

FlexShares STOXX[®] US ESG Impact Index Fund

Objective and Strategy

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the STOXX USA ESG Impact Index[®] (Underlying Index).

Different, by Design

1. Track STOXX index designed to serve as a core equity holding with Environmental, Social and Governance (ESG) exposure in an effort to enhance risk adjusted returns
2. Index assesses US companies based on Key Performance Indicators (KPIs) in ESG categories
3. Index aggregates criteria into one score and "tilts" the portfolio to companies with the highest scores
4. Constraints are utilized in an effort to minimize overall risk within the strategy

Capital
Appreciation

Risk
Management

Income
Generation

Liquidity
Management

FUND FACTS

Ticker	ESG
Inception	07/13/2016
CUSIP	33939L696
Exchange	CBOE
Underlying Index	STOXX [®] USA ESG Impact Index SM
Index Ticker	SXEIMUV
IOPV Ticker	ESG.IV
Estimated Cash Ticker	ESG.EU
Net Assets	\$32,792,027
Shares Outstanding	550,001
No. of Holdings	252

EXPENSE RATIO (%)

As of December 31, 2018

Management Fee	0.32
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.03
Gross Expense Ratio	0.35
Expense Reimbursement	-0.03
Net Expense Ratio	0.32

FUND CHARACTERISTICS

As of December 31, 2018

Average Market Cap (\$)	226,066,167,162
SEC Subsidized Yield	1.86%
SEC Unsubsidized Yield	1.86%

QUARTER END PERFORMANCE (%)

As of December 31, 2018

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
ESG NAV Return	-13.14	-3.56	-3.56	N/A	N/A	9.21
ESG Market Return (Bid-Ask Midpoint)	-13.06	-4.08	-4.08	N/A	N/A	9.26
STOXX [®] USA ESG Impact Index SM Return	-13.66	-4.88	-4.88	N/A	N/A	8.32
Russell 1000 Index Return	-13.82	-4.78	-4.78	9.09	8.21	8.36

One cannot invest directly in an index.

Performance 1-year and less are cumulative; performance over 1-year are average annualized total returns.

Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the original cost. The fund has a net (gross) expense ratio of 0.32% (0.35%). NTI has contractually agreed to reimburse the fees and expenses of the Fund's independent trustees and independent legal counsel until March 1, 2019.

For the most recent month-end performance, please visit the Fund's website at www.flexshares.com.

TOP FUND HOLDINGS

As of December 31, 2018

Name	Weight (%)
1. AMAZON.COM	4.82
2. MICROSOFT	4.80
3. APPLE	4.55
4. JPMORGAN CHASE	3.13
5. ALPHABET	2.97
6. EXXON MOBIL	2.68
7. BANK OF AMERICA	2.21
8. INTEL	2.10
9. PFIZER	2.09
10. CHEVRON	1.87
Total	31.23

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 (%)

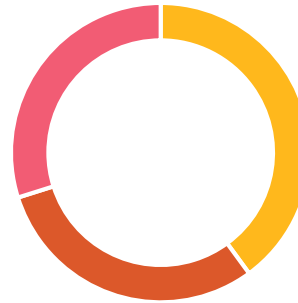
As of December 31, 2018



Information Technology	22.51
Health Care	16.18
Financials	14.07
Consumer Discretionary	11.17
Communication Services	9.12
Consumer Staples	8.18
Industrials	6.83
Energy	6.46
Utilities	2.53
Materials	1.67
Real Estate	1.21
Other	0.07

STYLE BREAKDOWN (%)

As of December 31, 2018



Value	39.94
Core	30.21
Growth	29.85

DISCLOSURES

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; commodity; concentration; counterparty; currency; derivatives; dividend; emerging markets; equity securities; fluctuation of yield; foreign securities; geographic; income; industry concentration; inflation-protected securities; infrastructure-related companies; interest rate / maturity risk; issuer; large cap; management; market; market trading; mid cap stock; MLP; momentum; natural resources; new funds; non-diversification; passive investment; privatization; small cap stock; tracking error; value investing; and volatility risk. A full description of risks is in the prospectus.

Performance would have been lower without fee waivers and reimbursements in effect.

FlexShares STOXX[®] US ESG Impact Index Fund (ESG) 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. The Fund is subject to environmental, social and governance (ESG) Investment Risk, which is the risk that because the methodology of the Underlying Index selects and assigns weights to securities of issuers for non-financial reasons, the Fund may underperform the broader equity market or other funds that do not utilize ESG criteria when selecting investments. 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. The Fund may also invest in derivative instruments. Changes in the value of the derivative may not correlate with the underlying asset, rate or index and the Fund could lose more than the principal amount invested. The Russell 1000 is an index of approximately 1,000 of the largest companies in the U.S. equity markets and is a subset of the Russell 3000 Index. The Russell 1000 (maintained by the Russell Investment Group) comprises over 90% of the total market capitalization of all listed U.S. stocks, and is considered a bellwether index for large cap investing. The Russell 1000 is a market capitalization-weighted index, meaning that the largest companies constitute the largest percentages in the index and will affect performance more than the smallest index members.

The STOXX[®] USA ESG Impact Index is the intellectual property (including registered trademarks) of STOXX[®] Limited, Zurich, Switzerland 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 STOXX[®] and its Licensors and neither of the Licensors shall have any liability with respect thereto.

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. Price to cash flow is calculated as a company's current price per share divided by cash flow per share. Price to sales is calculated as a company's current stock price by its revenue per share.

Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Market performance is determined using the bid/ask midpoint at 4:00pm Eastern time. NAV return is determined using the daily calculated Net Asset Value (NAV).

All data provided by: Northern Trust, J.P. Morgan, Thomson Reuters and STOXX.

MANAGED BY



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