- (xiii) all expenses incurred in the collection of income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;
- (xiv) all expenses associated with the distributions declared pursuant to the Deed including without limitation, fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- (xv) all fees and expenses incurred by the Manager and the Trustee in terminating the Fund;
- (xvi) fees for the fund valuation and fund accounting of the Fund Assets; and
- (xvii) such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities) as permitted or required (as the case may be) under the applicable laws which the Manager or the Trustee is entitled to charge to the Fund.

6.5 Retirement of the Manager

The Manager may retire from the management of the Fund upon giving to the Trustee twelve (12) months' notice in writing of its desire to do so or such lesser time as the Manager and the Trustee may agree upon.

The retiring Manager, subject to the approval required by applicable laws, may appoint in writing any other suitably qualified corporation approved by the Trustee and the SC (if required) as the new management company in its stead.

The Trustee shall take reasonable steps to remove and replace the Manager as soon as practicable after becoming aware of any such circumstances as stated under Section 6.6 below.

6.6 Power of the Trustee to remove or replace the Manager

The Manager may be removed by the Trustee under certain circumstances as specified in the Deed which include the following events:

- (i) if the Manager goes into liquidation or provisional liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation or some similar purpose upon terms previously approved in writing by the Trustee) or is placed under official management or ceases to carry on business or if a receiver, or receiver and manager is appointed in relation to all or a substantial portion of the property of the Manager and is not removed or withdrawn within thirty (30) days of appointment or if any encumbrances shall take possession of any of its assets;
- (ii) if the Trustee is of the reasonable opinion that the Manager has, to the prejudice of the Unit Holders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA and within such period as is specified by the Trustee in a written notice to the Manager, the contravention(s) have not been remedied;
- (iii) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit Holders for the Trustee to remove the Manager provided that:
 - (a) the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and the Trustee has considered any representations made by the Manager in respect of that opinion;
 - (b) after consultation with the SC; and
 - (c) a Special Resolution has been duly passed by the Unit Holders;
- (iv) if the Unit Holders by a Special Resolution resolve that the Manager shall be removed; or
- (v) if the Manager ceases to be an approved management company under the provisions of the CMSA and applicable regulations.

In any of the above said grounds, the Manager for the time being shall upon receipt of a written notice by the Trustee cease to be the management company and the Trustee shall subject to any approval required by applicable laws, is entitled to appoint in writing some other suitably qualified corporation to be the management company of the Fund with approval of the Unit Holders by way of a Special Resolution at a meeting convened in accordance with the Deed.

The purported appointment of a new management company has no effect until the new management company executes a deed under which it covenants to act as the management company in accordance with the Deed.

6.7 Retirement of the Trustee

The Trustee may retire as trustee of the Fund upon giving to the Manager twelve (12) months' notice in writing of its desire to do so, or such lesser time as the Manager and Trustee may agree upon.

The retiring Trustee, subject to the approval required by applicable laws, may appoint in writing any other suitably qualified corporation approved by the Manager and the SC (if required) as the new trustee in its stead.

The Manager shall take reasonable steps to remove and replace the Trustee as soon as practicable after becoming aware of any such circumstances as stated under Section 6.8 below.

6.8 Power of the Manager to remove or replace the Trustee

The Trustee may be removed by the Manager under certain circumstances as specified in the Deed which include the following events:

- (i) if the Trustee ceased to exist;
- (ii) if the Trustee has not been validly appointed;
- (iii) if the Trustee is not eligible to be appointed or to act as trustee under any relevant laws;
- (iv) if the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any applicable law;
- (v) if the Trustee goes into liquidation or provisional liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation or some similar purpose upon terms previously approved in writing by the Manager) or is placed under official management or ceases to carry on business or if a receiver, or receiver and manager, is appointed in relation to all or a substantial portion of the property of the Trustee and is not removed or withdrawn within thirty (30) days of the appointment or if any encumbrances shall take possession of any of its assets;
- (vi) if a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent);
- (vii) if the Unit Holders by Special Resolution resolve that the Trustee should be removed;
- (viii) if the Trustee has contravened its obligation to the Unit Holders in a manner that, in the reasonable opinion of the Manager, adversely affects those Unit Holders and, within such period as is specified by the Manager in a written notice to the Trustee, the contravention(s) have not been remedied; or
- (ix) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any applicable law.

In any of the above said grounds, the Trustee for the time being shall upon receipt of a written notice by the Manager cease to be the trustee and the Manager shall subject to any approval required by applicable laws, is entitled to appoint in writing some other suitably qualified corporation to be the trustee with approval of the Unit Holders by way of Special Resolution at a meeting convened in accordance with the Deed.

The purported appointment of a new trustee has no effect until the new trustee executes a deed under which it covenants to act as trustee in accordance with the Deed.

6.9 Termination of the Fund

6.9.1 The Fund may be terminated by the Trustee in accordance with the provisions of the CMSA upon the occurrence of any of the following events:

- (i) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (ii) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (iii) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law.

Upon a Special Resolution to terminate the Fund is passed by the Unit Holders at a meeting of Unit Holders summoned by the Trustee pursuant to Sections 6.9.1(i), (ii) and (iii) above, the Trustee shall apply to the court for an order confirming such Special Resolution.

6.9.2 The Fund may be terminated by the Trustee or the Manager by notice in writing to the Unit Holders in the event the Fund ceases to be approved under the CMSA.

6.9.3 Notwithstanding Sections 6.9.1 and 6.9.2 above, the Fund may be terminated at any time by Special Resolution of the Unit Holders and such termination shall take effect from the date on which such Special Resolution is passed or such later date (if any) as the Special Resolution may provide.

6.9.4 Subject to the provisions of the relevant laws, the Manager may, without having to obtain the prior approval of the Unit Holders, terminate the trust created and wind up the Fund if such termination:

- (a) is required by the relevant authorities; or
- (b) is in the best interests of Unit Holders and the Manager in consultation with the Trustee deems it to be uneconomical for the Manager to continue managing the Fund.

Notwithstanding the aforesaid, if the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

6.10 Unit Holders' Meeting

6.10.1 The Trustee or the Manager may respectively at any time convene a meeting of Unit Holders at such time or place in Malaysia as the party convening the meeting may think fit.

6.10.2 The Manager shall call for a meeting of Unit Holders if not less than fifty (50) Unit Holders or ten per centum (10%) of all Unit Holders, whichever is less, direct the Manager to do so in writing delivered to the registered office of the Manager for the purpose of:

- (i) considering the most recent financial statement of the Fund;
- (ii) giving the Trustee such directions as the meeting thinks proper; or
- (iii) considering any other matter related to the Deed.

6.10.3 Where the meeting is convened to pass:

- (i) an Ordinary Resolution, at least fourteen (14) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unit Holders by the Manager or the Trustee in the manner provided in the Deed; or
- (ii) a Special Resolution, at least twenty one (21) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unit Holders by the Manager or the Trustee in the manner provided in the Deed; or
- (iii) where resolution which requires approval by not less than two-thirds (2/3) of all Unit Holders at a Unit Holders' meeting, at least twenty one (21) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) of such meeting shall be given to the Unit Holders by the Manager or the Trustee in the manner provided in the Deed.

Such notices shall be given to the Unit Holders in the following manner as contemplated under the Deed:

- (i) in writing to the Unit Holder by letter addressed to the Unit Holder at the Unit Holder's address appearing in the Register;
- (ii) by publication in a national language daily national newspaper and in one (1) other newspaper as may be approved by the SC;
- (iii) by sending using any electronic communication; or
- (iv) by such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine.

6.10.4 The notice shall be in the form of a circular and shall specify the place, time of meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed thereat. A copy of the notice shall be sent to the Trustee unless the meeting is convened by the Trustee and a copy thereof shall also be sent to the SC. The accidental omission to give notice to or the non-receipt of notice by any of the Unit Holders shall not invalidate the proceedings at any meeting. The Manager or the Trustee shall publish an advertisement giving the relevant notice of the Unit Holders' meeting in at least one (1)

nationally circulated Bahasa Malaysia or English daily newspaper. The Unit Holders' meeting shall be held not later than two (2) months after the notice was given at the place and time specified in the notice and advertisement.

