

Understanding the FlexShares Quality Dividend Dynamic Index Fund (QDYN)

FLEXSHARES EXCHANGE TRADED FUNDS

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The FlexShares Quality Dividend Dynamic Index Fund — or QDYN — was designed to provide exposure to the long-term growth potential of US-based companies that have historically paid dividends with an overall portfolio that is above market beta exposure.

We built the QDYN fund through a three-step process.

First, we develop a **Composite Score Ranking**. We begin by excluding all non-dividend paying funds and then give them a **Dividend Quality Score** based on **management efficiency, profitability, and cash flow**. We then divide the securities into quintiles: 1 for the highest-ranked stocks, to 5 for the lowest-ranked ones — which are then excluded from the fund.

Next we apply **Diversification Controls** with the goal for the fund to be properly diversified. This includes overweight/underweight maximums for single securities, industry groups, and sector exposure. We also minimize style exposure and rebalance on a quarterly basis, with a maximum targeted turnover of 25%.

Finally, using our internal optimization process we seek to **Optimize** the fund based on the Dividend Quality Score, Dividend Yield, and greater than market beta exposure.

To learn more about the FlexShares Quality Dividend Dynamic Index Fund, visit [FlexShares.com/funds/QDYN](https://flexshares.com/funds/QDYN)

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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. Read the prospectus carefully before you invest.

Foreside Fund Services, LLC, distributor.

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 risk of Industry Concentration, 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.