



DORSEY WRIGHT TECHNICAL LEADERS MALAYSIA INDEXES METHODOLOGY

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1. INTRODUCTION

The Dorsey Wright Technical Leaders Malaysia™ Index (“Indexes”) selects securities based on individual stock momentum. Each security in the Index must pass minimum momentum requirements, and the securities selected for the index are equally weighted.

The Indexes are calculated as Price Return, Total Return, and Net Total Return in US Dollars and Malaysian Ringgits.

- + Dorsey Wright Technical Leaders Malaysia™ Index (**DWATLMY™**)
- + Dorsey Wright Technical Leaders Malaysia™ Index TR (**DWATLMYTR™**)
- + Dorsey Wright Technical Leaders Malaysia™ Index NTR (**DWATLMYNTR™**)
- + Dorsey Wright Technical Leaders Malaysia™ MYR Index (**DWATLMYMYR™**)
- + Dorsey Wright Technical Leaders Malaysia™ MYR Index TR Index (**DWATLMYMYRTR™**)
- + Dorsey Wright Technical Leaders Malaysia™ MYR Index NTR Index (**DWATLMYMYRNTR™**)

2. SECURITY ELIGIBILITY

2.1 OVERVIEW OF SELECTION CRITERIA FOR THE INDEXES

2.1.1 To be eligible for inclusion in the Dorsey Wright Technical Leaders Malaysia Index (DWATLMY), an Index Security must meet the following criteria:

- + Be a member of the NASDAQ Malaysia™ Index (NQMY™).
- + Stocks that have had announced buyout offers may be removed from the eligible universe even if they remain in NASDAQ Developed Markets Index.
- + Have a minimum average daily dollar volume of \$1 million for 30 day period prior to evaluation.
- + One security per issuer is permitted. If an issuer has multiple securities, the security selected for possible inclusion into the Index will be based on DWA®’s proprietary screening.

2.1.2 Other Selection Criteria: If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for Index inclusion, or a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

2.2 INDEX EVALUATION

Point & Figure Charting: Point & Figure charting is a logical, organized way of recording supply and demand within a security, focusing on the price movements of that security. Point & Figure charts filter out insignificant price movements by ignoring small price fluctuations, trading volume, and time.

Point & Figure Relative Strength Charting: Relative Strength is another technical analysis tool that measures a security's performance relative to other securities, benchmarks, or broad market indices. Relative Strength is a momentum technique that relies on unbiased, unemotional, objective data, rather than biased forecasting and

subjective research. Relative Strength is a way of recording historic performance patterns, and Dorsey, Wright and Associates (DWA®) uses Relative Strength signals as an indicator for current momentum trends of a security versus others.

DWA builds Relative Strength charts to compare each security in the inventory to a broad market benchmark using the following process:

- (i) On a daily basis, DWA® computes the ratio of the closing price of each security to the closing price of the broad market benchmark.
Example:
$$\text{Relative Strength Reading} = (\text{Security Closing Price} \div \text{Benchmark Closing Price}) \times 100$$
- (ii) As a result of on-going calculations, a Point & Figure Relative Strength chart is created for each relationship within the inventory. A Point & Figure Relative Strength chart is a variation of a Point & Figure chart using the input value as computed in the previous step, instead of individual security prices.

Index Construction: The Indexes undergo reconstitution and rebalancing quarterly based on the Reference Date. Each security is assigned a relative strength score based on Dorsey Wright®'s Relative Strength Point & Figure Charting methodology. Only stocks that pass a minimum threshold screen are considered for the Index. The securities with the highest momentum scores are added to its respective Index and then weighted equally.

- + The top 20 securities by momentum score are selected for the Dorsey Wright Technical Leaders Malaysia Index (DWATLMY).

