

# FlexShares ESG & Climate US Large Cap 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 US Large Cap Core Index<sup>SM</sup> (the "Underlying Index").

## FUND FACTS

Ticker	FEUS
Inception	09/20/2021
CUSIP	33939L613
Exchange	NYSE Arca
Underlying Index	Northern Trust ESG & Climate US Large Cap Core Index <sup>SM</sup>
Index Ticker	NTUECTR
IOPV Ticker	FEUS.IV
Estimated Cash Ticker	FEUS.EU
Net Assets	\$32,844,745
Shares Outstanding	725,000
No. of Holdings	190

## EXPENSE RATIO (%)

Management Fee	0.09
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.10
Expense Reimbursement	-0.01
Net Expense Ratio	0.09

## FUND CHARACTERISTICS

Average Market Cap (\$)	512,090,000,000
WGT_AVG_BETA	1.05
Price to Earnings	28.68
Price to Book	9.40
SEC Subsidized Yield	1.67%
SEC Unsubsidized Yield	1.67%

## QUARTER END PERFORMANCE (%)

As of March 31, 2023	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
FEUS NAV Return	7.70	7.70	-8.08	N/A	N/A	-2.73
FEUS Market Return (Bid-Ask Midpoint)	7.63	7.63	-8.16	N/A	N/A	-2.77
Northern Trust ESG & Climate US Large Cap Core Index <sup>SM</sup> Return	7.73	7.73	-7.97	18.96	N/A	-2.65
S&P 500 Index Return	7.50	7.50	-7.73	18.62	11.18	-2.21

*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](http://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 0.09% until March 1, 2024. Performance would have been lower without fee waivers and expense reimbursements in effect.*

The Northern Trust ESG & Climate US Large Cap Core Index is designed to construct a universe of large capitalization, companies that possess environmental, social, and governance (ESG) characteristics.

S&P 500 Index is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States.

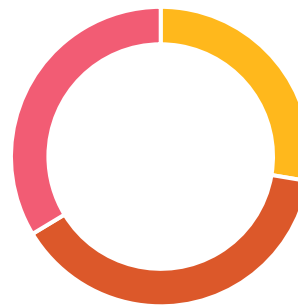
## TOP FUND HOLDINGS

Name	Weight (%)
1. APPLE	7.15
2. MICROSOFT	6.10
3. AMAZON.COM	2.69
4. NVIDIA	2.45
5. ALPHABET	2.20
6. ALPHABET	2.11
7. JOHNSON & JOHNSON	1.80
8. TESLA	1.77
9. MASTERCARD	1.57
10. PEPSICO	1.42
Total	29.26

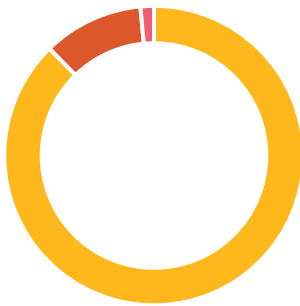
The **30-Day SEC Subsidized Yield** is computed under an SEC standardized formula based on net income earned over the past 30 days. It is a "subsidized" yield, which means it includes contractual expense reimbursements and it would be lower without those reimbursements. It may also include an inflation 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 (%)**


Information Technology	26.45
Health Care	13.84
Financials	12.59
Consumer Discretionary	9.77
Industrials	8.63
Communication Services	8.45
Consumer Staples	6.75
Energy	4.45
Real Estate	2.73
Materials	2.43
Other	3.91

**STYLE BREAKDOWN (%)**


Value	27.63
Core	38.73
Growth	33.64

**MARKET CAP BREAKDOWN (%)**


Large Cap	87.69
Mid Cap	10.86
Cash/and or Derivatives	1.45

**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](http://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 US Large Cap Core Index Fund (FEUS) 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. 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. **Equity Securities Risk** is the risk that the values of the equity securities owned by the Fund 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. **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. **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.

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.

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