

FlexShares Quality Dividend Defensive 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 Quality Dividend Defensive Index[®] (Underlying Index).

FUND FACTS

Ticker	QDEF
Inception	12/14/2012
CUSIP	33939L845
Exchange	NYSE Arca
Underlying Index	Northern Trust Quality Dividend Defensive Index SM
Index Ticker	NTUQDDFTR
IOPV Ticker	QDEF.IV
Estimated Cash Ticker	QDEF.EU
Net Assets	\$348,666,072
Shares Outstanding	6,775,001
No. of Holdings	117

EXPENSE RATIO (%)

Management Fee	0.37
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.38
Expense Reimbursement	-0.01
Net Expense Ratio	0.37

FUND CHARACTERISTICS

Average Market Cap (\$)	334,426,685,312
Weighted Average Beta	0.83
Price to Earnings	22.50
Price to Book	9.99
SEC Subsidized Yield	2.63%
SEC Unsubsidized Yield	2.62%

QUARTER END PERFORMANCE (%)

As of December 31, 2022

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	Since Inception
QDEF NAV Return	12.80	-10.90	-10.90	5.02	6.83	9.42	10.86
QDEF Market Return (Bid-Ask Midpoint)	12.82	-10.90	-10.90	5.03	6.81	9.43	10.86
Northern Trust Quality Dividend Defensive Index SM Return	12.98	-10.49	-10.49	5.33	7.40	9.98	11.41
Russell 1000 Index Return	7.24	-19.13	-19.13	7.35	9.13	11.27	12.43

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 12/19/2012, 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 0.37% until March 1, 2023. Performance would have been lower without fee waivers and expense reimbursements in effect.

Northern Trust Quality Dividend Defensive Index tracks a portfolio of long-only U.S. equity securities, with an emphasis on long-term capital growth and a targeted overall beta that is generally between 0.5 to 1.0 times that of the Northern Trust 1250 Index.

Russell 1000 Index is an index of approximately 1,000 of the largest companies in the U.S. equity market.

TOP FUND HOLDINGS

Name	Weight (%)
1. APPLE	6.05
2. MICROSOFT	4.03
3. PROCTER & GAMBLE	3.52
4. HOME DEPOT INC/THE	3.32
5. ELI LILLY	3.09
6. JOHNSON & JOHNSON	3.07
7. VISA	2.86
8. BROADCOM	2.83
9. CISCO SYSTEMS	2.54
10. MCDONALD'S CORP COMMON STOCK USD 0.01	2.51
Total	33.83

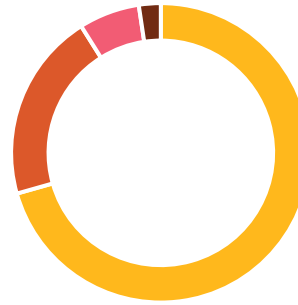
The **30-Day SEC Subsidized Yield** is computed under an SEC standardized formula based on net income earned over the past 30 days. It is a "subsidized" yield, which means it includes contractual expense reimbursements and it would be lower without those reimbursements. It may also include an inflation 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	23.66
Health Care	16.41
Consumer Discretionary	9.91
Consumer Staples	9.77
Industrials	9.09
Financials	8.89
Utilities	6.05
Real Estate	5.68
Communication Services	4.02
Cash/and or Derivatives	2.36
Energy	2.18
Other	1.98

MARKET CAP BREAKDOWN (%)



Large Cap	70.61
Mid Cap	20.46
Small Cap	6.57
Cash/and or Derivatives	2.36

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 Quality Dividend Defensive Index Fund (QDEF) 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. Additionally, the Fund is at increased dividend risk, as the issuers of the underlying stock might not declare a dividend, or the dividend rate may not remain at current levels. The Fund is also at increased risk of industry concentration, where it may be more than 25% invested in the assets of a single industry. Finally, the Fund may also be subject to increased Volatility Risk, where volatility may not equal the target of the Underlying Index.

Beta is a statistical measure of the volatility, or sensitivity, of rates of return on a portfolio or security compared to a market index. The beta for an ETF measures the expected change in return of the ETF relative to the return of a designated index. By definition, the beta of the Standard & Poor's (S&P) 500 Index is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the S&P 500 Index in rising markets and 10% worse in falling markets. Price to Earnings is calculated as a company's current stock price divided by its earnings per share. 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.

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.