- 6.10.5 The quorum required for a meeting of the Unit Holders of the Fund shall be five (5) Unit Holders, whether present in person or by proxy; however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy. If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in circulation of the Fund at the time of the meeting. If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund.
- 6.10.6 Every Unit Holder (being an individual) who is present in person or by proxy or (being a corporation) is represented by one of its representatives or by proxy shall, on a poll, have one (1) vote for every Unit of which he or it is the Unit Holder and need not cast all the votes to which he or it is entitled in the same way.
- 6.10.7 Each Unit Holder shall be entitled to attend and vote at any meeting of Unit Holders, and shall be entitled to appoint another person (whether or not a Unit Holder) as his proxy to attend and vote. Where the Unit Holder is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with Units standing to the credit of the said securities account. Where a Unit Holder appoints two (2) proxies in accordance with this provision the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. Such proxy shall have the same rights as the member to vote, to speak and to be reckoned in a quorum.
- 6.10.8 Any Unit Holder being a corporation may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Unit Holders, and a person so authorised shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unit Holder.
- 6.10.9 In the case of equality of votes the chairman of a meeting of Unit Holders shall have a casting vote in addition to his votes (if any) as a Unit Holder.
- 6.10.10 Every question arising at a general meeting of Unit Holders shall be decided by a poll.
- 6.10.11 Upon any question decided by a poll, each Unit Holder present in person or by proxy shall have one (1) vote for each fully paid Unit.

7. ABOUT THE MANAGER

7.1 Corporate Information

Eq8 Capital Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*) (Registration No.: 200701034939 (792968-D)) ("Eq8 Capital"), was incorporated on 25 October 2007 under the Companies Act 1965 (*now known as Companies Act 2016*) at Kuala Lumpur, Malaysia.

Eq8 Capital is a Capital Markets Services Licence holder for the regulated activity of fund management since 7 January 2008. Eq8 Capital's principal business activity is to provide solely Shariah-compliant investment management services. Eq8 Capital is the management company for Eq8 Dow Jones Islamic Market Malaysia Titans 25 ETF established in 2008, Eq8 MSCI Malaysia Islamic Dividend ETF established in 2014, Eq8 MSCI SEA Islamic Dividend ETF established in 2015 and Eq8 Dow Jones US Titans 50 ETF established in 2018 all of which are currently listed on the Main Market of Bursa Securities. As at LPD, the total value of funds operated by the Manager is approximately RM329 million.

7.2 Board of Directors

The board of directors of Eq8 Capital ("**Board**") is responsible for the overall management of the Manager and its funds. The Board not only ensures corporate governance is practised but policies and guidelines are adhered to. The Board will meet at least four (4) times every year, or more should the need arise.

Members of the Board as at LPD

The following are the profiles of the members of the Board:

Luk Wai Hong, William Chairman and Non-Independent Non-Executive Director

Luk Wai Hong, William ("Luk") is 60 years old and was appointed to the Board of Eq8 Capital as the Chairman and an Independent Non-Executive Director ("INED") on 12 April 2021 and subsequently was re-designated as a Non-Independent Non-Executive Director ("NINED") on 1 November 2022.

Luk is also a NINED of Kenanga Investors Berhad ("KIB"), the holding company of Eq8 Capital and the Chairman of its Investment Committee and a member of the Audit and Risk Committee.

In addition, he is also a NINED of Kenanga Investment Bank Berhad, ("KIBB"), the holding company of KIB and a member of its Group Board Risk Committee and Group Board Digital Innovation & Technology Committee.

He holds a Bachelor of Arts (Honours) from Concordia University, Montreal, Canada, a Masters of Urban Planning from the University of Michigan, United States of America ("USA") and an Executive Fellowship awarded by the State of Washington.

Luk is currently the Director of Investment of Cotton Tree Capital Ltd, of which he is the co-owner, with offices in Hong Kong and Singapore. He has more than twenty (20) years of experience in various capacities in the financial services industry, out of which eleven (11) years were spent in Deutsche Bank AG, Hong Kong and Singapore.

He began his career in 1989 as an Executive Fellow and Transportation Finance Specialist in the Office of Financial Management in the State of Washington. He later joined Lehman Brothers, Hong Kong as a Fixed Income and Credit Trader in 1993. After three (3) years, he joined HSBC Markets, Hong Kong for a year, before joining Deutsche Bank AG in 1997 as a Senior Associate Director and Senior Credit and Derivatives Trader. He then became Deutsche Bank AG's Director and Head of Structured Credit Trading and Principal Finance Asia, a post he held until 2004.

In 2004 and 2008, Luk was appointed as Deutsche Bank AG's Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia, as well as Managing Director and Co-Head of Saba Proprietary Trading Group Asia, respectively. In 2008, he joined Pacific Advantage Capital, Hong Kong and Singapore, as its Principal and Portfolio Manager focusing on credits and special situations, before taking up the position of Director of Investment of Cotton Tree Capital Ltd in 2011.

Norazilla Binti Md Tahir
Independent Non-Executive Director

Norazilla Binti Md Tahir ("Norazilla") is 58 years old and was appointed to the Board of Eq8 Capital as an INED on 1 August 2024.

She is currently an INED of KIB and the Chairman of its Audit and Risk Committee, and a member of its Investment Committee.

She is also currently an INED of Citibank Berhad, as well as Chairman of its Audit Committee and member of its Nominations and Compensation Committee and Risk Management Committee.

She is also currently serving as an INED of Genting Malaysia Berhad. In terms of her past notable appointments, Norazilla had previously served as an INED of Bank Pembangunan Malaysia Berhad and its subsidiaries, until her retirement on 14 August 2024, as well as an INED of Etiqa Life Insurance Berhad until 1 May 2023. She was also an INED of Amanah Raya Berhad and AmanahRaya Trustees Berhad until 1 October 2022.

Norazilla holds a Bachelor of Arts (Honours) in Accounting from University of Stirling, Scotland, United Kingdom. She is a member of the Malaysian Institute of Accountants (MIA) and a Fellow Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW).

She has more than twenty-five (25) years' experience in financial management, notably in financial institution and capital market. Prior to her early retirement, Norazilla was the Chief Financial Officer ("CFO") of Cagamas Berhad group of companies ("Cagamas Group"). She spearheaded the financial leadership of Cagamas Group and was responsible for upholding strong financial management and governance while providing timely, accurate and reliable financial information and enhancing internal control.

Apart from Cagamas Group, Norazilla held other CFO/Head of Finance positions at three (3) Islamic banking institutions, namely RHB Islamic Bank Berhad, Asian Finance Bank Berhad and the Al Rajhi Banking and Investment Corporation (Malaysia) Berhad.

Besides banking, Norazilla is also experienced in fast moving consumer goods, having been involved in sales logistic chain management while at L'Oreal Malaysia Sdn Bhd and Universal Music Sdn Bhd.

Norazian Ahmad Tajuddin
Independent Non-Executive Director

Norazian Ahmad Tajuddin ("Norazian") is 63 years old and was appointed to the Board of Eq8 Capital as an INED on 1 November 2022.

Currently, she is an INED of KIB, the holding company of Eq8 Capital and a member of its Investment Committee and Audit and Risk Committee. She is also an INED of Kenanga Islamic Investors Berhad.

In addition, she is also an INED of KIBB, the holding company of KIB and the Chairman of its Group Board Risk Committee, and, a member of its Group Governance, Nomination & Compensation Committee, Audit Committee as well as Employees' Share Scheme Committee.

She holds a Bachelor of Science (Honours) in Mathematics from the University of Leeds, United Kingdom and a Master of Business Administration (Finance) from the Edith Cowan University, Australia.

