Why FlexShares?

INVESTING WITH PURPOSE
At FlexShares, our focus is on understanding and responding to investor needs. We design funds that meet specific investment objectives and we continually work to help investors become well-educated consumers of Exchange Traded Funds. We freely share our knowledge and expertise to help investors make informed decisions on how ETFs can best help them achieve their long-term goals.

Our decisions to launch specific funds are supported by quantitative research as well as analysis of industry and competitive trends. This empirically driven approach to ETF product development is a core tenet of our approach. As seasoned investment professionals, we intensely focus on identifying and delivering unique insights that help improve the investing experience. Investors can benefit from our expertise in index management, quantitative research, fixed income and multi-asset class solutions. The depth and breadth of our expertise is delivered through our outcome-oriented ETF solutions.

**Why FlexShares?**

**INVESTOR-CENTRIC FOCUS. DISCIPLINED APPROACH. DISTINCTIVE ETF SOLUTIONS.**

The FlexShares mission is to provide exchange traded funds that serve as the building blocks for outcome-oriented portfolios. This focus on “investing with purpose” is at the heart of our unique brand of ETFs. Focusing on investor needs and preferences is in our DNA. Our solutions framework focuses on investors’ fundamental needs of growing assets, managing risk, providing liquidity and generating income, objectives that are not achieved overnight. It follows, then, that the funds we offer are differentiated and targeted toward long-term investors. More important to understanding what differentiates our funds, however, is knowing why we do what we do... what principles and values shape our organizational beliefs and business practices.
Our “Why” informs the “How” — driven by our core values and beliefs, our approach to product design and delivery is very different from that of our competitors.

Our product management approach results in ETFs that are designed to pursue fundamental investment objectives tailored in a portfolio in an effort to achieve long-term goals. It is based on seven core tenets that span the design process from concept to ongoing fund management:

1. **Focus** on the fundamental investor objectives of growing assets, managing risk, generating income and providing liquidity to guide product development.
2. **Employ** empirical research and analysis to develop a distinctive investment strategy that produces a persistent, measurable outcome.

The decisions we make, the strategies we design and the manner in which we interact with all of our stakeholders are based upon our core values:

**Intellectual curiosity** - We pay close attention to proven economic theory as well as market trends and evolving investor preferences.

**Simplicity** - An investment solution should be easy for any prospective investor to understand and so we strive to communicate the science behind our investment strategies and clearly define our investment objectives.

**Transparency** - The structure of most ETFs allow investors to readily evaluate the underlying fund holdings. Our distinct approach to product management helps investors make informed investment decisions based on the targeted outcomes and risk exposures.

**Discipline** - We strictly adhere to the core tenets of our investing methodology to ensure that our investment solutions directly address the specific financial goals and needs we have identified.

**Collaboration** - We leverage our deep investment expertise and relationships with a wide array clients and industry participants to provide solutions tailored to investor needs.

**Patience** - Investing is a time-tested discipline that requires assessment of long-term performance against clearly identified objectives. We make the proper investment of time in the design, delivery and measurement of performance outcomes.

**DISCIPLINED APPROACH**

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3. **Evaluate** the investment strategy in a portfolio context to determine how it contributes to portfolio risk and return and to address common investor biases.
4. **Consider** the explicit and implicit costs of the investment strategy, emphasizing total cost of ownership.
5. **Translate** the investment strategy into a rules-based methodology for index funds or investment decision criteria for actively managed funds.
6. **Select** the appropriate product structure to deliver the investment strategy.
7. **Monitor** and measure the long-term performance of the product vs. clearly articulated investment objectives.
Our “Why” not only informs the “How”, it also informs the “What”. FlexShares funds deliver all the benefits and features of ETFs: transparency, flexibility, tax efficiency and generally lower costs than other investment vehicles. But rather than simply track a traditional index, FlexShares seeks to advance the specific objectives our investor’s voice by leveraging our research and investment expertise across disciplines. The distinctive products we offer are the result of our unique value proposition offering an investor-centric focus, disciplined management processes and distinctive ETF solutions.

Our mission is simple. We provide insights and solutions that enable investors to achieve real world goals. Though our aim is simple, we find it is uncommon. This underscores that why we do what we do, truly matters. As an individual investor you may seek to generate a reliable income stream in retirement. As an institutional investor you may seek to manage duration risk in a fixed income portfolio. FlexShares funds are engineered to help you achieve these types of investment outcomes. Why you invest is important to you and it matters to us. It is this keen appreciation for the unique preferences and goals of investors that makes our FlexShares mission matter.

Important Risk Disclosure
An investment in FlexShares is subject to investment risk, including the possible loss of principal amount invested. Funds’ returns may not match the returns of their respective Indexes. The Funds may invest in emerging and foreign markets, derivatives and concentrated sectors. In addition, the Funds may be subject to asset class risk, small cap stock risk, value investing risk, non-diversification risk, fluctuation of yield, income risk, interest rate/maturity risk, currency risk, passive investment risk, inflation protected security risk, market risk and manager risk. For a complete description of risks associated with each Fund, please refer to the prospectus.

Before investing carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting www.flexshares.com. Read the prospectus carefully before you invest.

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