

FlexShares STOXX[®] US ESG Select Index Fund

OBJECTIVE

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the STOXX[®] USA ESG Select KPIs Index (Underlying Index).

FUND FACTS

| | |
|-----------------------|--|
| Ticker | ESG |
| Inception | 07/13/2016 |
| CUSIP | 33939L696 |
| Exchange | CBOE |
| Underlying Index | STOXX [®] USA ESG Select KPIs Index SM |
| Index Ticker | SXEIMUV |
| IOPV Ticker | ESG.IV |
| Estimated Cash Ticker | ESG.EU |
| Net Assets | \$160,762,194 |
| Shares Outstanding | 1,750,001 |
| No. of Holdings | 274 |

EXPENSE RATIO (%)

| | |
|---------------------------------|-------|
| Management Fee | 0.32 |
| Acquired Fund Fees and Expenses | 0.00 |
| Other Expenses | 0.01 |
| Gross Expense Ratio | 0.33 |
| Expense Reimbursement | -0.01 |
| Net Expense Ratio | 0.32 |

FUND CHARACTERISTICS

| | |
|-------------------------|-----------------|
| Average Market Cap (\$) | 390,313,123,136 |
| Weighted Average Beta | 1.04 |
| Price to Earnings | 26.32 |
| Price to Book | 7.94 |
| SEC Subsidized Yield | 1.35% |
| SEC Unsubsidized Yield | 1.34% |

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.

QUARTER END PERFORMANCE (%)

As of December 31, 2022

| | QTD | YTD | 1 Yr. | 3 Yr. | 5 Yr. | Since Inception |
|---|------|--------|--------|-------|-------|-----------------|
| ESG NAV Return | 7.47 | -19.82 | -19.82 | 7.58 | 9.50 | 11.56 |
| ESG Market Return (Bid-Ask Midpoint) | 7.41 | -19.84 | -19.84 | 7.59 | 9.36 | 11.56 |
| STOXX [®] USA ESG Select KPIs Index SM Return | 7.43 | -19.98 | -19.98 | 7.37 | 9.02 | 11.07 |
| Russell 1000 Index Return | 7.24 | -19.13 | -19.13 | 7.35 | 9.13 | 11.16 |

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 07/14/2016, 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 0.32% until March 1, 2023. Performance would have been lower without fee waivers and expense reimbursements in effect.

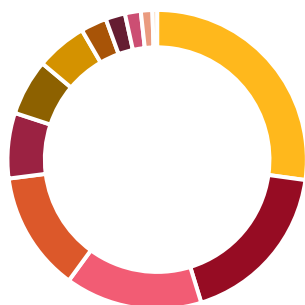
STOXX[®] USA ESG Select KPIs Index offers exposure to a set of U.S. companies that is tilted towards companies scoring better with respect to a select set of environmental, social, and governance (ESG) key performance indicators (KPIs).

Russell 1000 Index is an index of approximately 1,000 of the largest companies in the U.S. equity market.

TOP FUND HOLDINGS

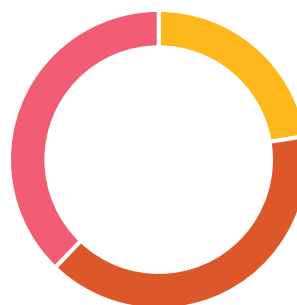
| Name | Weight (%) |
|-----------------------|------------|
| 1. MICROSOFT | 4.93 |
| 2. APPLE | 4.63 |
| 3. AMAZON.COM | 4.27 |
| 4. JOHNSON & JOHNSON | 3.06 |
| 5. EXXON MOBIL | 3.01 |
| 6. BERKSHIRE HATHAWAY | 2.66 |
| 7. JPMORGAN CHASE | 2.61 |
| 8. CHEVRON | 2.11 |
| 9. MERCK | 1.86 |
| 10. ALPHABET | 1.79 |
| Total | 30.94 |

SECTOR BREAKDOWN (%)



| | |
|-------------------------|-------|
| Information Technology | 27.18 |
| Health Care | 18.06 |
| Financials | 14.80 |
| Consumer Discretionary | 12.94 |
| Energy | 7.07 |
| Communication Services | 6.05 |
| Industrials | 5.52 |
| Consumer Staples | 2.81 |
| Real Estate | 2.11 |
| Materials | 1.71 |
| Cash/and or Derivatives | 1.24 |
| Other | 0.51 |

STYLE BREAKDOWN (%)



| | |
|--------|-------|
| Value | 22.47 |
| Core | 39.71 |
| Growth | 37.82 |

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 STOXX[®] US ESG Select Index Fund (ESG) 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. The Fund is subject to environmental, social and governance (ESG) Investment Risk, which is the risk that because the methodology of the Underlying Index selects and assigns weights to securities of issuers for non-financial reasons, the Fund may underperform the broader equity market or other funds that do not utilize ESG criteria when selecting investments. 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. The Fund may also invest in derivative instruments. Changes in the value of the derivative may not correlate with the underlying asset, rate or index and the Fund could lose more than the principal amount invested.

The STOXX[®] USA ESG Select KPIs Index is the intellectual property (including registered trademarks) of STOXX[®] Limited, Zurich, Switzerland and/or its licensors ("Licensors"), which is used under license. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by STOXX[®] and its Licensors and neither of the Licensors shall have any liability with respect thereto.

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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.

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