Norazian has more than twenty-five (25) years of experience in banking, with the last fifteen (15) years being in senior management, covering areas in treasury operations, business and banking operations, risk management and support services. She has strong and varied experience in dealing with foreign exchange, international banking, investments, sales, customer and corporate relations, information technology, as well as asset and liability management.

She began her career at the Treasury Department in Bank Bumiputra (M) Berhad as a Senior Dealer before moving on to hold various senior positions at EON Bank Group, KAF Discount Berhad and Daimler Chrysler (M) Sdn Bhd.

Subsequently, she joined Bank Simpanan Nasional Berhad ("BSN") in 2005 as Director in the Chief Executive Officer's Office and was promoted to Deputy Chief Executive Officer ("DCEO") during BSN's re-organisation and continued to serve as its DCEO until she retired in 2010. During her tenure in BSN, she played a leading role in the transformation of BSN into a sustainable and profitable development bank.

From June 2008 to March 2010, she served as a NINED of Prudential BSN Takaful Berhad and was appointed as a member of its Risk Management Committee and Nomination & Remuneration Committee.

On 1 August 2018, Norazian was appointed as the Chairman of Pacific & Orient Insurance Co. Berhad ("POI"), which is a subsidiary of Pacific & Orient Berhad, a company listed on the Main Market of Bursa Securities. She served as an INED of POI since her appointment on 1 April 2015 until 29 April 2022. At POI, she also served as a member of its Nomination Committee, Remuneration Committee, as well as its Audit Committee and Risk Management Committee.

Datuk Wira Ismitz Matthew De Alwis
Non-Independent Non-Executive Director

Datuk Wira Ismitz Matthew De Alwis ("Datuk Wira De Alwis") is 49 years old and was appointed as a NINED of Eq8 Capital on 19 February 2021.

Datuk Wira De Alwis is currently the Chief Executive Officer ("CEO") and Executive Director of KIB and a member of its Investment Committee. He also serves as a NINED on the Board of Kenanga Islamic Investors Berhad, as well as other subsidiaries of KIB.

As the CEO of KIB, he is responsible for the overall asset and wealth management business of KIB and its subsidiaries. He started his career as an Investment Analyst with a regional research

and advisory firm, where he obtained vast regional exposure in Hong Kong, Philippines, Dubai and Singapore. He brings with him more than thirty (30) years' worth of experience, expertise and several leadership roles in the fields of financial and investment management both regionally and locally. He joined KIB in June 2013 upon KIB's acquisition of the ING investment management business in Malaysia, ING Funds Berhad, where he was the Executive Director and Country Head.

He is an alumnus of University of Cambridge, Judge Business School – ABSEP and has also attended the Advanced Business Management Program by the International Institute for Management Development, Lausanne, Switzerland. He holds an MBA and professional qualifications from the Chartered Institute of Marketing UK. He is also a Certified Financial Planner and Islamic Financial Planner. He has a Capital Markets Services Representative's Licence from the SC for fund management, investment advice and financial planning.

Datuk Wira De Alwis serves as the Chairperson of the Malaysian Association of Asset Managers, and is currently on the board of the Federation of Investment Managers Malaysia. He is also the Vice Chairman of the Institutional Investors Council Malaysia. He was appointed as a member of Bursa Securities's Securities Market Consultative Panel (SMCP). He is also a member of the Joint Committee (Bank Negara Malaysia & SC) on Climate Change (JC3) and participates as a member of the Sustainable Investment Platform Steering Committee – Malaysia Sustainable Investment Initiative. Additionally, he holds the position of Investment Adviser for the Olympic Council of Malaysia's Trust Management Committee.

He is a proponent of the industry's talent development initiatives as a member of the Capital Market Graduate Programme Steering Committee (SC) and the Industry Competency Framework Advisory Panel for the Malaysian Capital Market project undertaken by the Securities Industry Development Corporation. He also sits on the SC's Assessment Review Committee (ARC) – Fund Management.

Syed Umar bin Abdul Rahman Alhadad
Executive Director / Acting Chief Executive Officer

Syed Umar bin Abdul Rahman Alhadad ("Umar Alhadad") is 43 years old and was appointed as an Executive Director and Acting Chief Executive Officer of Eq8 Capital on 19 February 2021.

Prior to Eq8 Capital, Umar Alhadad was Head of Strategic Planning and Risk at KIB where his role revolves around the strategic setting and implementation of key initiatives whilst overseeing the risk management of the company. His previous role in the KIBB group includes stints at Group Corporate Planning and Group Transformation.

During those period, Umar Alhadad lead multiple end-to-end mergers and acquisitions for the group with close to RM1 billion in transaction size, several licence applications and council admission. He also steered the digital transformation of KIB.

Before being part of the Kenanga Group, Umar was in the media and advertising sector at Spafax, a WPP Group company where he spearheaded the Malaysian outfit. This was preceded by his employment experience on the rollout and support for digital surveillance system for bank branches.

Umar Alhadad is a graduate of Multimedia University, Malaysia in B.Eng (Hons) Electronics Majoring in Telecommunications and a Certified Financial Planner. He holds a Capital Markets Services Representative's Licence from the SC for fund management.

Note: As there may be changes to the composition and/or profile of the Board from time to time, please refer to the Manager's website for the updated information.

7.3 Key Personnel & Designated Fund Manager

Key Personnel:

Syed Umar bin Abdul Rahman Alhadad Executive Director / Acting Chief Executive Officer

(Please refer to his profile in Section 7.2 above)

Dr. Hj Sahar Effendi Hj Daud Head, Compliance

Dr. Sahar, 51 years old, joined KIB on 3 November 2014 as the Head of Compliance. He started his career in 1997 with an international affiliated accounting firm before joining the SC in 2001. Whilst with the SC, he was attached to the Trust and Investment Management Department for about two (2) years prior to joining the Investigation Department until his departure from the SC in October 2014. During his tenure with the Investigation Department, he was exposed to numerous high-profile cases in various areas involving insider trading, market manipulation, illegal investment schemes, corporate fraud and forensic accounting as well as money laundering related offences.

Dr. Sahar, a Chartered Accountant (Malaysia), holds a Bachelor of Accountancy (Hons) from Universiti Putra Malaysia, MBA (Management and Finance) and Doctor of Business Administration (Accounting: Financial Disclosure, Corporate Governance and Performance Measurement); both from Universiti Utara Malaysia. Dr. Sahar is also a member of the Malaysian Institute of Accountants (MIA), Chartered Tax Institute of Malaysia (CTIM), Association of Certified Fraud Examiner (ACFE), Malaysian Chapter of the Association of Certified Fraud Examiners (MACFE) as well as the Certified Financial Investigator Alumni (CFIA).

Dr. Sahar is the designated person responsible for compliance matters for the Fund.

Ong Soon Chong Head, ETF & ESG Investment

Ong Soon Chong ("Soon Chong") is 43 years old and has more than fifteen (15) years of experience in fund management and investment research. He currently leads the Passive Strategies and ESG investments at Eq8 Capital. His extensive expertise covers the management of various local and regional funds, including ETFs, ESG portfolios, equity mandates, and balanced funds.

Before joining Eq8 Capital, Soon Chong served as Vice President of Investment Research at ValueCAP Group in 2010 and was subsequently appointed as Senior Vice President/Portfolio Manager in 2015. In these roles, he managed a diverse range of investment portfolios across the Malaysian and ASEAN markets. His career also includes multiple roles in investment banks and Big 4 accounting firms.

Soon Chong holds a Bachelor of Accounting (Hons) from Multimedia University. He is also a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA). He holds a Capital Markets Services Representative's License from the SC for fund management.

