

# FlexShares International Quality Dividend Defensive Index Fund

# IQDE

All data as of December 31, 2024

## OBJECTIVE

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Northern Trust International Quality Dividend Defensive Index<sup>®</sup> (Underlying Index).

## FUND FACTS

Ticker	IQDE
Inception	04/12/2013
CUSIP	33939L811
Exchange	NYSE Arca
Underlying Index	Northern Trust International Quality Dividend Defensive Index <sup>SM</sup>
Index Ticker	NTIQDDFNTR
IOPV Ticker	IQDE.IV
Estimated Cash Ticker	IQDE.EU
Net Assets	\$18,501,478
Shares Outstanding	900,001
No. of Holdings	246

## FUND INFORMATION

Average Market Cap (\$)	82,618,176,170
Price to Earnings	16.00
Price to Book	4.00
SEC Subsidized Yield	6.18%
SEC Unsubsidized Yield	6.17%
<b>EXPENSE RATIO (%)</b>	
Management Fee	0.47
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.48
Expense Reimbursement	-0.01
Net Expense Ratio	0.47

## QUARTER END PERFORMANCE (%) As of December 31, 2024

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
IQDE NAV Return	-7.50	4.67	4.67	1.24	2.99	3.13	2.95
IQDE Market Return	-8.10	4.29	4.29	1.04	2.85	3.06	2.85
Northern Trust International Quality Dividend Defensive Index <sup>SM</sup> Return	-7.53	5.72	5.72	1.98	3.60	3.71	3.51
MSCI AC World ex USA Index Return	-7.60	5.53	5.53	0.82	4.10	4.80	4.61

Index performance returns do not reflect any fees, transaction costs, expenses or taxes.

**Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data for the latest month end is available at <https://www.flexshares.com/us/en/individual/funds>. It is not possible to invest directly in an index.**

FlexShares shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 pm EST Net Asset Value. Beginning July 1, 2024, market price performance is determined using the closing price on the primary exchange. Prior to July 1, 2024, market price performance was determined using the bid/ask midpoint at 4:00pm EST, when the NAV is typically calculated. Market price returns do not represent the returns you would receive if you traded shares at other times.

Northern Trust Investments, Inc. ("NTI" or the "Adviser") has contractually agreed to reimburse a portion of the operating expenses of the Fund (other than Acquired Fund Fees and Expenses) to the extent the "Total Annual Fund Operating Expenses" exceed 0.47% until March 1, 2025. Performance would have been lower without fee waivers and expense reimbursements in effect.

**30-Day SEC Subsidized Yield** is computed under an SEC standardized formula based on net income earned over the past 30 days. It is a "subsidized" yield, which means it includes contractual expense reimbursements and it would be lower without those reimbursements. It may also include an inflation adjustment that can cause the yield to vary substantially from one month to the next.

**30-Day SEC Unsubsidized Yield** calculation is also computed under the same SEC standardized formula based on net income earned over the past 30 days, but excludes contractual expense reimbursements, resulting in a lower yield. It may also include an inflation adjustment that can cause the yield to vary substantially from one month to the next.

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## TOP FUND HOLDINGS (%)

ROCHE HOLDING	2.97
TAIWAN SEMICONDUCTOR MANUFACTURING	2.61
BHP	2.33
NESTLE	2.19
ROYAL BANK OF CANADA	1.62
COMMONWEALTH BANK OF AUSTRALIA	1.52
ASML HOLDING	1.38
RIO TINTO	1.26
MSCI EAFE EQUITY INDEX INDEX	1.21
NOVARTIS	1.17
Total	18.27

## SECTOR (%)

Financials	25.13
Industrials	12.88
Information Technology	10.76
Consumer Discretionary	9.56
Health Care	6.77
Consumer Staples	6.74
Materials	6.63
Communication Services	6.41
Energy	6.30
Utilities	3.53
Cash/and or Derivatives	3.51
Other	1.78

## MARKET CAP (%)

Large Cap	83.75
Mid Cap	11.93
Small Cap	0.81
Cash/and or Derivatives	3.51

## STYLE (%)

Value	49.10
Core	38.16
Growth	12.74

## COUNTRY (%)

Japan	12.13
Australia	8.18
Switzerland	7.59
United Kingdom	6.84
Taiwan	6.01
China	5.96
Canada	5.53
France	3.82
Germany	3.74
Cash/And Or Derivatives	3.51
Other	36.69

Holdings are subject to change without notice.

