

# FlexShares Quality Dividend Dynamic Index Fund

**QDYN**

All data as of June 30, 2023

## 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 Dynamic Index<sup>®</sup> (Underlying Index).

## FUND FACTS

Ticker	QDYN
Inception	12/14/2012
CUSIP	33939L852
Exchange	NYSE Arca
Underlying Index	Northern Trust Quality Dividend Dynamic Index <sup>SM</sup>
Index Ticker	NTUQDDYTR
IOPV Ticker	QDYN.IV
Estimated Cash Ticker	QDYN.EU
Net Assets	\$16,941,795
Shares Outstanding	275,001
No. of Holdings	107

## FUND INFORMATION

Average Market Cap (\$)	558,468,000,000
Weighted Average Beta	1.16
Price to Earnings	22.13
Price to Book	9.86
SEC Subsidized Yield	2.5%
SEC Unsubsidized Yield	2.5%
<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 June 30, 2023

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	Since Inception
QDYN NAV Return	7.22	11.89	18.51	16.22	10.32	11.68	10.80	12.05
QDYN Market Return (Bid-Ask Midpoint)	6.79	11.41	17.90	16.08	10.23	11.62	10.83	12.01
Northern Trust Quality Dividend Dynamic Index <sup>SM</sup> Return	7.41	12.10	19.11	16.76	10.67	12.06	11.18	12.45
Russell 1000 Index Return	8.58	16.68	19.36	14.10	11.91	13.15	12.63	13.46

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 (NAV). Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. 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, 2024. 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 (%)

CASH	11.65
APPLE	9.68
MICROSOFT	5.83
BROADCOM	3.77
CISCO SYSTEMS	2.45
ACCENTURE	2.22
ABBOTT LABORATORIES	2.17
COMCAST	2.12
PFIZER	2.06
HOME DEPOT	1.95
Total	43.94

## SECTOR (%)

Information Technology	29.20
Cash/and or Derivatives	11.65
Financials	10.89
Industrials	10.86
Health Care	9.73
Consumer Discretionary	8.66
Energy	5.25
Communication Services	4.80
Materials	4.00
Consumer Staples	2.96
Real Estate	2.00

## MARKET CAP (%)

Large-Cap	68.90
Mid-Cap	13.90
Small-Cap	5.55
Cash/and or Derivatives	11.65

## STYLE (%)

Value	35.72
Core	38.10
Growth	26.18

## COUNTRY (%)

United States	88.35
Cash/And Or Derivatives	11.65

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.

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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 Quality Dividend Dynamic Index Fund (QDYN) 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. Additionally, the Fund is at increased **Dividend Risk**, as the issuers of the underlying stock might not declare a dividend, or the dividend rate may not remain at current levels. The Fund is also at increased **Concentration Risk**, where it may be more than 25% invested in the assets of a single industry. Finally, the Fund may also be subject to increased **Volatility Risk**, where volatility may not equal the target of the Underlying Index.

**Northern Trust Quality Dividend Dynamic 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 1.0 to 1.5 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.