Designated Fund Manager:

Ong Soon Chong

(Please refer to his profile above)

7.4 Roles, Duties and Responsibilities of the Manager

The Manager is responsible for managing the Fund's portfolio, issuing Units and preparing and issuing this Prospectus. The Manager is also responsible for setting the investment policies for the Fund and implementing strategies to meet these objectives. The Manager is subject to the provisions of the Deed and shall carry out all activities as may be deemed necessary for the management of the Fund and its business. The Manager shall, in managing the Fund, undertake primary management activities in relation to the Fund, including but not limited to overall strategy, new acquisition and disposal analysis, marketing and communications, individual asset performance and business planning, market performance analysis and other activities as provided under the Deed.

In addition, the Manager has covenanted with the Trustee, among others, to do the following:

- (a) carry out and conduct its business and the Fund in a proper, diligent and efficient manner in accordance with the Deed, the CMSA, the securities laws, the ETF Guidelines, applicable laws and any regulations made thereunder;
- (b) manage the Fund's assets and liabilities for the benefit of the Unit Holders;
- (c) set the investment policies of the Fund and submit proposals to the Trustee on the acquisition, divestment or enhancement of assets of the Fund;
- (d) issue an annual report and semi-annual report of the Fund to the Unit Holders within two (2) months after the end of the financial year/period concerned;
- (e) have an oversight arrangement to ensure that the Fund is managed within the ambit of this Prospectus, the Deed, the CMSA, the securities laws, the ETF Guidelines and other applicable laws;
- (f) observe high standards of integrity and fair dealing in managing the Fund to the best and exclusive interest of the Unit Holders;
- (g) act with due care, skill and diligence in managing the Fund, and effectively employ the resources and procedures necessary for the proper performance of the Fund;
- (h) ensure that the Deed and this Prospectus are in compliance with the CMSA, the securities laws, the relevant guidelines and other applicable laws at all times;
- (i) take all necessary steps to ensure that the investments and other assets of the Fund are adequately protected and properly segregated; and
- (j) unless otherwise specified in writing by the SC, ensure that the Fund has, at all times, an appointed trustee.

7.5 Material Litigation and Arbitration

As at LPD, the Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and the Manager is not aware of any facts likely to give rise to any proceedings which might materially affect the Manager's business/financial position and any of its delegates.

7.6 Material Contracts

Save for the contracts disclosed in Section 11.2 of this Prospectus, the Manager has not entered into any material contracts (not being contracts in the course of business) within two (2) years preceding the date of this Prospectus.

7.7 Direct and Indirect Unit Holding in the Fund

As the Fund has only been established as at the date of this Prospectus, none of the substantial shareholders, directors or the key personnel of the Manager have any direct and indirect Unit holding in the Fund.

However, they may hold Units of the Fund after Listing.

Information on the Manager, the fund manager and the Shariah Adviser, and any subsequent changes to such information is provided in the Manager's and/or the Fund's website.

8. ABOUT THE TRUSTEE

8.1 About Deutsche Trustees Malaysia Berhad

Deutsche Trustees Malaysia Berhad ("DTMB") (Registration No.: 200701005591 (763590-H)) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. DTMB is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group ("Deutsche Bank"). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

8.2 Experience as Trustee

DTMB is part of Deutsche Bank's Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 222 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB's trustee services are supported by Deutsche Bank (Malaysia) Berhad ("DBMB"), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

8.3 Duties and Responsibilities of the Trustee

DTMB's main functions are to act as trustee and custodian of the Fund Assets and to safeguard the interests of Unit Holders. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA and all relevant laws.

8.4 Trustee's Delegates

The Trustee has appointed DBMB as the custodian of the Fund Assets. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of the Fund Assets; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

8.5 Trustee's Disclosure on Material Litigation

As at LPD, the Trustee is not (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

8.6 Trustee's Responsibility Statement

The Trustee has given its willingness to assume the position as the trustee of the Fund and all the obligations in accordance with the Deed, the CMSA, the ETF Guidelines and all relevant laws.

9. RELATED PARTY TRANSACTIONS

9.1 Existing and Potential Related Party Transactions

9.1.1 The Manager

The Manager and its directors and any of its delegates will at all times act in the best interests of the Unit Holders and will not conduct itself in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Fund is not disadvantaged. In the unlikely event that the Manager faces conflicts in respect of its duties to the Fund and its duties to other investment funds that it manages, the Manager is obliged to act in the best interests of all its investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

The Manager will not act as principal in the sale and purchase of any securities or investments to and from the Fund. Further, the Manager will not make any investment for the Fund in any securities, properties or assets in which the Manager or its officer has financial interest in or from which the Manager or its officer derives a benefit, unless with the prior approval of the Trustee.

The Fund may have dealings with related party of the Manager. Information of the outsourcing function can be obtained at the Fund's website, www.eq8.com.my.

9.1.2 The Trustee

As the trustee for the Fund and the Manager's delegate for the fund accounting and valuation services (where applicable), there may be related party transactions involving or in connection with the Fund in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. Islamic money market placement, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;
- (3) Where the Manager appoints DTMB to perform its back office functions (e.g. fund accounting and valuation, where applicable), and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

9.2 Conflict of Interest

As at LPD, save as disclosed in Section 9.1, the Manager is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest situation in its capacity as the manager to the Fund.

9.3 Policies on Dealing with Conflict of Interest Situation

9.3.1 Manager

A situation of conflict of interest may erode the trust and confidence of the public in dealing with the Manager. Hence, the directors and the members having an oversight function of the Fund (if any) must be alert and avoid or declare any conflict of interest situations to the company secretary. Staff of the Manager will declare to the compliance officer in the event of all conflicts or any potential conflict of interest situations.

All conflict of interest situations, if any, will be forwarded to the audit committee for deliberation before a fair and equitable decision is reached.

Members Dealing in Securities

- (a) Trading in securities by a member for his/her personal account or for a connected person or under the name of a nominee is not encouraged and if done so, he/she should ensure that the dealing is not taking advantage or be viewed as taking advantage of information not generally known to the public.
- (b) Dealings by employees in their own name or on behalf, and for the benefit, of another person may only be carried out with the prior approval of the compliance officer.
- (c) A member when dealing in securities whether for the company, the client or personal account shall consistently adhere to ethical standards in such dealings. A member shall not engage in share dealing transactions of a nature that is questionable or illegal and therefore shall not engage in share dealing transactions, either by himself or with others which are, or which will give resemblance of false trading, market rigging or market manipulation.

9.3.2 Trustee

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the Unit Holders does not preclude the possibility of related party transactions or conflicts.

9.4 Declaration of Conflict of Interest as at LPD

- (i) The Manager is wholly-owned by KIB and KIB is wholly-owned by KIBB. KIBB has been appointed as the Placement Agent and Participating Dealer for the Fund by the Manager.

KIBB has considered the factors involved and believes its objectivity and independence as the Placement Agent and Participating Dealer for the Fund is maintained at all times and have confirmed that there is no conflict of interest that exists or is likely to exist in its role as the Placement Agent and Participating Dealer notwithstanding the aforementioned roles and services performed as these are mitigated by the following:-

- (a) KIBB and its related and associated companies ("**Kenanga Group**") are a financial group in Malaysia with extensive experience in equity broking, investment banking, listed derivatives, treasury, corporate advisory, Islamic banking, wealth management and investment management. The Kenanga Group has engaged and may in the future, engage in transactions with and perform services for the Manager and/or the Fund and/or the Manager's affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Kenanga Group may at any time offer or provide its services to or engage in any transaction with the Manager and/or the Fund, and/or the Manager's affiliates and/or any other entity or person, hold long or short positions

in securities issued by the Manager and/or the Manager's affiliates, and may trade or otherwise effect transactions for its own account or the account of the Manager's other customers. This is a result of the businesses of Kenanga Group generally acting independently of each other, and accordingly, there may be situations where parts of Kenanga Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of the Kenanga Group. Nonetheless, the Kenanga Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese walls between different business divisions; and

- (b) it is in the ordinary course of business of KIBB to provide advisory and other services in its role as the Participating Dealer to its clients.

