

# A New Approach to Fixed Income - LKOR

FLEXSHARES EXCHANGE TRADED FUNDS

The FlexShares Credit-Scored US Long Corporate Bond Index Fund — or LKOR — aims to provide investors the potential investment benefits of maximizing both the quality and value factor in a passive portfolio of investment grade bonds with maturities of 10 years or longer.

The underlying index, the Northern Trust US Long Corporate Bond Quality Value Index, is built using a multi-step process.

The index attempts to maximize the exposure to Value by deriving a combined score for an individual issuers Valuation, Spread Analysis, and Solvency.

Then it determines an issuer's combined Quality score based on Management Efficiency, Profitability, and Solvency.

By combining both scores, then determines what we refer to as "Composite Alpha".

Finally, the index is Optimized by applying controls on key criteria including constraints on individual bonds, issuers, and sectors, as well as constraints on duration\*, and turnover. The index is then reconstituted on a monthly basis.

To learn more about the FlexShares Credit-Scored US Long Corporate Bond Index Fund, visit [FlexShares.com/funds/LKOR](https://flexshares.com/funds/LKOR)

*Before investing consider the Fund's investment objectives, risks, charges and expenses. Go to [flexshares.com](https://flexshares.com) for a prospectus containing this information. Read it carefully. Foreside Fund Services, LLC, distributor.*

All investments involve risk, including possible loss of principal. Funds' returns may not match returns of their respective indexes. Risks include fluctuation of yield, income, interest rate, non-diversification, asset class and market.

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