

# FlexShares Global Quality Real Estate Index Fund

# GQRE

All data as of September 30, 2024

## OBJECTIVE

FlexShares Global Quality Real Estate Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Northern Trust Global Quality Real Estate Index<sup>SM</sup> (Underlying Index).

## FUND FACTS

Ticker	GQRE
Inception	11/05/2013
CUSIP	33939L787
Exchange	NYSE Arca
Underlying Index	Northern Trust Global Quality Real Estate Index
Index Ticker	NTGQRENTN
IOPV Ticker	GQRE.IV
Estimated Cash Ticker	GQRE.EU
Net Assets	\$392,001,743
Shares Outstanding	6,300,001
No. of Holdings	173

## FUND INFORMATION

Average Market Cap (\$)	25,237,761,603
Weighted Average Beta	1.17
Price to Earnings	31.00
Price to Book	4.00
SEC Subsidized Yield	2.94%
SEC Unsubsidized Yield	2.94%
<b>EXPENSE RATIO (%)</b>	
Management Fee	0.45
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.46
Expense Reimbursement	-0.01
Net Expense Ratio	0.45

## QUARTER END PERFORMANCE (%) As of September 30, 2024

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
GQRE NAV Return	14.59	13.06	29.90	0.91	1.98	4.81	4.93
GQRE Market Return	14.68	13.40	30.37	0.90	2.00	4.77	4.94
Northern Trust Global Quality Real Estate Index Return	14.75	13.13	29.99	0.62	1.78	4.67	4.82
FTSE EPRA/NAREIT Developed Index Return	16.07	11.77	28.86	0.39	1.39	4.06	4.08

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. Beginning July 1, 2024, market price performance is determined using the closing price on the primary exchange. Prior to July 1, 2024, market price performance was determined using the bid/ask midpoint at 4:00pm EST, when the NAV is typically calculated. 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 0.45% until March 1, 2025. 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 (%)

SIMON PROPERTY REIT	5.25
DIGITAL REALTY TRUST REIT	4.96
AVALONBAY COMMUNITIES REIT	4.09
EQUITY RESIDENTIAL REIT	3.24
PROLOGIS REIT	3.11
AMERICAN TOWER REIT	2.68
VICI PROPERTIES REIT	2.48
ESSEX PROPERTY TRUST REIT	2.42
KIMCO REALTY REIT	2.00
UDR REIT	1.81
Total	32.04

## SECTOR (%)

Commercial REITs	34.14
Specialized REITs	24.75
Real Estate Development & Operations	18.09
Residential REITs	16.57
Diversified REITs	3.24
Cash/and or Derivatives	2.97
Real Estate Services	0.24

## MARKET CAP (%)

Large Cap	47.60
Mid Cap	38.10
Small Cap	11.03
Cash/and or Derivatives	3.27

## STYLE (%)

Value	25.18
Core	68.84
Growth	5.98

## COUNTRY (%)

United States	65.49
Japan	9.04
Australia	3.88
Cash/And Or Derivatives	2.97
France	2.82
Singapore	2.62
United Kingdom	2.39
Hong Kong	1.97
Sweden	1.72
Switzerland	1.52
Other	5.58

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

**Price to Earnings** is calculated as a company's current stock price divided by its earnings per share.

**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.

**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 Global Quality Real Estate Index Fund (GQRE) 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. **Northern Trust Global Quality Real Estate Index** is designed to maximize exposure to quality, value and momentum factors, within a universe of companies operating in the real estate sector.

**FTSE EPRA/NAREIT Developed Index** is a free-float adjusted, market capitalization-weighted index designed to track the performance of listed real estate companies in developed countries worldwide.

All data provided by: Northern Trust, J.P. Morgan, Rimes, Morningstar and Refinitiv.

**Authorized Participant Concentration Risk** is the risk that the Fund may be adversely affected because it has a limited number of institutions that act as authorized participants. **Real Estate Securities Risk** is the risk that the Fund is subject to the risk associated with the investment in the real estate sector in addition to the general risk of the stock market. Investing in securities of real estate companies will make the Fund more susceptible to risks associated with the ownership of real estate and with the real estate industry in general, as well as risks that relate specifically to the way in which real estate companies are organized and operated. Real estate companies may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets. **Real Estate Investment Trusts (REITs) Risk** is the risk that the Fund's investments may be affected by factors affecting REITs and the real estate sector generally. REITs whose underlying properties are concentrated in a particular industry or geographic region are also subject to risks affecting such industries and regions. REITs may have limited financial resources, may trade less frequently and in lower volume, engage in dilutive offerings or become more volatile than other securities. By investing in REITs through the Fund, a shareholder will bear expenses of the REITs in addition to expenses of the Fund. **Foreign Securities Risk** is the risk that investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to less liquid markets and adverse economic, political, diplomatic, financial, and regulatory factors.

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**Emerging Markets Risk** is the risk that emerging markets are generally subject to greater market volatility, political, social and economic instability, uncertain trading markets and more governmental limitations on foreign investments than more developed markets. In addition, companies operating in emerging markets may be subject to lower trading volumes and greater price volatility than companies in more developed markets. **Quality Factor Risk** is the risk that the past performance of companies that have exhibited quality characteristics does not continue or the returns on securities issued by such companies may be less than returns from other styles of investing or the overall stock market. **Value Investing Risk** is the risk that the Fund's investment in companies whose securities are believed to be undervalued, relative to their underlying profitability, will not appreciate in value as anticipated. **Momentum Risk** is the risk that securities that have had positive momentum compared to other securities may be more volatile than a broad cross-section of securities or that returns on securities that have previously exhibited positive momentum are less than returns on other securities or the overall stock market. **Equity Securities Risk** is the risk that the values of the equity securities owned by the Fund may be more volatile and underperform other asset classes and the general securities markets. **Tracking Error Risk** is the risk that the Fund's performance may vary substantially from the performance of the Underlying Index. The Fund's performance may vary from the performance of the Underlying Index for a number of reasons including that the Fund incurs operating expenses that the Underlying Index does not and that the Fund accepts custom baskets. **Market Trading Risk** is the risk that the Fund faces because its shares are listed on a securities exchange, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. ANY OF THESE FACTORS MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.