

# FlexShares Developed Market ex-US Quality Low Volatility Index Fund (QLVD)

FLEXSHARES EXCHANGE TRADED FUNDS

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The FlexShares Developed Market ex-US Quality Low Volatility Index Fund or QLVD is designed to provide exposure to developed market companies excluding the US that possess lower overall absolute volatility characteristics while also exhibiting financial strength and stability or what we believe are quality characteristics. We build the QLVD Fund through a three step process. First, we develop a composite score ranking. We start by taking all the companies in developed markets excluding the US that are members of the Northern Trust Global Index that are designated large or mid-cap companies. We then give them each a quality score based on management efficiency, profitability, and cash flow. The securities are then divided into quintiles-- 1 for the highest rank stocks to 5 for the lowest ranked ones, which are excluded from the fund.

Next, we apply security constraints to make sure the fund is properly balanced. This includes maximums on single securities and liquidity in comparison to benchmark as well as maximum overweight underweight in sectors, industry groups, countries, and regions. We also minimize style exposure except for volatility and target a historical beta of 0.65% and a maximum turnover of 12%. Finally, we optimize the fund by applying both a volatility reduction and a quality tilt. The funds are then re-balanced on a quarterly basis. To learn more about the FlexShares Developed Markets ex US Quality Low Volatility Index Fund, visit [FlexShares.com/funds/QLVD](http://FlexShares.com/funds/QLVD).

*Before investing consider the Fund's investment objectives, risks, charges and expenses. Go to [flexshares.com](http://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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