

# FlexShares Quality Dividend Defensive Index Fund

# QDEF

All data as of September 30, 2024

## OBJECTIVE

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

## FUND FACTS

Ticker	QDEF
Inception	12/14/2012
CUSIP	33939L845
Exchange	NYSE Arca
Underlying Index	Northern Trust Quality Dividend Defensive Index <sup>SM</sup>
Index Ticker	NTUQDDFTR
IOPV Ticker	QDEF.IV
Estimated Cash Ticker	QDEF.EU
Net Assets	\$409,470,409
Shares Outstanding	5,725,001
No. of Holdings	128

## FUND INFORMATION

Average Market Cap (\$)	698,555,880,217
Weighted Average Beta	0.87
Price to Earnings	31.00
Price to Book	12.00
SEC Subsidized Yield	1.80%
SEC Unsubsidized Yield	1.80%
<b>EXPENSE RATIO (%)</b>	
Management Fee	0.37
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.38
Expense Reimbursement	-0.01
Net Expense Ratio	0.37

## QUARTER END PERFORMANCE (%) As of September 30, 2024

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
QDEF NAV Return	9.62	22.72	34.93	12.94	12.14	11.11	12.61
QDEF Market Return	9.64	22.68	34.88	12.94	12.14	11.07	12.61
Northern Trust Quality Dividend Defensive Index <sup>SM</sup> Return	9.74	23.04	35.42	13.38	12.55	11.67	13.15
Russell 1000 Index Return	6.08	21.18	35.68	10.83	15.64	13.10	14.57

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 0.37% 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 (%)

APPLE	6.19
MICROSOFT	5.01
NVIDIA	4.96
JOHNSON & JOHNSON	3.13
HOME DEPOT INC/THE	3.06
ABBVIE	3.03
THE PROCTER & GAMBLE COMPANY.	2.94
META PLATFORMS	2.74
MERCK	2.60
INTERNATIONAL BUSINESS MACHINES CORPORATION	1.79
Total	35.45

## SECTOR (%)

Information Technology	26.17
Health Care	13.34
Industrials	11.04
Financials	10.57
Communication Services	9.08
Consumer Staples	8.48
Consumer Discretionary	7.36
Real Estate	5.70
Utilities	5.31
Cash/and or Derivatives	1.29
Energy	0.95
Other	0.71

## MARKET CAP (%)

Large-Cap	73.23
Mid-Cap	19.04
Small-Cap	6.44
Cash/and or Derivatives	1.29

## STYLE (%)

Value	38.96
Core	51.06
Growth	9.98

## COUNTRY (%)

United States	98.71
Cash/And Or Derivatives	1.29

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.

**Weighted Average Beta** is calculated by taking the weight of the stock, which is the amount of money invested in the stock, divided by the total amount invested. Calculating the weighted average beta of a portfolio allows you to potentially measure the overall risk of your portfolio.

## 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 Quality Dividend Defensive Index Fund (QDEF) is passively managed and uses a representative sampling strategy to track its underlying index. Use of a representative sampling strategy creates tracking risk where the Fund's performance could vary substantially from the performance of the underlying index along with the risk of high portfolio turnover.

**Northern Trust Quality Dividend Defensive Index** tracks a portfolio of long-only U.S. equity securities, 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 1250 Index.

**Russell 1000 Index** is an index of approximately 1,000 of the largest companies in the U.S. equity market.

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. **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. **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. **Information Technology Sector Risk** is the risk that securities of technology companies may be subject to greater price volatility than securities of companies in other sectors. These securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. Technology securities also may be affected adversely by changes in technology, consumer and business purchasing patterns, government regulation and/or obsolete products or services. **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.