Save as disclosed above, KIBB has confirmed that as at the LPD, it is not aware of any other circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as the Placement Agent and Participating Dealer in respect of the Fund.

- (ii) PricewaterhouseCoopers Taxation Services Sdn Bhd has confirmed that as at the LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as tax adviser in respect of the Fund.
- (iii) Messrs. Wei Chien & Partners has confirmed that as at the LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as solicitors in respect of the Fund.
- (iv) Amanie Advisors Sdn Bhd has confirmed that as at the LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as Shariah adviser in respect of the Fund.

10. TAXATION

TAXATION ADVISER'S LETTER ON TAXATION OF THE FUND AND UNIT HOLDERS (Prepared for inclusion in this Prospectus)

PricewaterhouseCoopers Taxation Services Sdn Bhd
Level 10, Menara TH 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors Eq8 Capital Sdn Bhd
Level 13, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

1 November 2024

TAXATION OF EQ8 FTSE MALAYSIA ENHANCED DIVIDEND WAQF ETF AND UNIT HOLDERS

Dear Sirs,

This letter has been prepared for inclusion in the Prospectus ("hereinafter referred to as "the Prospectus") in connection with the offer of Units in Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF ("the Fund").

The taxation of income for both the Fund and the Unit holders are subject to the provisions of the Malaysian Income Tax Act 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

TAXATION OF THE FUND

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

(1) Domestic Investments

(i) General Taxation

Subject to certain exemptions, the income of the Fund consisting of dividends or interest or profit¹ (other than interest and profit¹ which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Other than gains on disposal of the unlisted shares as described under CGT section below, gains on disposal of investments in Malaysia by the Fund will not be subject to Malaysian income tax.

(ii) Dividends and Other Exempt Income

Effective 1 January 2014, all companies would adopt the single-tier system. Hence dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or profit¹ or discount income derived from the following investments is exempt from tax:

- i. Securities or bonds issued or guaranteed by the government of Malaysia;
- ii. Debentures² or sukuk, other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission Malaysia; and
- iii. Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest or profit¹ derived from the following investments is exempt from tax:

- (a) Interest or profit¹ paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;
- (b) Interest or profit¹ paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- (d) Interest or profit¹ income paid or credited by Malaysia Building Society Berhad³.

The interest or profit¹ or discount income exempted from tax at the Fund level will also be exempted from tax upon distribution to the Unit Holders.

Exception: -

- i. Wholesale money market fund

With effect from 1 January 2019, the exemption shall not apply to interest or profit¹ paid or credited to a unit trust that is a wholesale money market fund.

¹ Under section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah.

The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah, will be accorded the same tax treatment as if they were interest.

² Structured products approved by the Securities Commission Malaysia are deemed to be "debenture" under the Capital Markets and Services Act, 2007 and fall within the scope of exemption.

³ Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect YA 2015.

ii. Retail money market fund ("RMMF")

Based on the Finance Act 2021, the interest or profit¹ income of a RMMF will remain tax exempted under Paragraph 35A, Schedule 6 of the Act. However, resident and non-resident Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit¹ income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to withholding tax ("WHT") at the rate of 24 per cent. This WHT is effective from 1 January 2022 onwards.

The WHT is to be withheld and remitted by the RMMF to the tax authorities within 30 days upon distribution of the income to the Unit Holders.

(2) Foreign Investments

With effect from 1 January 2022, the exemption of foreign-sourced income received in Malaysia is only applicable to a person who is a non-resident.

However, subject to qualifying conditions (also subject to compliance with conditions imposed by the Ministry of Finance as specified in the Inland Revenue Board ("IRB")'s guidelines), the following foreign-sourced income received from 1 January 2022 to 31 December 2026 (5 years) will continue to be exempted from Malaysian income tax:

- Dividend income received by resident companies, limited liability partnerships ("LLPs") and resident individuals (in respect of dividend income received through a partnership business in Malaysia).
- All classes of income (excluding a source of income from a partnership business in Malaysia, which is received in Malaysia from outside Malaysia) received by resident individuals.

In addition to the above conditions, resident companies, LLPs and individuals (in relation to a partnership business in Malaysia) are required to comply with economic substance requirements ("ESR") in order to qualify for the tax exemption on foreign-sourced dividend income received in Malaysia from outside Malaysia.

Based on clarifications from the IRB, foreign-sourced income (e.g. dividends, interest, etc.) of a resident Fund which is received in Malaysia will be subject to tax. There will be a transitional period from 1 January 2022 to 30 June 2022 where foreign-sourced income remitted to Malaysia will be taxed at the rate of 3% on gross income. From 1 July 2022 onwards, any foreign-sourced income remitted to Malaysia will be subject to Malaysian income tax at the rate of 24% for a resident Fund.

Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. Subject to meeting the relevant prescribed requirements, the Fund in Malaysia is entitled for double taxation relief on any foreign tax suffered on the income in respect of overseas investment.

The scope of taxable foreign source income received in Malaysia has been expanded to include capital gains from disposal of assets outside Malaysia brought into Malaysia from 1 January 2024 onwards. Exemption will be provided where ESR are met. See Capital Gains Tax ("CGT") section below for further details.

The foreign income subjected to Malaysian tax at the Fund level will also be taxable upon distribution to the Unit Holders. However, the income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them.

Exemption from tax on foreign-sourced income for unit trusts

Following the announcement by the Finance Minister II on 16 January 2024 that unit trusts will be exempted from income tax on foreign-sourced income (including capital gains from disposal of assets outside Malaysia), the enabling legislations have been gazetted on 20 September 2024.

This exemption order grants a resident unit trust an exemption from income tax on foreign-sourced income (FSI) received in Malaysia for all classes of income including capital gains from disposal of assets outside Malaysia. This does not apply to Real Estate Investment Trusts (REITs) or Property Trust Funds listed on Bursa Malaysia.

To qualify for this tax exemption, unit trusts must satisfy one of the following conditions:

- a. Option A - The FSI has been subjected to foreign tax, with the source jurisdiction's minimum headline income tax rate being at least 15%; or
- b. Option B - The management company of the unit trust has met Economic Substance Requirements (ESR) in Malaysia, which includes employing an adequate number of employees and incurring sufficient operating expenditure.

Consistent with the announcement, the exemption from income tax on foreign-sourced income takes effect from 1 January 2024 until 31 December 2026.

(3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

(4) Real Property Gains Tax ("RPGT")

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies⁴ ("chargeable asset") would be subject to RPGT as follows:-

Disposal time frame	RPGT rates (Companies incorporated in Malaysia and Trustee of a trust)
Within 3 years	30%
In the 4 th year	20%
In the 5 th year	15%
In the 6 th year and subsequent years	10%

⁴ A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 percent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

Gains from disposal of shares in an Real Property Company (“RPC”) under the RPGTA 1976 (“RPC shares”)

Gains from disposal of RPC shares which are held by persons that are subject to CGT will be subject to CGT under the Income Tax Act, 1967 from 1 March 2024 instead of RPGT. Other real properties disposed of, apart from RPC shares, will continue to be subject to RPGT. RPGT will continue to apply for disposal of RPC shares by individuals.

(5) Capital Gains Tax (“CGT”)

- a) Disposal of Malaysian unlisted shares

CGT will be imposed on the disposal of Malaysian unlisted shares by companies, Limited Liability Partnerships, cooperatives and trust bodies (which include unit trusts).

The CGT rate to be imposed is as follows:

Shares Acquisition Date	CGT Rate
Before 1 January 2024	The taxpayers may choose: i. 10% on the net gain of the disposal of shares; or ii. 2% on the gross disposal price.
From 1 January 2024	10% on the net gain of the disposal of shares

“shares” has been defined as in relation to a company, includes stock other than debenture stock.

