

FlexShares STOXX[®] Global ESG Impact Index Fund

OBJECTIVE

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

FUND FACTS

Ticker	ESGG
Inception	07/13/2016
CUSIP	33939L688
Exchange	CBOE
Underlying Index	STOXX [®] Global ESG Impact Index SM
Index Ticker	SXEIMGV
IOPV Ticker	ESGG.IV
Estimated Cash Ticker	ESGG.EU
Net Assets	\$130,656,734
Shares Outstanding	1,050,001
No. of Holdings	742

EXPENSE RATIO (%)

Management Fee	0.42
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.00
Gross Expense Ratio	0.43
Expense Reimbursement	0.00
Net Expense Ratio	0.42

FUND CHARACTERISTICS

Average Market Cap (\$)	409,542,483,292
Weighted Average Beta	1.05
Price to Earnings	33.83
Price to Book	9.04
SEC Subsidized Yield	1.52%
SEC Unsubsidized Yield	1.51%

The **30-Day SEC Subsidized Yield** is computed under a 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.

QUARTER END PERFORMANCE (%)

As of December 31, 2020

	QTD	YTD	1 Yr.	3 Yr.	Since Inception
ESGG NAV Return	13.95	17.53	17.53	11.61	14.13
ESGG Market Return (Bid-Ask Midpoint)	14.08	17.17	17.17	11.55	14.11
STOXX [®] Global ESG Impact Index SM Return	14.06	17.69	17.69	11.65	14.15
MSCI World Index Return	13.96	15.90	15.90	10.52	12.94

The fund recently experienced significant negative short-term performance due to market volatility associated with the COVID-19 pandemic. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed or sold in the secondary market, may be worth more or less than the original cost. Investors will incur usual and customary brokerage commissions when buying or selling shares of the exchange-traded funds ("ETFs") in the secondary market, and that, if reflected, the brokerage commissions would reduce the performance returns. Current performance may be lower or higher than the performance shown. Shares are bought and sold at market price not net asset value ("NAV") and are not individually redeemable from the fund. For the most recent month-end performance, please visit the Fund's website at www.flexshares.com or call 855-353-9383 for more information.

Index performance does not represent FlexShares fund performance. It is not possible to invest directly in an index. All performance figures assume reinvestment of dividend and capital gains at net asset value; actual returns may differ. Performance 1-year and less are cumulative; performance over 1-year are average annualized total returns. Market price performance is determined using the bid/ask midpoint at 4:00pm Eastern time, when the NAV is typically calculated. NAV price performance is determined using the daily calculated NAV. They do not represent the returns you would receive if you traded shares at other times. Performance figures do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or upon redemption or sale of fund shares. The fund inception date is generally several days prior to when the fund begins trading. NAV prices are used to calculate market price performance prior to 07/14/2016, when the fund first traded on an exchange.

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 0.42% until March 1, 2021. Performance would have been lower without fee waivers and expense reimbursements in effect.

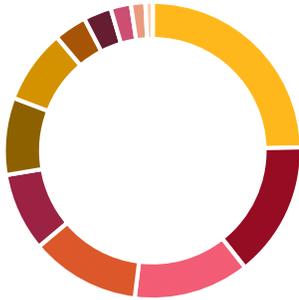
STOXX Global ESG Impact Index offers exposure to a set of global, developed-market companies that is tilted towards companies scoring better with respect to a select set of environmental, social, and governance (ESG) key performance indicators (KPIs).

MSCI World is a market cap weighted stock market index of 1,655 stocks from companies throughout the world.

TOP FUND HOLDINGS

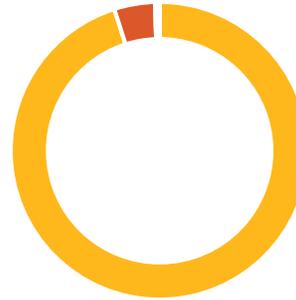
NAME	WEIGHT (%)
1. APPLE	5.18
2. AMAZON	5.10
3. MICROSOFT	5.08
4. FACEBOOK INC-A	2.58
5. ALPHABET INC-CL C	2.57
6. TESLA	1.74
7. PROCTER & GAMBLE NO	1.39
8. JP MORGAN CHASE	1.26
9. BANK OF AMERICA	1.15
10. HOME DEPOT	1.11
Total	27.15

SECTOR BREAKDOWN (%)