3. INDEX CALCULATIONS

The Indexes are equal weighted. Six versions of the Index are calculated: price return Index (US Dollars and Malaysian Ringgits), gross total return Index (US Dollars and Malaysian Ringgits), and net total return Index (US Dollars and Malaysian Ringgits). The price return Index is ordinarily calculated without regard to cash dividends on Index Securities. The gross total return Index reinvests cash dividends in the Index on the ex-date. The dividend is reinvested in all the Index Securities proportionally to their respective Index weights. The net total return Index reinvests cash dividends after deduction of non-resident withholding tax rate who do not benefit from double taxation treaties. An Index Security's withholding tax rate is based on the general tax rate of the Index Security's country of incorporation. All Index versions reflect extraordinary cash distributions. The Indexes began on March 16, 2020, at a base value of 1,000.00.

3.1 LAST SALE PRICE

The Last Sale Price refers to the closing price reported on each Index Security's Index Market. The Index Market is the index eligible stock market for which the Index Security's prices are received and used by Nasdaq in the Index calculation and generally will represent the most liquid trading market of the Index Security.

If an Index Security does not trade on its Index Market on a given day or the Index Market has not opened for trading, the most recent last sale price from the Index Market (adjusted for corporate actions, if any) is used. For securities where Nasdaq is Index Market, the Last Sale Price may be the Nasdaq Official Closing Price (NOCP) when Nasdaq is closed.

If an Index Security is removed from an Index, it will ordinarily be removed at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its Index Market and a Last Sale Price cannot readily be determined, the Index Security may, at Nasdaq's discretion, be removed at a price of \$0.00000001. This price will be applied to the Index Security after the close of all the trading markets in the Index but prior to the time the official closing value of the Index is disseminated.

3.2 FOREIGN EXCHANGE RATE

The Indexes uses the WM Company, Closing Spot Rates at 16:00:00 UK time in the calculation of the closing Index Values. SIX Financial Information Intraday Spot Rates are applied to the real time Index calculations during the trading day.

3.3 INDEX SHARES

Index Shares value is the number of shares in the Index for an Index Security.

3.4 INDEX SECURITY MARKET VALUE AND INDEX MARKET VALUE

The Index Security Market Value is the Last Sale Price of the Index Security multiplied by its Index Shares, converted into the Index currency. The Index Market Value is the aggregate of each of the Index Security's Market Value.

3.5 PRICE RETURN DIVISOR

The Divisor serves the purpose of scaling an Index Market Value to a lower order of magnitude which is recommended for reporting purposes. The Divisor is adjusted to ensure that changes in Index Securities either by corporate actions or index participation occurring outside of trading hours do not affect the value of the Index. All Divisor changes occur after the close of Index Security markets contained in the Index.

The Price Return Index Divisor for day t is calculated as the ratio of the Start Of Day (SOD) market value and the previous day index value as follows:

$$\text{Price Return Index Divisor}_t = \frac{\text{Index SOD Market Value}_t}{\text{Index Value}_{t-1}}$$

3.6 PRICE RETURN INDEX VALUE CALCULATION

The Price Return Index value reflects changes in market value of Index Securities during the trading day and is calculated without regard to ordinary cash dividends, but includes special dividends and the formula is as follows:

$$\text{Price Return Index}_t = \frac{\text{Index Market Value}_t}{\text{Index Divisor}_t}$$

3.7 GROSS TOTAL RETURN INDEX

The Gross Total Return Index value reflects ordinary cash and special dividends and the formula is as follows:

$$\text{Gross Total Return Index}_t = \text{Gross Total Return Index}_{t-1} \times \frac{\text{Price Return Index}_t + \text{IDP}}{\text{Price Return Index}_{t-1}}$$

Gross Total Return Index_t = the value of the Gross Total Return Index on current day

Gross Total Return Index_{t-1} = the previous day's closing Gross Total Return Index value

Price Return Index_t = the value of the Price Return Index on current day

Price Return Index_{t-1} = the previous day's closing Price Return Index value

$$\text{IDP(Index Dividend Points)} = \frac{\text{Index Dividend Market Value}_t}{\text{Price Return Index Divisor}_t}$$

Index Dividend Market Value_t = sum of the Index Security Dividend Market Values (SOD or EOD) for all Index Securities on current day