To ensure the smooth implementation of CGT and reduce the cost of doing business, CGT exemption has been given on the disposal of shares related to the following activities:

- (i) Initial Public Offering (IPO) exercise approved by Bursa Malaysia; and
- (ii) Restructuring of shares within the same group.

Capital Gains Tax exemption - Income Tax (Unit Trust) (Exemption) Order 2024

Following the announcement by the Finance Minister II on 16 January 2024 that unit trusts will be exempted from CGT, the enabling legislations have been gazetted.

This exemption order exempts a resident unit trust, excluding Real Estate Investment Trusts (REITs) or Property Trust Funds listed on Bursa Malaysia, from CGT on profits from the disposal of the following assets:

- Unlisted shares of a company incorporated in Malaysia;
- Shares of a company incorporated outside Malaysia deriving value from real property situated in Malaysia (“Section 15C shares”).

Note that this exemption does not apply to disposals that are taxable as business income. Additionally, any loss from such disposals can be set off against gains from subsequent disposals.

Consistent with the announcement, the exemption on CGT is effective from 1 January 2024 until 31 December 2028.

b) Disposal of capital assets from outside Malaysia

The scope of CGT will include gains from disposal of capital assets situated outside Malaysia, remitted into Malaysia.

The gains remitted to Malaysia will be subject to the prevailing income tax rates, that is 24%.

As highlighted above, capital gains from disposal of assets outside Malaysia of a unit trust will be exempted if the following conditions can be met:

- (i) Option A – The FSI has been subjected to foreign tax, with the source jurisdiction's minimum headline income tax rate being at least 15%; or
- (ii) Option B – The management company of the unit trust has met Economic Substance Requirements (ESR) in Malaysia, which includes employing an adequate number of employees and incurring sufficient operating expenditure.

The exemption from income tax on foreign-sourced income takes effect from 1 January 2024 until 31 December 2026.

(6) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

(7) Sales and Service Tax ("SST")

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax ("GST"). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 8 per cent with effect from 1 March 2024 for all prescribed taxable services with certain exceptional taxable services ie. food and beverages services, telecommunications services, parking services and logistics services which remain at 6 per cent.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable cost to the business.

In general, the Fund, being a collective investment vehicle, will not be caught under the service tax regime.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 8 percent. However, fund management services and trust services are excluded from service tax. With effect from 1 January 2019, service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Fund, being non-taxable person who acquire imported taxable services (if any) will need to declare its

imported taxable services through the submission of prescribed declaration, i.e. Form SST-02A to the Royal Malaysian Customs Department ("RMCD").

With effect from 1 January 2020, service tax on digital services was implemented at the rate of 8 per cent. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

Furthermore, the provision of digital services has also been prescribed as a taxable service when provided by a local service provider with effect from 1 January 2020. Hence, where the Fund obtains any of the prescribed digital services, those services may be subject to service tax at 8 percent.

TAXATION OF UNIT HOLDERS

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. Generally, no additional withholding tax will be imposed on the income distribution from the Fund; unless the Fund is an RMMF, in which case there is a WHT on distribution from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 and distributed to non-individual Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

Corporate Unit Holders, resident⁵ and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

Individuals and other non-corporate Unit Holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 30 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 30 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

The distribution of exempt income by the Fund will be exempted from tax in the hands of the Unit Holders.

Based on the Finance Act 2021, in respect of distribution from a RMMF, resident and non-resident corporate Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit¹ income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to WHT at the rate of 24 per cent, effective from 1 January 2022.

For resident corporate Unit Holders, the WHT is not a final tax. The resident corporate Unit Holders will need to subject the income distributed from interest or profit¹ income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in its income tax returns and the attached tax credit i.e. the 24 per cent WHT suffered will be available for set-off against the tax chargeable on the resident corporate Unit Holders.

For non-resident Corporate Unit Holders, the 24 per cent WHT on income distributed from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6, is a final tax.

Any gains realised by Unit Holders (other than those in the business of dealing in securities, insurance companies or financial institutions) on the sale or redemption of the Units are treated as capital gains and will not be subject to income tax. This tax treatment will include in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit Holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new Units out of their income distribution after tax.

Unit splits issued by the Fund are not taxable in the hands of Unit Holders.

⁵ Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below and having an annual sales of not more than RM50 million will pay tax at 15% for the first RM150,000 of chargeable income, 17% for RM150,001 to RM600,000 with the balance taxed at 24% with effect from YA 2023.

The above shall not apply if more than –

- (a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50% of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50% of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

“Related company” means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

Additional shareholding condition of not more than 20% of the paid up capital or capital contribution, at the beginning of a YA is directly own or indirectly by one or more:

- Companies incorporated outside of Malaysia, or
- individuals who are not Malaysian citizens,


which is required to be observed from YA 2024.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,

for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

DocuSigned by:

76D62EBAE68846A...

Lim Phaik Hoon
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which they appear in this Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

11. RELEVANT INFORMATION

11.1 Keeping abreast with developments of the Fund

The Manager shall deliver a copy of the annual report of the Fund to Unit Holders without charge within two (2) months of the end of the financial year of the Fund. Unit Holders may request for additional copies of the said report during normal business hours subject to the payment of a reasonable sum as may be determined by the Manager and the Trustee.

Where applicable, the Manager will send to Unit Holders their tax vouchers which set out such information that is needed to complete a tax return.

The Manager will publish important news and information with respect to the Fund on the Fund's website at www.eq8.com.my and/or as announced/published on Bursa Securities' website at www.bursamalaysia.com from time to time.

Some of the information which will be made available on the Fund's website and/or Bursa Securities' website includes:

- the annual and semi-annual reports;
- NAV per Unit;
- IOPV per Unit;
- fees and charges in relation to the Fund;
- Prospectus; and
- Benchmark.

It is the investors' responsibility to consider such information. Please refer to Section 11.3 of this Prospectus for the warning and the disclaimer regarding information contained in such website.

11.2 Material Agreements

Save as disclosed below, there are no other material agreements which have been entered into in relation to the Fund as at the date of this Prospectus:

- The Deed;
- The Licence Agreement dated 1 August 2024 entered into between the Manager and the Index Licensor; and
- The Participating Dealer Agreement dated 6 November 2024 entered into between the Participating Dealer, the Trustee and the Manager.

11.3 Avenue for Advice

Investors may contact Eq8 Capital by email at eq8@kenanga.com.my. Information on the Fund can be obtained at the Fund's website, www.eq8.com.my.

An investor, who wishes to write in, may address the letter to:

Eq8 Capital Sdn Bhd (*Formerly known as i-VCAP Management Sdn Bhd*)
Level 13, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist the investors to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. Neither the Manager nor the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources as well as information provided by the Participating Dealer relating to the arrangements between the Participating Dealer and investors/Unit Holders, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Fund's website at www.eq8.com.my.

Investors should exercise an appropriate degree of caution when assessing the value of such information.

11.4 Documents for Inspection

Copies of the following documents may be inspected at the principal office of the Manager during normal business hours or such other place as the SC may determine:

- The Deed;
- This Prospectus and supplementary or replacement prospectus, if any;
- The latest annual report of the Fund;
- The material agreements referred to in Section 11.2 of this Prospectus;
- The audited financial statements of the Manager and the Fund for the three (3) most recent financial years or such shorter period that the Fund has been in existence, preceding the date of this Prospectus;
- The Tax Adviser's Letter referred to in Section 10 of this Prospectus; and
- Each consent given by the parties as disclosed in this Prospectus.

11.5 Consent

The Trustee, Shariah Adviser, solicitor, Participating Dealer, Placement Agent, Registrar, Waqf Institution and Index Licensor have given their consent to the inclusion of their names and statements in the form and context in which they appear in this Prospectus and have not subsequently withdrawn such consent before the issuance of this Prospectus.

The tax adviser has given its consent to the inclusion of its name and tax adviser's letter in the form and context in which they appear in this Prospectus and has not subsequently withdrawn such consent before the issuance of this Prospectus.

