

A Quality Approach to Dividends

FLEXSHARES EXCHANGE TRADED FUNDS

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A portfolio is a tool for achieving a lifetime's worth of goals. And chances are, some of those goals will require generating income through dividends. But finding quality dividends is tricky and a lot of investors end up overpaying for dividend yield. That's why FlexShares' suite of quality dividend index funds takes a different approach.

Using our proprietary scoring system to evaluate the ability of companies to provide income into the future, we build funds that seek to provide exposure to the long-term growth potential of securities, while providing dividend payments. We start by computing each company's dividend quality score, taking into account management efficiency, profitability, and cash flow. We divide these into quintiles, removing the least attractive investments from consideration.

The FlexShares' DQS process is designed to maximize quality and yield, while putting several diversification controls into effect. The strategy strives to harness dividend quality and yield, through a selection and weighting process. Non-dividend payers are eliminated from the universe of large-cap equities, as are the lowest 20% of companies. The funds are then rebalanced every quarter.

Finally, we apply our proprietary optimization to each fund, factoring in our extensive knowledge of risk, volatility, quality, and portfolio guidelines, which include separate funds that adhere to your preference in how close the fund matches the beta of the underlying index, providing you with a selection of funds that match your investment strategy. All that's left is to pick out which one is right for you.

Are you looking for national or international investments? Are you looking for income generation that matches the beta of the underlying index? Want to target a beta lower than the underlying index, or want to target a beta greater than the underlying index? Whatever strategy matches the needs of your portfolio, there's a quality dividend fund for you.

FlexShares, built by investors for investors.

Before investing consider the Fund's investment objectives, risks, charges and expenses. Go to flexshares.com for a prospectus containing this information. Read it carefully. Foreside Fund Services, LLC, distributor.

All investments involve risk, including possible loss of principal. Funds' returns may not match returns of their respective indexes. Risks include fluctuation of yield, income, interest rate, non-diversification, asset class and market.

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