

FlexShares Ultra-Short Income Fund

RAVI

All data as of December 31, 2024

OBJECTIVE

FlexShares Ultra Short Income Fund (RAVI) seeks maximum current income consistent with the preservation of capital and liquidity.

FUND FACTS

Ticker	RAVI
Inception	10/09/2012
CUSIP	33939L886
Exchange	NYSE Arca
IOPV Ticker	RAVI.IV
Estimated Cash Ticker	RAVI.EU
Net Assets	\$1,175,584,116
Shares Outstanding	15,640,001
No. of Holdings	270

FUND INFORMATION

Weighted Average Price	99.93
Weighted Average Effective Duration (years)	0.50
Weighted Average Years to Stated Legal Maturity	1.70
Weighted Average Spread Duration (years)	1.08
SEC Subsidized Yield	4.74%
SEC Unsubsidized Yield	4.73%
EXPENSE RATIO (%)	
Management Fee	0.25
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.26
Expense Reimbursement	-0.01
Net Expense Ratio	0.25

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

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
RAVI NAV Return	1.11	5.68	5.68	3.75	2.64	2.13	1.88
RAVI Market Return	1.08	5.67	5.67	3.75	2.64	2.14	1.88
Bloomberg 1-3 Month U.S. Treasury Bill Index Return	1.19	5.32	5.32	3.98	2.49	1.75	1.44

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 0.25% 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

Name	Coupon	Maturity	Weight (%)
CASH			3.25
UNITED STATES OF AMERICA BILL ZERO CPN 15/APR/2025		04/15/2025	1.69
DR HORTON INC CALLABLE NOTES FIXED 2.6%	2.600%	10/15/2025	1.26
BLACKROCK FUNDING INC CALLABLE NOTES FIXED 4.6%	4.600%	07/26/2027	1.22
PEPSICO SINGAPORE FINANCING I PTE LTD NOTES	5.045%	02/16/2027	1.05
LLOYDS BANKING GROUP PLC CALLABLE NOTES VARIABLE	5.611%	11/26/2028	1.03
AMERICAN HONDA FINANCE CORP MEDIUM TERM NOTE	5.130%	10/22/2027	1.03
J M SMUCKER CO/THE CALLABLE NOTES FIXED 3.5%	3.500%	03/15/2025	1.03
ENBRIDGE ENERGY PARTNERS LP CALLABLE NOTES FIXED	5.875%	10/15/2025	1.01
DUPONT DE NEMOURS INC CALLABLE NOTES FIXED 4.493%	4.493%	11/15/2025	1.00
Total			13.57

SECTOR (%)

Corporate	82.84
MBS/ABS	8.58
Cash	6.43
Government/Agency	1.72
Commercial Paper	0.43

EFFECTIVE DURATION BY TYPE

Cash	0.20 yrs
Commercial Paper	0.02 yrs
Corporate	0.42 yrs
Government/Agency	2.12 yrs
MBS/ABS	1.21 yrs

MATURITY (%)

0 - 1 Year	41.57
1 - 3 Years	39.52
3+ Years	12.05
Cash/and or Derivatives	6.86

PORTFOLIO LIMITS (MAXIMUMS) (%)

Asset-Backed Securities	10.0
Issuer Exposure*	5.0
Emerging Markets Exposure	20.0

*The Fund will be managed to, but not restricted to these limits

COUNTRY (%)

United States	69.84
Cash/And Or Derivatives	6.86
Canada	6.18
United Kingdom	3.80
France	2.13
Australia	2.03
Netherlands	1.81
Japan	1.67
Sweden	1.44
Germany	1.30
Other	2.94

MARKET ALLOCATIONS (%)

United States	69.84
Cash/Derivatives	6.87
Developed Markets	23.23
Emerging Markets	0.06

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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PORTFOLIO MANAGEMENT

Morten Olsen

Head of Multi-Sector Portfolio Management



Began career in 2004

With Northern Trust since 2009. Mr. Olsen received a B.S. in economics and a M.S. in economics, both from University of Copenhagen.

Bilal Memon

Senior Portfolio Manager, Northern Trust Asset Management



Began career in 2004

With Northern Trust since 2007. Mr. Memon received a B.A. in economics from The University of Chicago and his M.B.A in analytical finance and marketing management from the University of Chicago Graduate School of Business.

Chaitanya Mandavakuriti, CFA

Fixed Income Portfolio Manager



Began career in 2009

With Northern Trust since 2013. Chaitanya Mandavakuriti received a Bachelor of Technology in Aerospace Engineering from the Indian Institute of Technology. Chaitanya is a CFA charterholder.

