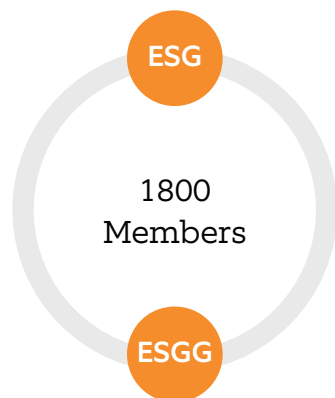


# STOXX® USA ESG Select KPIs Index

The above index is the underlying index for the FlexShares STOXX US ESG Select Index Fund (ESG), which offers exposure to a tilted set of U.S. companies that score higher with respect to a select group of environment, social, and governance (ESG) key performance indicators (KPIs.)

## Selection of Index



From the universe of STOXX Global 1800 Index members, and the U.S. companies in it, respectively, the STOXX USA ESG Impact Index.

## ESG Framing

Companies that operate in violation of the UN Global Compact, or have certain business involvement ties with tobacco, thermal coal, unconventional oil & gas, for profit prisons or weapons, are excluded.



**ENVIRONMENT:**  
Carbon Disclosure Project (CDP) emission reduction targets



**SOCIAL:**  
Policy against child labor



**GOVERNANCE:**  
Percentage of independent board members  
Percentage of women on the board  
Golden parachute agreements

## ESG Integration



Scalable / Quantitative Process



Exhibits positive risk / return vs market weighted approach



Exposure to E, S and G



Improves portfolio diversification benefits

## Diversification Controls



Attempt to Maintain Sector and Style Neutrality versus Index



Company Constraint



Country Constraint

To learn more about FlexShares, contact our team at 1-855-FlexETF (1-855-353-9383) or visit our website, [www.flexshares.com](http://www.flexshares.com).

**Before investing, carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy 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.**

Please see back for additional important information.



## IMPORTANT INFORMATION

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. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns. An ESG investment methodology that includes and excludes issuers and assigns weights to issuers by applying non-financial factors, such as ESG factors, such ESG investment methodology may underperform the broader equity market or other investment products that do or do not use ESG investment criteria.

FlexShares STOXX® US ESG Select Index Fund (ESG) is a passively managed fund that invests in United States equities 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 does not attempt to take defensive positions in any market conditions, including declining markets.

**ESG Investment Risk** is the risk that because the Index Provider includes and excludes issuers and assigns weights to issuers in the Underlying Index by applying non-financial factors, the Fund may underperform the broader equity market or other funds that do or do not use ESG investment criteria. Although the Underlying Index is designed to measure a portfolio of companies with certain ESG characteristics, there is no assurance that the Underlying Index or Fund will be comprised of such securities or that companies that have historically exhibited such characteristics will continue to exhibit such characteristics.

**Concentration Risk** is the risk that, to the extent the Fund's investments are concentrated in the securities of issuers in a particular region, country, market, industry, sector or asset class, the Fund may be subject to increased price volatility. **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.

**Derivatives Risk** is the risk that the use of futures and options on futures may pose risks in addition to and greater than those associated with investing directly in securities and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the Fund.

**Non Diversification Risk** is the risk that Fund performance may depend on the performance of a small number of issuers because the Fund may invest a large percentage of its assets in securities issued by or representing a small number of issuers. **New Fund Risk** is the risk that the Fund will not grow to or maintain an economically viable size, in which case it may experience greater tracking error to its Underlying Index than it otherwise would at higher asset levels, or it could ultimately liquidate without shareholder approval. **Equity Securities Risk** is the risk that the values of the equity securities owned by the Funds may be more volatile and under perform other asset classes and the general securities markets. **Passive Investment Risk** is the risk that the Fund is not actively managed.

**High Portfolio Turnover Risk** is the risk that active and frequent trading of the Fund's portfolio securities may result in increased transaction costs to the Fund. **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.

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.