Sectors may include many industries and weights are subject to change without notice.

Country allocations subject to change without notice.

Percentages for some of the tables on this page may not total 100 due to rounding.

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## DEFINITIONS

**Beta** is a statistical measure of the volatility, or sensitivity, of rates of return on a portfolio or security compared to a market index.

**Price to Book** is calculated as the market value of all common stock shares of a company divided by the book value of the company.

**Price to Earnings** is calculated as a company's current stock price divided by its earnings per share.

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## IMPORTANT INFORMATION

**Before investing, carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information is in the prospectus and a summary prospectus, copies of which may be obtained by visiting [www.flexshares.com](http://www.flexshares.com). Read the prospectus carefully before you invest.**

**Foreside Fund Services, LLC, distributor. FlexShares and Foreside are not related.**

An investment in FlexShares is subject to numerous risks, including possible loss of principal. Fund returns may not match the return of the respective indexes. A full description of risks is in the prospectus.

FlexShares International Quality Dividend Defensive Index Fund (IQDE) is passively managed and uses a representative sampling strategy to track its Underlying Index.

**Northern Trust International Quality Dividend Defensive Index** tracks a portfolio of long-only international securities issued by non-U.S.-based companies, with an emphasis on long-term capital growth and a targeted overall beta that is generally between 0.5 to 1.0 times that of the Northern Trust International Large Cap Index.

**MSCI AC World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States.

All data provided by: Northern Trust, J.P. Morgan, Rimes, Morningstar and Refinitiv.

**Authorized Participant Concentration Risk** is the risk that the Fund may be adversely affected because it has a limited number of institutions that act as authorized participants. **Foreign Securities Risk** is the risk that investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets and adverse economic, political, diplomatic, financial, and regulatory factors. **Concentration Risk** is the risk that, if the Fund is concentrated in a particular industry or group of industries, the Fund is likely to present more risks than a fund that is broadly diversified over several industries or groups of industries. **Emerging Markets Risk** is the risk that emerging markets are generally subject to greater market volatility, political, social and economic instability, uncertain trading markets and more governmental limitations on foreign investments than more developed markets. In addition, companies operating in emerging markets may be subject to lower trading volumes and greater price volatility than companies in more developed markets. **Equity Securities Risk** is the risk that the values of the equity securities owned by the Fund may be more volatile and underperform other asset classes and the general securities markets. **Dividend Risk** is the risk that an issuer of stock held by the Fund may choose not to declare a dividend or the dividend rate might not remain at current levels. Dividend paying stocks might not experience the same level of earnings growth or capital appreciation as non-dividend paying stocks.

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**Quality Factor Risk** is the risk that the past performance of companies that have exhibited quality characteristics does not continue or the returns on securities issued by such companies may be less than returns from other styles of investing or the overall stock market.

**Volatility Risk** is the risk that the actual level of volatility experienced by a Fund may be greater or lower than the targeted overall volatility of the Underlying Index. Although the Underlying Index is designed to have a targeted overall volatility that is lower than that of the Parent Index, there is no guarantee that it will have the targeted overall volatility. **Tracking Error Risk** is the risk that the Fund's performance may vary substantially from the performance of the Underlying Index. The Fund's performance may vary from the performance of the Underlying Index for a number of reasons including that the Fund incurs operating expenses that the Underlying Index does not and that the Fund accepts custom baskets. **Market Trading Risk** is the risk that the Fund faces because its shares are listed on a securities exchange, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. ANY OF THESE FACTORS MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.