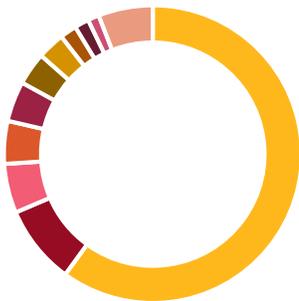
Information Technology	24.64
Consumer Discretionary	14.72
Financials	12.59
Health Care	11.91
Communication Services	8.52
Consumer Staples	8.40
Industrials	8.05
Materials	3.57
Energy	3.02
Utilities	2.21
Real Estate	1.57
Other	0.80

MARKET CAP BREAKDOWN (%)



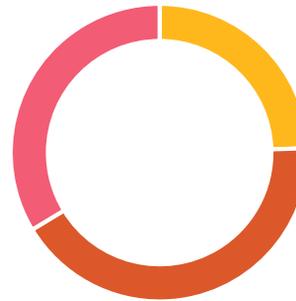
Large Cap	94.34
Mid Cap	4.39
Small Cap	0.44
Micro Cap	0.06
Cash/and or Derivatives	0.77

COUNTRY BREAKDOWN (%)



United States	60.01
Japan	8.59
United Kingdom	5.35
France	4.65
Switzerland	4.37
Australia	3.55
Germany	2.97
Netherlands	1.81
Canada	1.56
Sweden	1.22
Other	5.92

STYLE BREAKDOWN (%)



Value	24.53
Core	41.81
Growth	33.66

Morningstar Sustainability Rating™



Percent Rank Relative to Global Category: Average

Global Category Percent Rank out of 6,775 funds: 39 as of 01/19/2020. The Global Sustainability Index Fund received the following: Current Sustainability Score= 21.84 (based on 100% of AUM) and a Sustainability Rating of 3 Globe Icons (or "Average").

The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their financially material environmental, social and governance, or ESG, risks relative to the fund's Morningstar Global Category peers.

The Morningstar Sustainability Rating calculation is a five-step process. First, each fund with at least 67% of assets covered by a company-level ESG Risk Score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of company-level ESG Risk Scores. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk. Second, the Historical Sustainability Score is an exponential weighted moving average of the Portfolio Sustainability Scores over the past 12 months. The process rescales the current Portfolio Sustainability Score to reflect the consistency of the scores. The Historical Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk, on a consistent historical basis. Third, the Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Global Categories in which at least thirty (30) funds receive a Historical Sustainability Score and is determined by each fund's Morningstar Sustainability Rating Score rank within the following distribution: High (highest 10%), Above Average (next 22.5%), Average (next 35%), Below Average (next 22.5%), Low (lowest 10%) Fourth, we apply a 1% rating buffer from the previous month to increase rating stability. This means a fund must move 1% beyond the rating breakpoint to change ratings. Fifth, we adjust downward positive Sustainability Ratings to funds with a high ESG Risk scores. The logic is as follows: If Portfolio Sustainability score is above 40, then the fund receives a Low Sustainability Rating. If Portfolio Sustainability score is above 35 and preliminary rating is Average or better, then the fund is downgraded to Below Average. If Portfolio Sustainability score is above 35 and preliminary rating is Average or better, then the fund is downgraded to Below Average. If Portfolio Sustainability score is below 30, then no adjustment is made. The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Since a Sustainability Rating is assigned to all funds that meet the above criteria, the rating is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. The Portfolio Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Historical Sustainability Score and the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date. Please click on <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency.

INDEX METHODOLOGY

Investment Universe

The STOXX Global 1800 Index less all companies that do not adhere to the UN Global compact principles, are involved in controversial weapons or are coal miners

ESG Integration

Exclude bottom 50% of companies based on their ESG scores

ESG scores are calculated by measuring the key performance indicators including:

- Carbon Disclosure Project (CDP) emission reduction targets
- Percentage of independent board members
- Percentage women on the board
- Policy against child labor
- Golden parachute agreements

Portfolio Optimization

- Maximize weight to companies with higher ESG scores while minimizing sector and country weight deviations relative to the STOXX Global 1800 index
- Country weights are capped to not deviate from those of the STOXX Global 1800 index by more than 1% and sector components are capped to a maximum weight of 5%

Underlying Index - STOXX® Global ESG Impact Index

DISCLOSURES

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

Forside 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. A full description of risks are in the prospectus and summary prospectus.

FlexShares STOXX® Global ESG Impact Index Fund (ESGG) 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. Investments in foreign market securities involve certain risks such as currency volatility, political and social instability and reduced market liquidity. To the extent that the Fund invests in Emerging markets, those investments may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that country, market, industry, sector or asset class. 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 STOXX® Global 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.

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