12. SHARIAH PRONOUNCEMENT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

All praise is due to Allah, the Cherisher of the world, and peace and blessing be upon the Prophet of Allah, on his family and all his companions

EQ8 FTSE MALAYSIA ENHANCED DIVIDEND WAQF ETF

AN ISLAMIC EXCHANGE-TRADED FUND KNOWN AS "EQ8 FTSE MALAYSIA ENHANCED DIVIDEND WAQF ETF" ("THE FUND")

We, Amanie Advisors Sdn Bhd, as the Shariah Adviser for the abovesaid Islamic exchange-traded fund (the "**ETF**") known as Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF (the "**Fund**") managed by Eq8 Capital Sdn Bhd (Formerly known as i-VCAP Management Sdn Bhd) (the "**Manager**"), have reviewed the structure and mechanism of the Fund to ensure its compliance with the Shariah principles.

Except where defined herein, the defined terms used in this Shariah Pronouncement have the same meanings given in the Fund's prospectus (the "**Prospectus**").

1.0 The Structure and Mechanism

The Fund is listed on the Main Market of Bursa Malaysia Securities Berhad (the "**Bursa Securities**") based on the structure and mechanism as set out below:

1.1 Brief Description

Item	Brief Description
Name of Fund	Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF
Category of Fund	Islamic equity ETF
Type of Fund	Index tracking fund
Approved Fund Size	1,000,000,000 Units
Base Currency	MYR
Benchmark	FTSE Bursa Malaysia EMAS Shariah Factor Enhanced Target Dividend Index
Investment Objective	The Fund aims to closely correspond to the performance of the Benchmark while adhering to Shariah requirements, and channel a portion of the income distribution of the Fund for waqf purposes.
Investment Strategy	The Fund is a passively managed fund. The Manager will generally adopt a replication strategy to manage the Fund. The Manager may use techniques including indexing via full or partial replication in seeking to achieve the investment objective of the Fund, subject to conformity with Shariah Investment Guidelines.
Asset Allocation	<ul style="list-style-type: none"> • A minimum of 90% of the Fund's NAV is to be invested in Authorised Securities; and • A maximum of 10% of the Fund's NAV is to be invested in Islamic money market instruments and/or Islamic deposits placed with financial institutions.
Distribution Policy	The Fund will distribute income annually at the discretion of the Manager, with 50% of the income distribution to be allocated as Waqf Asset and the remaining 50%* payable to Unit Holders.

Item	Brief Description
	<i>*The 50% of the income distribution payable Unit Holders will be in the form of cash payout.</i>

Investment Objective

- 1.2 The Fund aims to closely correspond to the performance of the Benchmark while adhering to Shariah requirements, and channel a portion of the income distribution of the Fund for waqf purposes.
- 1.3 The Fund can only invest in securities and financial instruments that comply with the Shariah principles and is prohibited from investing in securities and financial instruments which do not comply with the Shariah principles.

Construction of Benchmark

- 1.4 As at the LPD, the top ten (10) constituents of the Benchmark and their respective weightings are as follows:

No.	Company Name	Weightings*
1	Inari Amertron	10.00
2	Time Dotcom	10.00
3	Bursa Malaysia	8.52
4	Gamuda	8.40
5	Kossan Rubber	6.35
6	VS Industry	5.50
7	Axis Real Estate Investment Trust	5.44
8	Bank Islam Malaysia	4.46
9	Bermaz Auto	4.42
10	United Plantations	4.24

Source: FTSE Russell, as at 31 August 2024

**There is no guarantee or assurance of exact or identical replication at any time of the performance of the Benchmark. Index composition of the Benchmark may change and securities may be de-listed.*

There is a lack of discretion for the Fund to adapt to market changes due to the inherent investment nature of the Fund and that a fall in the Benchmark is expected to result in a corresponding fall in the value of the Fund.

The constituents of the Benchmark will be screened using the SACSC's screening methodology based on the following criteria:

(a) Business activity benchmarks

The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

- (i) The 5-percent benchmark
 - The 5-percent benchmark is applicable to the following businesses/activities:
 - conventional banking and lending;

- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork-related activities;
- non-halal food and beverages ("F&B") including F&B without halal certification³;
- tobacco, cigarette, electronic cigarettes and their related activities and products;
- interest income⁴ from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator, late payment charges and penalty charges);
- dividends⁴ from Shariah non-compliant investments;
- Shariah non-compliant entertainment; and
- other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the total income of the company must be less than 5-percent.

(ii) The 20-percent benchmark

The 20-percent benchmark is applicable to the following businesses/activities:

- share trading;
- stockbroking business;
- cinema;
- rental received from Shariah non-compliant activities; and
- other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the total income of the company must be less than 20-percent.

(b) Financial ratio benchmarks

For the financial ratio benchmarks, the SACSC takes into account the following:

- Cash over total assets
Cash only includes cash placed in conventional accounts and instruments whereas cash placed in Islamic accounts and instruments is excluded from the calculation.
- Debt over total assets
Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

Each ratio, which is intended to measure *riba* and *riba*-based elements within a company's statements of financial position, must be less than 33 percent.

In addition to the above two-tier quantitative criteria, the SACSC also takes into account the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching.

³ For listed companies whose activities involved in manufacturing, processing and marketing of food products, they shall obtain halal certification from Jabatan Kemajuan Islam Malaysia ("JAKIM") or any other halal certification bodies recognized by JAKIM.

⁴ Interest income and dividends from Shariah non-compliant investments will be compared against the group revenue. However, if the main activity of the company is holding of investments, the dividends from Shariah non-compliant investments will be compared against the group revenue and group profit before taxation.

Permitted Investments

1.5 As a general rule, the Fund can only invest in the following Permitted Investments:

(a) Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the Benchmark.

The Shariah compliance screening methodology as set out in the Prospectus are adopted by the Shariah Adviser in determining the Shariah status of the Index Securities.

(b) Non-Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the underlying index.

The Shariah compliance screening methodology as set out in the Prospectus are adopted by the Shariah Adviser in determining the Shariah status of the non-Index Securities.

For companies that are not constituents of the Benchmark, the Shariah compliance screening methodology as set out in the Prospectus are also adopted by the Shariah Adviser in determining the Shariah status of investments of the Fund.

(c) Islamic collective investment scheme ("CIS")

The Shariah Adviser shall verify all the investments made by the Fund in Islamic CIS are certified by the appointed Shariah board of the Islamic CIS.

(d) Islamic money market instruments

The Fund may also invest into any Islamic money market instruments classified as Shariah-compliant by the Shariah Advisory Council of the Bank Negara Malaysia or the Shariah Adviser.

(e) Islamic deposits

The Fund is prohibited from investing in interest-bearing deposits and recognizing any interest income.

Other terms and features

1.6 The Unit Holders are entitled to redeem Units by way of In-Kind Redemption/ Cash Redemption through the delivery of existing Units in Redemption Unit Block(s) in exchange for the Redemption Securities and Cash Component (if any)/ Redemption Amount via the Participating Dealer.

1.7 The Creation Applications and Redemption Applications may be made by the Participating Dealer before the Dealing Deadline on any Dealing Day. If the Creation Applications and Redemption Applications are received on a day which is not a Dealing Day or received after the Dealing Deadline of a Dealing Day, such Applications will be treated as having been received on the following Dealing Day.

1.8 The Creation of Units by investors through the Participating Dealer is when the payment made by the investor (via the Participating Dealer) for In-Kind Creation/ Cash Creation of new Units through payment of Creation Securities and Cash Component (if any)/ Subscription Amount on a Dealing Day. Similarly, the redemption of Units by Unit Holders through the Participating Dealer will be completed in the same manner, i.e. redemption of Units shall only be made or accepted on a Dealing Day.

1.9 The Fund will strictly comply with the Shariah Investment Guidelines which cover the Fund's investments as well as its operational and administrative matters from Shariah perspectives in relation to the Fund.