Index Security Dividend Market Value_t = dividend per share, for Index Security with ex-dividend date on the current day, multiplied by the Index Shares of that Index Security multiplied by Fx rate_{t-1}

Fx rate_{t-1} is the previous day's WM Company, Closing Spot Rates at 16:00:00 UK

3.8 NET TOTAL RETURN INDEX

The Net Total Return Index value reflects ordinary cash and special dividends adjusted for withholding tax rates (WTR), which are defined for each country in NQGI Methodology. The formula is as follows:

$$\text{Net Total Return Index}_t = \text{Net Total Return Index}_{t-1} \times \frac{\text{Net Price Return Index}_t + \text{Net IDP}_t}{\text{Net Price Return Index}_{t-1}}$$

Net Total Return Index_t = the value of the Net Total Return Index on current day

Net Total Return Index_{t-1} = the previous day's closing Net Total Return Index value

Net Price Return Index_t = the value of the Net Price Return Index on current day

Net Price Return Index_{t-1} = the previous day's closing Net Price Return Index value

$$\text{Net Price Return Index}_t = \frac{\text{Net Price Return Index Market Value}_t}{\text{Net Price Return Index Divisor}_t}$$

Net Price Return Index value is not publicly distributed. It is calculated only as the basis for the Net Total Return Index.

$$\text{Net IDP(Net Index Dividend Points)} = \frac{\text{Index Net Dividend Market Value}_t}{\text{Net Price Return Index Divisor}_t}$$

Net Index Dividend Market Value_t = sum of the Security Dividend Market Values (SOD or EOD) adjusted for withholding tax rate (WTR) for all Index Securities on current day

Net Index Security Dividend Market Value_t = dividend per share adjusted for withholding tax rate (WTR) for Index Security with ex-dividend date on the current day multiplied by the Index Shares of that Index Security multiplied by $Fx\ rate_{t-1}$

$Fx\ rate_{t-1}$ is the previous day's WM Company, Closing Spot Rate at 16:00:00 UK

4. INDEX DISSEMINATION

The Indexes are calculated during the trading day and are disseminated once per second. The Indexes are calculated five (5) days a week, Monday through Friday during Malaysian hours.

5. INDEX MAINTENANCE

5.1 INDEX RECONSTITUTION AND REBALANCING

The Indexes employ an equal weighting methodology.

The Indexes are reconstituted and rebalanced quarterly in January, April, July, and October (also referred to as "Quarterly Evaluation") based on market close data as of the Reference Date, which is the ninth trading day prior to the first trading day of each Quarterly Evaluation. For the purposes of reconstitution and rebalancing, a trading day excludes US market holidays.

Evaluation changes take effect at market open on the Effective Date, which is the first weekday of each Quarterly Evaluation, even if this day falls on a US market holiday. These changes are generally announced after the market close on the sixth trading day prior to the first trading day of each Quarterly Evaluation.

5.2 INDEX SECURITY CHANGES

If at any time during the year, other than a Quarterly Evaluation, an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index(es), the Index Security is removed from its Index and is not replaced. Index Securities will be removed at their Last Sale Price in accordance with Section 3.1 Last Sale Price, adjusted by the WM Company, Closing Spot Rate.

In the case of mergers and acquisitions, the Index Security will be removed the day following the shareholder vote or the expected expiration of the tender offer, provided the acquisition is not contested. In the event the acquisition is contested, the deletion will occur once results have been received that indicate the acquisition will likely be successful. If the approval is by written consent, then the removal will occur as soon as reasonably practical.

5.2.1 BANKRUPTCY

If a company files for bankruptcy, the Index Security will be removed from the Index as soon as practicable thereafter. The value of the Index Security will be considered \$0.00000001, if no other applicable price can be observed on the Index Market.

5.3 INDEX SHARE CHANGES

Index Share changes are not made during the quarter; however, changes arising from stock dividends and stock splits are made to the Index on the evening prior to the effective date of such corporate actions.

6. CORPORATE ACTIONS

The following corporate actions will be made effective in the Index on the ex-date. If there is no ex-date announced by the Index Exchange, there will be no adjustment to the Index as a result of a corporate action.

