

Northern Trust Quality Dividend Index

1 Importance of Dividends

Historically, dividends and dividend reinvestment have accounted for a substantial portion of equity total returns. Dividends can also help investors meet their income needs.

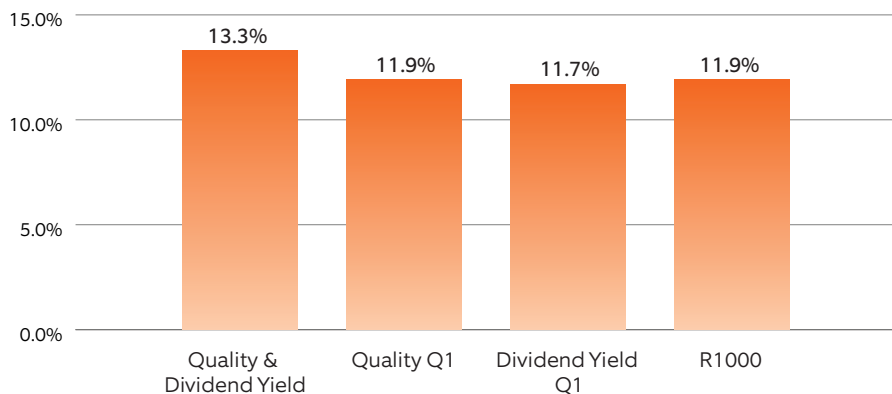
2 Focus on Quality

Uses measures of a company's financial health to evaluate sustainability of future dividends and avoid yield traps.

3 Efficient Use of Risk

Uncompensated and unintended exposures such as sector, region, and non-targeted style factors are tightly controlled. Defensive version offers a lower beta exposure.

ANNUALIZED RETURN AS OF 11/30/2012 – 9/30/22



Source: Bloomberg and Northern Trust Qualitative Research, Compustat, Barra. Factor returns are defined as the equally weighted top or bottom 20% of the Russell 1000 index. Ranking is based on exposure to factor as defined by Barra, Northern Trust (Quality) and Dividend Yield. Factors are winsorized to remove extreme 5% of outliers. Data from 11/30/2012-9/30/2022. Q1 represents the first quintile. A quintile is a statistical value of a data set that represents 20% of a given population, so the first quintile represents the lowest fifth of the data (1% to 20%). **Past performance is not indicative or a guarantee of future results. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index.**

Why Now?

Outperformed Broad Market Index: The intersection of high quality and high dividend stocks outperformed year to date (YTD) and in the trailing 1 year. Defensive positioning helped in those periods as well. Dividend Yield has been the best performing factor in the YTD and trailing 1-year period.

Dividends Expected to Contribute a Greater Portion of Total Return: Given low total return forecasts, we expect dividends to provide a stable return source to investors. Relative to bond yields, high dividend-payers offer yield and the potential for capital appreciation. Stocks may be better able to absorb unexpected increases in inflation.

Diversification of Income: Interestingly, now that fixed income yields have risen relative to equity dividend yields, investors now consider equity yield as a diversifier.

FIND OUT MORE: 1-855-FlexETF (1-855-353-9383).

DEFINITIONS

Beta is a statistical measure of the volatility, or sensitivity, of rates of return on a portfolio or security compared to a market index.

Bond Yield is the annual rate of return on a bond, expressed as a percentage of the bondholder's invested capital.

Dividend Yield is the dividend weighting or screening can identify stocks that have the potential to deliver solid and consistent dividend income or dividend growth. While there are no guarantees that a company will continuously pay or increase its dividend, this factor is often tied in with the quality factor.

Equity Yield is the required rate of return on equity capital.

Quality utilizes the Northern Trust approach that attempts to measure companies that have sustainable competitive advantages and have generated sustainable shareholder value over time. We do this through a process called the Dividend Quality Score (DQS), which seeks to assess the sustainability of pay outs by measuring characteristics including strong profitability, consistent and strong levels of cash flows, and prudent deployment of capital by an efficient management team.

Alpha is the excess return of an investment relative to the return of a benchmark index.

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

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.

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. The Funds are subject to the following principal risks: asset class; authorized participant, calculation methodology; commodity; concentration; counterparty; currency; derivatives; dividend; emerging markets; equity securities; financial sector, fluctuation of yield; foreign securities; geographic; high portfolio turnover; income; industry concentration; inflation; infrastructure-related companies; interest rate; issuer; liquidity; large cap; management; market; market trading; mid cap stock; MLP; momentum; natural resources; new funds; non-diversification; passive investment; privatization; securities lending; small cap stock; tracking error; value investing; and volatility risk. A full description of risks is in the prospectus.