

FlexShares ESG & Climate Developed Markets ex-US Core Index Fund

FEDM

All data as of December 31, 2024

OBJECTIVE

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Northern Trust ESG & Climate Developed Markets ex-US Core IndexSM (the "Underlying Index").

FUND FACTS

Ticker	FEDM
Inception	09/20/2021
CUSIP	33939L597
Exchange	NYSE Arca
Underlying Index	Northern Trust ESG & Climate Developed Markets ex-US Core Index
Index Ticker	NTDXUECNTR
IOPV Ticker	FEDM.IV
Estimated Cash Ticker	FEDM.EU
Net Assets	\$50,585,715
Shares Outstanding	1,050,000
No. of Holdings	257

FUND INFORMATION

Average Market Cap (\$)	85,603,585,963
Weighted Average Beta	1.01
Price to Earnings	24.00
Price to Book	4.00
SEC Subsidized Yield	2.92%
SEC Unsubsidized Yield	2.91%
EXPENSE RATIO (%)	
Management Fee	0.12
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.13
Expense Reimbursement	-0.01
Net Expense Ratio	0.12

QUARTER END PERFORMANCE (%) As of December 31, 2024

	QTD	YTD	1 Yr.	3 Yr.	Since Inception
FEDM NAV Return	-8.85	3.19	3.19	0.89	1.56
FEDM Market Return	-9.22	2.84	2.84	0.78	1.49
Northern Trust ESG & Climate Developed Markets ex-US Core Index Return	-8.87	3.17	3.17	0.87	1.55
MSCI World ex-US Index Return	-7.43	4.70	4.70	1.91	2.34

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 0.12% 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 (%)

SAP	2.22
NOVO NORDISK A/S DKK	2.04
ASML HOLDING	1.71
COMMONWEALTH BANK OF AUSTRALIA	1.62
ROYAL BANK OF CANADA	1.56
SHELL	1.53
SCHNEIDER ELECTRIC	1.50
ALLIANZ	1.44
HITACHI	1.40
ASTRAZENECA	1.36
Total	16.40

SECTOR BREAKDOWN (%)

Financials	23.67
Industrials	16.88
Health Care	11.26
Consumer Discretionary	10.03
Information Technology	9.03
Consumer Staples	7.90
Materials	6.00
Energy	4.93
Communication Services	3.99
Utilities	2.72
Other	3.59

MARKET CAP (%)

Large-Cap	96.92
Mid-Cap	1.40
Cash/and or Derivatives	1.68

STYLE (%)

Value	28.21
Core	43.80
Growth	27.99

COUNTRY (%)

Japan	19.91
United Kingdom	13.21
Canada	10.91
France	10.56
Germany	9.91
Switzerland	7.46
Australia	6.37
Netherlands	4.56
Spain	3.94
Denmark	3.19
Other	9.98

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

ESG Investing is defined as utilizing environmental, social, and governance (ESG) criteria as a set of standards for a company's operations that socially conscious investors use to screen potential investments.

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.

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

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.

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. 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. 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.

FlexShares ESG & Climate Developed Markets ex-US Core Index Fund (FEDM) is a passively managed fund that invests in developed market equities and use 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.

The Northern Trust ESG & Climate Developed Markets ex-US Core Index is designed to construct a universe of large and mid-capitalization companies, from Developed Market countries (excluding the United States), that possess environmental, social, and governance (ESG) characteristics.

MSCI AC World ex USA Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States.

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

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. **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. **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.

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Geographic Risk is the risk that if the Fund invests a significant portion of its total assets in certain issuers within the same country or geographic region, an adverse economic, business or political development affecting that country or region may affect the value of the Fund's investments more, and the Fund's investments may be more volatile, than if the Fund's investments were not so concentrated in such country or region. **Japan Investment Risk** is the risk of investing in securities of Japanese issuers. The Japanese economy may be subject to considerable degrees of economic, political and social instability, which could negatively impact Japanese issuers. In recent times, Japan's economic growth rate has remained low, and it may remain low in the future. In addition, Japan is subject to the risk of natural disasters, such as earthquakes, volcanic eruptions, typhoons and tsunamis, which could negatively affect the securities of Japanese companies held by the Fund. **United Kingdom Investment Risk** is the risk that investments in issuers located in the United Kingdom ("UK") may subject the Fund to regulatory, political, currency, security and economic risk specific to the UK. The UK has one of the largest economies in Europe and is heavily dependent on trade with the European Union ("EU"). As a result, the UK economy may be impacted by changes to the economic health of EU member countries. In 2016, the UK voted to leave the EU (commonly known as "Brexit"), and on January 31, 2020, the UK officially withdrew from the EU. The precise impact on the UK's economy as a result of its departure from the EU depends to a large degree on its ability to conclude favorable trade deals with the EU and other countries. While new trade deals may boost economic growth, such growth may not be able to offset the increased costs of trade with the EU resulting from the UK's loss of its membership in the EU single market.

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 because the Fund is non-diversified and may invest a larger percentage of its assets in the securities of fewer issuers than a diversified fund, the Fund's performance will be more vulnerable to changes in the market value of a single issuer or group of issuers, and more susceptible to risks associated with a single economic, political or regulatory occurrence. **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. **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.