6.1 STOCK SPLIT AND STOCK DIVIDEND

A stock split and stock dividend is the action of an Index Security increasing its Index Shares and decreasing the par value in proportion. There is no flow of capital into or out of the company. The number of Index Shares increases but the market capitalization of the company remains unchanged.

The price of the Index Security is adjusted downward to reflect the ratio of a stock split and stock dividend and a corresponding inverse adjustment to the Index Shares is made.

6.2 REVERSE STOCK SPLIT

A reverse stock split is the action of an Index Security decreasing its Index Shares and increasing the par value in proportion. There is no flow of capital into or out of the company. The number of Index Shares decreases but the market capitalization of the company remains unchanged.

The price of the Index Security is adjusted upward to reflect the ratio of the reverse stock split and a corresponding inverse adjustment to the Index Shares is made.

6.3 SPECIAL CASH DIVIDENDS

A dividend is considered special if the information provided by the listing Exchange in their announcement of the ex-date indicates that the dividend is special. Other nomenclature for a special dividend may be (but not limited to) extra, extraordinary, non-recurring, one-time, unusual, etc. The price of the Index Security is adjusted for the amount of the special cash dividend. A corresponding adjustment to the Index Shares of the Index Security is made prior to market open on the ex-date, such that the weight of the Index Security will not change as a result of the action.

6.4 CASH AND STOCK DIVIDENDS

If an Index Security is paying a cash and stock dividend on the same date, the cash dividend is applied before the stock dividend unless otherwise indicated in the information provided by the Exchange. Additionally, in the case of an optional dividend which allows the holder to choose between receiving cash or stock, the adjustment will be made in the manner the dividend has been announced by the Exchange.

6.5 STOCK DISTRIBUTION OF ANOTHER SECURITY

If an Index Security is distributing shares of a different security or another class of common shares of the same Issuer, the value of the Index Security will be adjusted downward to reflect the ratio of the distribution. A corresponding adjustment to the Index Shares of the Index Security is made prior to market open on the ex-date, such that the weight of the Index Security will not change as a result of the action. The security being distributed is not added to the index.

6.6 SPIN-OFFS

Specific treatment of spin-offs is described in the **Nasdaq Corporate Actions and Events Manual – Equities**, which is incorporated herein by reference. In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternative methods are described, the Index will follow the “Non-Market Cap Corporate Action Method”.

6.7 RIGHTS OFFERINGS

The price of an Index Security is adjusted on the ex-date for rights offerings if the rights are transferable and has a subscription price on an equivalent per share basis that is less than the closing price of the Index Security the right entitles a holder to purchase (the “Underlying Security”) on the day prior to the ex-date (in-the-money). The price of the Index Security is adjusted downward for the value of the right. The value of the right is determined by the previous Last Sale Price (LSP) of the Underlying Security minus the sum of the Subscription Price of the right plus the cash dividend of the Underlying Security, if any, divided by the number of rights required to purchase one share, plus one. A corresponding adjustment to the Index Shares of the Index Security is made prior to market open on the ex-date, such that the weight of the Index Security will not change as a result of the action.

7. GENERAL ANNOUNCEMENT POLICY

Nasdaq announces Index-related information via our premier service the Global Index Watch (GIW) at <http://indexes.nasdaqomx.com>.

Generally, the list of additions and deletions as a result of each Quarterly Evaluation is publicly announced via an announcement on the Global Index Watch (GIW).

Corporate actions are implemented in the Indexes in accordance with the Index maintenance rules. Announcements are made prior to the effective date of the corporate actions.

In the event that a change has been made to an Index intraday, an announcement will be made to inform clients of the change.

In the event that an Index calculation has been corrected historically, an announcement will be provided and clients will be informed to update their databases accordingly.

8. DISCRETIONARY ADJUSTMENTS

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity including, but not limited to, quantitative inclusion criteria. Nasdaq may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. Nasdaq does not guarantee that any Index accurately reflects future market performance.

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