

FlexShares ESG & Climate High Yield Corporate Core Index Fund

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 High Yield U.S. Corporate Core IndexSM (the "Underlying Index").

FUND FACTS

| | |
|-----------------------|---|
| Ticker | FEHY |
| Inception | 09/20/2021 |
| CUSIP | 33939L589 |
| Exchange | NYSE Arca |
| Underlying Index | Northern Trust ESG & Climate High Yield U.S. Corporate Core Index SM |
| Index Ticker | NTUHECBTR |
| IOPV Ticker | FEHY.IV |
| Estimated Cash Ticker | FEHY.EU |
| Net Assets | \$18,748,414 |
| Shares Outstanding | 450,000 |
| No. of Holdings | 804 |

EXPENSE RATIO (%)

| | |
|---------------------------------|-------|
| Management Fee | 0.23 |
| Acquired Fund Fees and Expenses | 0.00 |
| Other Expenses | 0.01 |
| Gross Expense Ratio | 0.24 |
| Expense Reimbursement | -0.01 |
| Net Expense Ratio | 0.23 |

FUND CHARACTERISTICS

| | |
|--|--------|
| Weighted Average Maturity (years) | 6.05 |
| Weighted Average Price | 90.32 |
| Weighted Average Effective Duration (years) | 3.85 |
| Weighted Average Option Adjusted Spread (basis points) | 440.11 |
| SEC Subsidized Yield | 8.47% |
| SEC Unsubsidized Yield | 8.47% |

QUARTER END PERFORMANCE (%)

| As of March 31, 2023 | QTD | YTD | 1 Yr. | Since Inception |
|--|------|------|-------|-----------------|
| FEHY NAV Return | 3.50 | 3.50 | -4.47 | -5.75 |
| FEHY Market Return (Bid-Ask Midpoint) | 4.42 | 4.42 | -3.21 | -5.24 |
| Northern Trust ESG & Climate High Yield U.S. Corporate Core Index SM Return | 3.53 | 3.53 | -3.70 | -5.07 |
| ICE BofA® US High Yield Index Return | 3.72 | 3.72 | -3.56 | -4.92 |

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 09/21/2021, 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 0.23% until March 1, 2024. Performance would have been lower without fee waivers and expense reimbursements in effect.

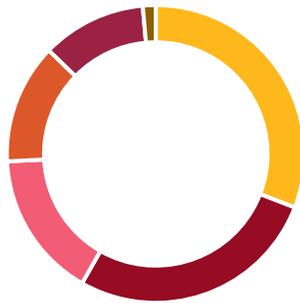
The Northern Trust ESG & Climate High Yield U.S. Corporate Core Index is designed to measure the performance of a diversified universe of high yield, US-dollar denominated bonds of companies that also possess environmental, social, and governance (ESG) characteristics.

ICE BofA® US High Yield Index tracks the performance of below investment grade, but not in default, US dollar-denominated corporate bonds publicly issued in the US domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P.

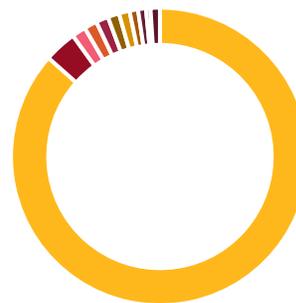
TOP FUND HOLDINGS

| Name | Coupon | Maturity | Weight (%) |
|---|--------|------------|-------------|
| 1. CASH | | | 1.40 |
| 2. VIRGIN MEDIA VENDOR FINANCING NOTES IV DAC | 5.000% | 07/15/2028 | 0.86 |
| 3. VODAFONE GROUP PLC CALLABLE NOTES VARIABLE | 7.000% | 04/04/2079 | 0.62 |
| 4. VENTURE GLOBAL CALCASIEU PASS LLC CALLABLE NOTES | 4.125% | 08/15/2031 | 0.62 |
| 5. NEWELL BRANDS INC CALLABLE NOTES FIXED 4.7% | 4.450% | 04/01/2026 | 0.57 |
| 6. CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL CORP | 5.125% | 05/01/2027 | 0.57 |
| 7. SPRINT CAPITAL CORP CALLABLE NOTES FIXED 8.75% | 8.750% | 03/15/2032 | 0.51 |
| 8. DAVITA INC CALLABLE NOTES FIXED 4.625% 01/JUN/2030 | 4.625% | 06/01/2030 | 0.51 |
| 9. SPRINT LLC CALLABLE NOTES FIXED 7.125% 15/JUN/2024 | 7.125% | 06/15/2024 | 0.49 |
| 10. INTERNATIONAL GAME TECHNOLOGY PLC CALLABLE NOTES | 4.125% | 04/15/2026 | 0.47 |
| Total | | | 6.62 |

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.

SECTOR BREAKDOWN (%)


| | |
|------------------------------|-------|
| Consumer | 30.82 |
| Industrial | 27.35 |
| Technology, Telecomm & Media | 15.93 |
| Energy | 13.03 |
| Financials | 11.33 |
| Cash/and or Derivatives | 1.40 |

COUNTRY BREAKDOWN (%)


| | |
|-------------------------|-------|
| United States | 86.53 |
| Canada | 3.54 |
| Luxembourg | 1.51 |
| Cash/And Or Derivatives | 1.40 |
| United Kingdom | 1.34 |
| Italy | 1.24 |
| Australia | 1.16 |
| France | 0.92 |
| Ireland | 0.86 |
| Japan | 0.48 |
| Other | 1.02 |

SUB SECTOR BREAKDOWN (%)


| | |
|----------------------------|-------|
| Technology | 8.56 |
| Health Care | 6.50 |
| Cable and Satellite | 5.99 |
| Midstream | 4.87 |
| Consumer Cyclical Services | 4.82 |
| Gaming | 4.35 |
| Wireless | 4.34 |
| Automotive | 4.19 |
| Retailers | 3.73 |
| Independent Energy | 3.26 |
| Other | 49.39 |

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 ESG & Climate High Yield Corporate Core Index Fund (FEHY) is a passively managed fund 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. **High Yield Securities Risk** is the risk that the Fund will be subject to greater credit risk, price volatility and risk of loss than if it invested primarily in investment grade securities, which can adversely impact the Fund's return and NAV. **Corporate Bond** is the risk the Fund faces because it invests primarily in bonds issued by corporations. **Income Risk** is the risk that the Fund's income may decline when interest rates fall. **LIBOR Risk** is the risk from the expected discontinuation of the publication of the London Interbank Offered Rate (LIBOR), which many debt securities, derivatives and other financial instruments use as the reference or benchmark rate for interest rate calculations, at the end of June 2023.

Liquidity is the risk that certain portfolio securities may be less liquid than others, which may make them difficult or impossible to sell at the time and the price that the Fund would like, adversely affecting the value of the Fund's investments and its returns. **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. **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. **Seed Investor Risk** is the risk that may result from Northern Trust and/or its affiliates making payments to one or more investors to contribute seed capital to the Fund, such as an Authorized Participant, a market maker and/or another entity. As with redemptions by other large shareholders, redemptions by seed investors could have a significant negative impact on the Fund, including on the Fund's liquidity and the market price of the Fund's shares. **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. **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. **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.

Weighted Average Effective Duration is the sum of the duration of the underlying securities, weighted by its market value with respect to the total market value of the portfolio. Weighted Average Option Adjusted Spread is the sum of the spreads of the fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option of the underlying securities, weighted by its market value with respect to the total market value of the portfolio. 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.