

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name FLEXSHARES INTERNATIONAL QUALITY DIVIDEND DYNAMIC INDEX FUND		2 Issuer's employer identification number (EIN) 32-0391476	
3 Name of contact for additional information RANDAL REIN	4 Telephone No. of contact 312-630-1872	5 Email address of contact RR36@NTRS.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 50 SOUTH LASALLE STREET		7 City, town, or post office, state, and Zip code of contact CHICAGO, IL 60603	
8 Date of action 10/31/2016		9 Classification and description COMMON STOCK - REGULATED INVESTMENT COMPANY	
10 CUSIP number 33939L829	11 Serial number(s) N/A	12 Ticker symbol IQDY	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON MARCH 28, JUNE 24 AND SEPTEMBER 23, 2016 FLEXSHARES INTERNATIONAL QUALITY DIVIDEND DYNAMIC INDEX FUND PAID DISTRIBUTIONS TO COMMON SHAREHOLDERS OF RECORD AS OF MARCH 23, JUNE 22 AND SEPTEMBER 21, 2016, RESPECTIVELY. A PORTION OF THE DISTRIBUTION CONSTITUTES A NON-TAXABLE RETURN OF CAPITAL.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE PORTION OF THE DISTRIBUTION THAT CONSTITUTES A NON-TAXABLE RETURN OF CAPITAL WILL DECREASE A U.S. TAXPAYER'S BASIS IN THE SHARES OF FLEXSHARES INTERNATIONAL QUALITY DIVIDEND DYNAMIC INDEX FUND. THE NON-TAXABLE RETURN OF CAPITAL IS AS FOLLOWS:

DISTRIBUTIONS PAYABLE ON:	PER SHARE REDUCTION OF BASIS IN COMMON STOCK
MARCH 28, 2016	\$0.0112
JUNE 24, 2016	\$0.0456
SEPTEMBER 23, 2016	\$0.0287

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ FLEXSHARES INTERNATIONAL QUALITY DIVIDEND DYNAMIC INDEX FUND CURRENT AND ACCUMULATED EARNINGS WERE COMPARED TO DISTRIBUTIONS PAID DURING THE YEAR ENDED OCTOBER 31, 2016. THE NON-TAXABLE RETURN OF CAPITAL REPRESENTS THE AMOUNT OF DISTRIBUTIONS PAID DURING THE TAXABLE YEAR ENDED OCTOBER 31, 2016 IN EXCESS OF FLEXSHARES INTERNATIONAL QUALITY DIVIDEND DYNAMIC INDEX FUND'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS UNDER IRC SECTION 316.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based **INTERNAL REVENUE CODE SECTIONS 301, 316 AND 852.**

18 Can any resulting loss be recognized? **NO**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year **SEE PART II, ITEM 15 OF THIS FORM FOR THE PER SHARE AMOUNTS AND DATES OF DISTRIBUTIONS IMPACTED BY THIS ORGANIZATIONAL ACTION. THIS ORGANIZATIONAL ACTION IS REPORTABLE WITH RESPECT TO CALENDAR YEAR 2016**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature **Randal Rein** Date **1/18/17**

Print your name **Randal Rein** Title **Treasurer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	RAUL POSADA	<i>Raul Posada</i>	1/11/2017		P00626199
	Firm's name KPMG LLP, 4200 WELLS FARGO CENTER,	Firm's EIN 13-5565207		Phone no. 612-305-5000	
	Firm's address 90 SOUTH 7TH STREET, MINNEAPOLIS, MN 55402				

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054