

FlexShares iBoxx[®] 3-Year Target Duration TIPS Index Fund

TDTT

All data as of December 31, 2024

OBJECTIVE

FlexShares iBoxx 3-Year Target Duration TIPS Index Fund seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the iBoxx 3-Year Target Duration TIPS Index (Underlying Index).

FUND FACTS

Ticker	TDTT
Inception	09/19/2011
CUSIP	33939L506
Exchange	NYSE Arca
Underlying Index	iBoxx [®] 3-Year Target Duration TIPS Index SM
Index Ticker	IBXXTD3T
IOPV Ticker	TDTT.IV
Estimated Cash Ticker	TDTT.EU
Net Assets	\$1,947,021,057
Shares Outstanding	82,504,000
No. of Holdings	28

FUND INFORMATION

Weighted Average Maturity (years)	3.39
Weighted Average Price	97.22
Modified adjusted Duration	2.88
SEC Subsidized Yield	3.13
SEC Unsubsidized Yield	3.12
EXPENSE RATIO (%)	
Management Fee	0.18
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.19
Expense Reimbursement	-0.01
Net Expense Ratio	0.18

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

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
TDTT NAV Return	-0.86	3.96	3.96	1.22	3.18	2.48	1.81
TDTT Market Return	-0.95	3.91	3.91	1.13	3.09	2.47	1.81
iBoxx [®] 3-Year Target Duration TIPS Index SM Return	-0.85	4.15	4.15	1.39	3.37	2.63	1.97
Bloomberg US TIPS 1-10 Year Index Return	-1.60	3.25	3.25	-0.06	2.7	2.56	1.98

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 0.18% 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 (%)
UNITED STATES OF AMERICA NOTES FIXED	0.500%	01/15/2028	8.66
UNITED STATES OF AMERICA NOTES FIXED	0.750%	07/15/2028	8.06
UNITED STATES OF AMERICA NOTES FIXED	1.250%	04/15/2028	7.47
UNITED STATES OF AMERICA BOND FIXED	3.625%	04/15/2028	6.27
UNITED STATES OF AMERICA BOND FIXED	1.750%	01/15/2028	4.26
UNITED STATES OF AMERICA NOTES FIXED	0.625%	01/15/2026	3.95
UNITED STATES OF AMERICA NOTES FIXED	0.375%	01/15/2027	3.48
UNITED STATES OF AMERICA NOTES FIXED	0.125%	07/15/2031	3.47
UNITED STATES OF AMERICA NOTES FIXED	0.125%	07/15/2030	3.39
UNITED STATES OF AMERICA NOTES FIXED	0.125%	07/15/2026	3.39
Total			52.41

MATURITY (%)

0 -1 Year	0.00
1 -3 Years	30.70
3 -5 Years	55.10
5 -10 Years	14.15
10 -20 Years	0.00
Cash/and or Derivatives	0.05
20+ Years	0.00

Holdings are 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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DEFINITIONS

Duration is the sensitivity of a fixed income security's price to a change in interest rates.

Modified Adjusted Duration is the duration calculated from the real modified duration of a TIPS security, adjusted for the market's estimated betas (as determined by regression analysis of price movements between TIPS and nominal Treasuries), which are impacted by actual and expected changes in inflation.

Weighted Average Maturity, for a portfolio of bonds, is the weighted average of the maturities of the underlying bonds.

Weighted Average Price is a trading benchmark calculated by totaling the dollars traded for every transaction (price times number of shares traded), then dividing by the day's total shares traded.

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. Neither FlexShares nor Foreside are related to iBoxx®.

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 iBoxx 3-Year Target Duration TIPS Fund (TDTT) is passively managed and primarily uses a replication strategy to track its underlying index. Use of a replication 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. It may invest in derivative instruments. The iBoxx 3-Year Target Duration TIPS Index is the intellectual property (including registered trademarks) of Markit iBoxx and/or its licensors ("Licensors"), which is used under license. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by Markit iBoxx and its Licensors and neither of the Licensors shall have any liability with respect thereto.

iBoxx® 3-Year Target Duration TIPS Index measures the performance of Treasury Inflation Protected Securities (TIPS) targeting a modified adjusted duration of 3.0 years and TIPS as having no less than one year and no more than ten years until maturity.

Bloomberg Barclays US TIPS 1-10 Year Index comprised of U.S. Treasury inflation-indexed securities with maturities between one and ten years.

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

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IMPORTANT INFORMATION

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. **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. **Income Risk** is the risk that the Fund's income may decline when interest rates fall. **Inflation Protected Security Risk** is the risk that the value of inflation protected securities, such as TIPS, generally will fluctuate in response to changes in real interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. **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.

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. **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. **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.