1.10 The Manager has appointed Yayasan Waqaf Malaysia ("YWM") as the recipient and administrator of the Waqf Asset.

2.0 Shariah Conformity

Based on our review in the end-to-end process of the Fund, below are conformation of the Fund with Shariah rules and principles as guided by the SACSC.

2.1 Permissible Investments for Islamic ETF

The Fund's assets may only consist of assets that comply with Shariah principles to be in line with **Paragraph 31.01 of the Permissible investments for Islamic ETF in the Guidelines on Islamic Capital Market Products and Services SC-GL/1-2022 (R1-2024)** which highlights that the Fund Assets must only consist of assets that comply with Shariah principles.

2.2 Construction of Benchmark

Reference made to **item 1.4 Construction of Benchmark** in this Shariah Pronouncement.

Paragraph 31.03 of the Acceptable indices in the Guidelines on Islamic Capital Market Products and Services SC-GL/1-2022 (R1-2024) highlights that where the ETF is expressed to be managed and administered in accordance with Shariah principles, the index must be a Shariah index consisting of Shariah-compliant securities.

2.3 Periodic Review

The Shariah Adviser will review the Fund on at least a quarterly basis to ensure that the Fund's operating procedures and investments comply with Shariah. Upon completion of each review, the Shariah Adviser will deliver its opinion on the Fund's compliance with Shariah. Further, a report on the Fund's compliance status for the financial period concerned will be prepared by the Shariah Adviser and included in the Fund's semi-annual and annual reports.

The periodic review is in line with the **Paragraph 11(d) of Schedule A of the Guidelines on Exchange-traded Funds SC-GL/ETF-2005 (R5-2024)**.

"11. Where a Shariah adviser is appointed, the following information must be disclosed:
(d) Frequency of review on the ETF's investments by the Shariah adviser to ensure compliance with Shariah principles or any other relevant principle at all times."

2.4 Cleansing Process for the Fund

Shariah non-compliant securities

This refers to Shariah non-compliant investment made by the Manager. The said investment will be disposed of within a month of knowing the Shariah status of the investment. Any gain, whether made in the form of capital gain or dividend or interest, received by the Fund before or after the disposal of the investment has to be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser and approved by the Trustee. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager. The Fund has a right to retain only the investment cost.

Resolutions of the SACSC, 31 December 2023 requires that, for unintentional mistake of investing in Shariah non-compliant securities, the SACSC had resolved that for investors who invest based on Shariah principles but due to unintentional mistake invest in Shariah non-compliant securities, the following steps must be taken:

- (i) To dispose the Shariah non-compliant securities held within a period of not more than one month after knowing the status of the securities; and
- (ii) In the event that there is any gain made in the form of capital gain or dividend received before or after the disposal of the securities, it has to be channeled to *baitulmal* and/or charitable bodies. The investors have the right to retain only the investment cost.

The above **Resolutions of the SACSC, 31 December 2023** are also applicable to Islamic funds such as Islamic unit trust funds, Islamic wholesale funds and others. If the disposal of the Shariah non-compliant securities causes losses to the Islamic funds, the fund management company must bear the losses by ensuring the loss portion be restored and returned to the funds.

(a) Reclassification of Shariah Status of the Fund's Investment

Reclassification of Shariah status refers to securities which are reclassified as Shariah non-compliant by the Shariah Adviser or the Shariah boards of the relevant Islamic Indices. The said securities will be disposed soonest practical.

Any dividends received up to the day of the announcement of the reclassification of the securities ("Announcement Date") and capital gains arising from the disposal of the Shariah non-compliant securities on the Announcement Date can be kept by the Fund. However, any dividend received and excess capital gains derived from the disposal of the Shariah non-compliant securities after the Announcement Date at a market price that is higher than the closing price on the Announcement Date should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser and approved by the Trustee.

Resolutions of the SACSC, 31 December 2023 requires that, for Shariah-compliant securities which are subsequently reclassified as Shariah non-compliant securities, the SACSC had resolved, in respect of Shariah-compliant securities which have been reclassified as Shariah non-compliant securities on the date of the announcement of the List of Shariah-compliant Securities takes effect, the timing for the disposal of such securities are as follows:

- (i) If the market price of the said securities exceeds or is equal to the investment cost, investors who hold such Shariah non-compliant securities must dispose them off. Any dividends received up to the date of the announcement and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement can be kept by the investors. However, any dividends received and excess capital gain from the disposal of the Shariah non-compliant securities after the date of the announcement should be channelled to *baitulmal* and/or charitable bodies; and
- (ii) If the market price of the said securities is below the investment cost, the investors are allowed to hold their investment in the Shariah non-compliant securities until the investors receive the investment cost. It is also permissible for the investors to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the investors are advised to dispose of their holding. In addition, during the holding period of the Shariah non-compliant securities, the investors are also allowed to subscribe to: (a) any issue of new securities by a company whose Shariah non-compliant securities are held by the investors, for example the investors subscribe to rights issues, bonus issues, special issues and warrants (excluding securities whose nature is Shariah non-compliant e.g. loan stocks); and (b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the investors. If by taking the actions as specified in items (a) and (b) above the investors manage to get back the investment cost, they must expedite the disposal of the Shariah non-compliant securities held.

3.0 Income Purification

Income purification is a process of cleansing an investment of any income from Shariah non-compliant investments such as interest income, excess capital gain from disposal of Shariah non-compliant securities or dividend distribution received by the Fund from its investment portfolio which relates to Shariah non-compliant activities. This income is considered as Shariah non-compliant income. This Shariah non-compliant income is subject to an income purification process as determined by the Shariah Adviser from time to time and without limitation. The Shariah non-compliant income has to be channelled to charitable bodies as advised by the Shariah Adviser and approved by the Trustee.

For dividend purification process, the level of Shariah non-compliant income will be determined by the Index Licensor and provided to the Manager and Shariah Adviser annually.

4.0 Applied Shariah Concept

Wakalah bi al-istithmar

Wakalah bi al-istithmar denotes a specific type of Wakalah contract (an agency contract) entered into for the purpose of investment. In essence, this agreement authorizes the Manager to act as an agent to invest the investor's monies in Shariah-compliant investment activities for a certain fee agreed by both parties.

Ujrah

Ujrah refers to fees and commission charged for services rendered.

5.0 Maqasid Al-Shariah Guidance Compliance

Based on the details outlined in the Prospectus regarding the Fund's structure, terms and conditions, we affirm that the Fund's structure and the terms and conditions are in compliance with the three (3) Maqasid Al-Shariah Guidance principles as follows:

Principle 7: Adhering to the Validity and Objective of Contracts

The contractual agreements of the ETF Fund adhere to Shariah requirements, ensuring clarity and alignment with the objectives of the involved parties. All essential information is diligently outlined in the ETF Fund documents, including the Prospectus, marketing materials, product disclosure sheets and any other relevant documentation associated with the ETF Fund.

Principle 8: Enhancing Disclosure and Documentation

The ETF Fund has diligently disclosed all pertinent information in a comprehensive and accurate manner, encompassing relevant details, risks, terms, and conditions in adherence to the Islamic Capital Market (ICM) products and services standards. This information is invaluable for consumers in making informed decisions.

Principle 9: Fostering Innovation via Flexibility and Dynamism

One of the key features of the ETF Fund, Waqf, is its commitment to tackling the diverse and complex challenges prevalent in today's society. The Manager recognizes the importance of being flexible and adaptable to cater to the changing requirements of both society and the market.

6.0 Approval

This Shariah Pronouncement provided herein is given after our review of the Fund's structure, terms and conditions and the abovesaid. We hereby confirm that the Fund's structure and the terms and conditions are in compliance with the Shariah principles, subject to proper implementation by the Manager.

Yours faithfully

For and on behalf of Amanie Advisors Sdn Bhd,

Tan Sri Dr. Mohd Daud Bakar
Executive Chairman

Date: 22 November 2024