DEFINITIONS

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.

Weighted Average Effective Duration is the average expected price decline for the portfolio when interest rates rise by 1%. All else being equal, the longer the maturity of a portfolio, the larger its effective duration.

Weighted Average Option Adjusted Spread is the average measurement of the spread of a fixed-income portfolio and the risk-free rate of return, which is adjusted to take into account an embedded option. Typically, an analyst uses the Treasury securities yield for the risk-free rate.

Weighted Average Price is the average price of the investments within a given portfolio. The formula for determining this is to multiply each price paid for the investments by the number of individual securities purchased at that price. Add up all of these results and divide by the total number of investments found within the portfolio.

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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.

FlexShares Ultra-Short Income Fund (RAVI) is actively managed and does not seek to replicate a specified index. Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

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

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. **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. **Emerging Markets Risk** is the risk that emerging markets are generally subject to greater market volatility, political, social and economic instability, uncertain trading markets and more governmental limitations on foreign investments than more developed markets. In addition, companies operating in emerging markets may be subject to lower trading volumes and greater price volatility than companies in more developed markets. **Fixed Income Securities** are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. During periods of rising interest rates, the Fund's yield will tend to be lower than prevailing market rates (and the market value of its fixed income securities can be expected to decline) and an issuer may exercise its right to pay principal on certain debt securities later than expected. Fixed income securities with longer maturities or durations tend to be more sensitive to interest rate movements than those with shorter maturities. In addition, an issuer could exercise its right to pay principal on callable debt securities held by the Fund earlier than expected. **Sector Risk** is the risk that companies in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of securities of all companies in a particular sector of the market to decrease. **Financial Sector Risk** is the risk that the financial sector can be significantly affected by changes in interest rates, government regulation, the rate of corporate and consumer debt defaulted, price competition, and the availability and cost of capital, among other factors.

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RAVI*All data as of December 31, 2024*

IMPORTANT INFORMATION

Concentration Risk is the risk that, if the Fund is concentrated in a particular industry or group of industries, the Fund is likely to present more risks than a fund that is broadly diversified over several industries or groups of industries. **Asset-backed and mortgage-backed securities** may be less liquid than other bonds, and may be more sensitive than other bonds to the market's perception of issuers and creditworthiness of payees, particularly in declining general economic conditions when concern regarding mortgagees' ability to pay rises, which may result in the Fund experiencing difficulty selling or valuing these securities. **Municipal Market Volatility Risk** is the risk that the Fund may be adversely affected by volatility in the municipal market. The municipal market can be significantly affected by adverse tax, legislative, political or public health changes and the financial condition of the issuers of municipal securities. **U.S. Government Securities Risk** is the risk that the U.S. government will not provide financial support to its agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Many U.S. government securities that may be purchased by the Fund are not backed by the full faith and credit of the United States. **Cash Transactions Risk** is the risk from the Fund effecting creation and redemption orders of its shares entirely for cash, rather than for in-kind securities. The Fund may have to sell portfolio securities at inopportune times in order to obtain the cash needed to meet redemption orders. **Income Risk** is the risk that the Fund's income may decline when interest rates fall. **Credit Risk**, is the risk that the inability or unwillingness of an issuer or guarantor of a fixed-income security, or a counterparty to a TBA, repurchase or other transaction, to meet its payment or other financial obligations will adversely affect the value of the Fund's investments and its returns. The credit quality of a debt security or of the issuer of a debt security held by the Fund could deteriorate rapidly, which may impair the Fund's liquidity or cause a deterioration in the Fund's NAV. **Debt Extension Risk** is the risk that when interest rates rise an issuer will exercise its right to pay principal on certain debt securities held by the Fund later than expected. This will cause the value of the security, and the Fund's NAV, to decrease, and the Fund may lose opportunities to invest in higher yielding securities.

Interest Rate/Maturity Risk is the risk that the value of the Fund's fixed-income assets will decline because of rising interest rates. In general, securities with longer maturities or durations are more sensitive to interest rate changes. **Derivatives Risk** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies 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. **Leveraging Risk** is the risk that certain transactions of the Fund, such as the use of when-issued, delayed delivery or forward commitment transactions and investments in forward foreign currency contracts, may give rise to leverage, causing the Fund to be more volatile than if it had not been leveraged. **Liquidity Risk** 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, its returns. Illiquid investments may be harder to value, especially in changing markets, and if the Fund is forced to sell these investments to meet redemption requests or for other cash needs, the Fund may suffer a loss. **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.