

FlexShares Core Select Bond Fund

OBJECTIVE

FlexShares Core Select Bond Fund (BNDC) seeks total return and preservation of capital.

FUND FACTS

Ticker	BNDC
Inception	11/18/2016
CUSIP	33939L670
Exchange	NYSE Arca
IOPV Ticker	BNDC.IV
Estimated Cash Ticker	BNDC.EU
Net Assets	\$164,534,637
Shares Outstanding	7,500,001
No. of Holdings	17

EXPENSE RATIO (%)

Management Fee	0.35
Acquired Fund Fees and Expenses	0.18
Other Expenses	0.01
Gross Expense Ratio	0.54
Expense Reimbursement	-0.19
Net Expense Ratio	0.35

FUND CHARACTERISTICS

Weighted Average Price	71.58
Weighted Average Effective Duration (years)	5.87
Weighted Average Option Adjusted Spread (basis points)	44.74
SEC Subsidized Yield	2.46%
SEC Unsubsidized Yield	2.32%

PORTFOLIO MANAGEMENT

Morten Olsen
Head of Multi-Sector Portfolio Management



Began career in 2004 | With Northern Trust since 2009. Mr. Olsen received a B.S. in economics and a M.S. in economics, both from University of Copenhagen.

Daniel Personette, CFA
Director- Interest Rate Strategy,
Senior Fixed Income Portfolio Manager,
Long Duration Fixed Income Group



Daniel Personette, Daniel earned a BA in Finance from Ball State University, and an MBA from the University of Chicago Booth School of Business. Daniel is a CFA charterholder and a member of the CFA Society of Chicago.

QUARTER END PERFORMANCE (%)

As of December 31, 2022

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
BNDC NAV Return	1.70	-13.55	-13.55	-2.64	-0.08	0.45
BNDC Market Return (Bid-Ask Midpoint)	1.70	-13.62	-13.62	-2.73	-0.09	0.45
Bloomberg US Aggregate Bond index Return	1.87	-13.01	-13.01	-2.72	0.02	0.61

Index performance returns do not reflect any fees, transaction costs, expenses or taxes.

Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed or sold in the secondary market, may be worth more or less than the original cost. Investors will incur usual and customary brokerage commissions when buying or selling shares of the exchange-traded funds ("ETFs") in the secondary market, and that, if reflected, the brokerage commissions would reduce the performance returns. Current performance may be lower or higher than the performance shown. Shares are bought and sold at market price not net asset value ("NAV") and are not individually redeemable from the fund. For the most recent month-end performance, please visit the Fund's website at www.flexshares.com or call 855-353-9383 for more information.

Index performance does not represent FlexShares fund performance. It is not possible to invest directly in an index. All performance figures assume reinvestment of dividend and capital gains at net asset value; actual returns may differ. Performance 1-year and less are cumulative; performance over 1-year are average annualized total returns. Market price performance is determined using the bid/ask midpoint at 4:00pm Eastern time, when the NAV is typically calculated. NAV price performance is determined using the daily calculated NAV. They do not represent the returns you would receive if you traded shares at other times. Performance figures do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or upon redemption or sale of fund shares. The fund inception date is generally several days prior to when the fund begins trading. NAV prices are used to calculate market price performance prior to 11/21/2016, when the fund first traded on an exchange.

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 0.35% until March 1, 2023. NTI has also contractually agreed to waive Management Fees or reimburse certain expenses in an amount equal to the sum of (a) any Acquired Fund Fees and Expenses, if any, incurred by the Fund attributable to the Fund's investment in Acquired Funds managed by NTI or an investment adviser controlling, controlled by, or under common control with NTI ("Affiliated Funds"); and (b) 0.05% or such lesser amount in Acquired Fund Fees and Expenses incurred by the Fund attributable to the Fund's investment in Acquired Funds that are not Affiliated Funds, until March 1, 2023. Performance would have been lower without fee waivers and expense reimbursements in effect.

Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities.

TOP FUND HOLDINGS

Name	Maturity	Weight (%)
1. ISHARES 3-7 YEAR TREASURY BOND ETF ETP USD	01/01/1900	12.73
2. FLEXSHARES DISCIPLINED DURATION MBS INDEX FUND	01/01/1900	12.73
3. ISHARES MBS ETF ETP USD	01/01/1900	12.69
4. FLEXSHARES READY ACCESS VARIABLE INCOME FUND ETP	01/01/1900	9.04
5. ISHARES 10+ YEAR INVESTMENT GRADE CORPORATE BOND	01/01/1900	8.39
6. ISHARES 20+ YEAR TREASURY BOND ETF	01/01/1900	8.06
7. ISHARES TRUST ISHARES 1-5 YEAR INVESTMENT GRADE	01/01/1900	7.59
8. FLEXSHARES CREDIT-SCORED US CORPORATE BOND INDEX	01/01/1900	6.60
9. ISHARES 7-10 YEAR TREASURY BOND ETF ETP USD	01/01/1900	6.38
10. US 2YR NOTE (CBT) BOND 31/MAR/2023 TUH3 COMDTY	03/31/2023	5.95
Total		90.15

The **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. The **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.

DISCLOSURES

Before investing, carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information are in the prospectus and 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 are in the prospectus and summary prospectus.

FlexShares Core Select Bond Fund (BNDC) is actively managed and does not seek to replicate a specified index. The Fund is subject to increased credit and default risk, where there is an inability or unwillingness by the issuer of a fixed income security to meet its financial obligations, debt extension risk, where an issuer may exercise its right to pay principal on an obligation later than expected, as well as interest rate/maturity risk, where the value of the Fund's fixed income assets will decline because of rising interest rates. The Fund is subject to increased underlying fund risk, where the Fund's investment performance and its ability to achieve its investment objective may be directly related to the performance of the Underlying Funds in which it invests. The Fund may also be subject to increased concentration risk as it may invest more than 25% of its assets into the securities of a single developed market. Additionally, the Fund may invest without limitation in mortgage or asset-backed securities, which puts it at increased risk for interest rate/maturity risk, debt extension risk, and prepayment (or call) risk.

Weighted Average Price is the average price of the investments within a given portfolio. The formula for determining this is to multiply each price paid for the investments by the number of individual securities purchased at that price. Add up all of these results and divide by the total number of investments found within the portfolio. Weighted Average Effective Duration is the average expected price decline for the portfolio when interest rates rise by 1%. All else being equal, the longer the maturity of a portfolio, the larger its effective duration. Weighted Average Option Adjusted Spread is the average measurement of the spread of a fixed-income portfolio and the risk-free rate of return, which is adjusted to take into account an embedded option. Typically, an analyst uses the Treasury securities yield for the risk-free rate. Duration is the sensitivity of a fixed income security's price to a change in interest rates. Spread is the difference in the yield on a corporate bond and a government bond with a similar maturity.

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