

FlexShares STOXX[®] Global 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 Global 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 global 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
- * The term "risk" in this context is defined as maintaining sector and style neutrality while remaining comparable to sector and country concentration in comparison to the STOXX[®] Global ESG Impact IndexSM.

Capital
Appreciation

Risk
Management

Income
Generation

Liquidity
Management

FUND FACTS

Ticker	ESGG
Inception	07/13/2016
CUSIP	33939L688
Exchange	NASDAQ
Underlying Index	STOXX [®] Global ESG Impact Index SM
Index Ticker	SXEIMGV
IOPV Ticker	ESGG.IV
Estimated Cash Ticker	ESGG.EU
Net Assets	\$72,291,148
Shares Outstanding	850,001
No. of Holdings	696

QUARTER END PERFORMANCE (%)

As of December 31, 2018

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
ESGG NAV Return	-13.76	-8.49	-8.49	N/A	N/A	7.23
ESGG Market Return (Bid-Ask Midpoint)	-13.63	-8.37	-8.37	N/A	N/A	7.31
STOXX [®] Global ESG Impact Index SM Return	-13.87	-8.58	-8.58	N/A	N/A	7.15
MSCI World Index Return	-13.42	-8.71	-8.71	6.30	4.56	6.35

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 0.42% (0.45%). 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.

FUND CHARACTERISTICS

As of December 31, 2018

Average Market Cap (\$)	186,000,247,799
SEC Subsidized Yield	2.32%
SEC Unsubsidized Yield	2.31%

EXPENSE RATIO (%)

As of December 31, 2018

Management Fee	0.42
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.03
Gross Expense Ratio	0.45
Expense Reimbursement	-0.03
Net Expense Ratio	0.42

TOP FUND HOLDINGS

As of December 31, 2018

NAME	WEIGHT (%)
1. MICROSOFT	4.83
2. AMAZON.COM	3.82
3. APPLE	3.58
4. ALPHABET	2.39
5. BANK OF AMERICA	1.69
6. JPMORGAN CHASE	1.63
7. EXXON MOBIL	1.44
8. INTEL	1.35
9. NESTLE	1.34
10. PFIZER	1.28
Total	23.34

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.

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SECTOR BREAKDOWN (%)

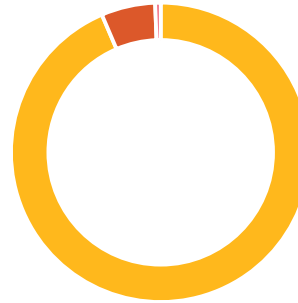
As of December 31, 2018



Information Technology	18.31
Financials	16.93
Health Care	13.67
Consumer Discretionary	13.09
Consumer Staples	10.86
Communication Services	8.08
Industrials	7.07
Energy	4.88
Materials	3.77
Utilities	1.85
Real Estate	1.37
Other	0.12

MARKET CAP BREAKDOWN (%)

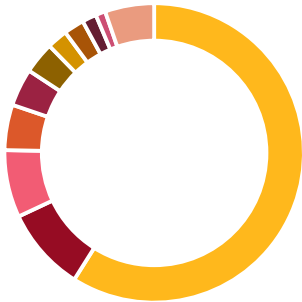
As of December 31, 2018



Large Cap	93.57
Mid Cap	5.84
Small Cap	0.59
Micro Cap	0.00

COUNTRY BREAKDOWN (%)

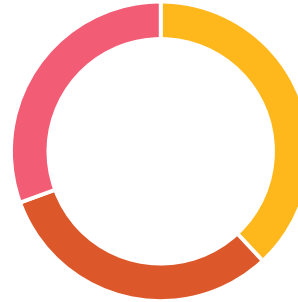
As of December 31, 2018



United States	58.96
Japan	9.06
United Kingdom	7.28
France	4.91
Switzerland	4.05
Australia	3.41
Germany	2.22
Netherlands	2.20
Canada	1.54
Italy	1.06
Other	5.31

STYLE BREAKDOWN (%)

As of December 31, 2018



Value	38.07
Core	31.37
Growth	30.56

Morningstar Sustainability Rating™



Ranked 9 out of 305 Out of 305 Sustainability Mandated funds as of June 30, 2018. As of 6/30/2018, the Global Sustainability Index Fund received the following: ESG Score 58.57 – Controversy Score 6.10 = Sustainability score 52.47 (6% category rank; 305 funds) and a Sustainability Rating of 5 Globe Icons (or "High"). Score Calculation based on 98% of AUM.

The Morningstar[®] Sustainability Rating is intended to measure how well the issuing companies of the securities within a fund's portfolio are managing their environmental, social, and governance ("ESG") risks and opportunities relative to the fund's Morningstar category peers. The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 50% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar[®] Portfolio Sustainability Score[™]. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution: High (highest 10%); Above Average (next 22.5%); Average (next 35%); Below Average (next 22.5%); and Low (lowest 10%). The Morningstar Sustainability Rating is depicted by global icons where High equals 5 globes and Low equals 1 globe. A Sustainability Rating is assigned to any fund that has more than half of its underlying assets rated by Sustainalytics and is within a Morningstar Category with at least 10 scored funds; therefore, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. Portfolios receive a Morningstar Portfolio Sustainability Score and Sustainability Rating one month and six business days after their reported as-of date based on 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. Sustainalytics is an independent ESG and corporate governance research, ratings, and analysis firm and is not an affiliated company of Morningstar, Inc. Past performance does not guarantee future results.

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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



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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 along with the risk of high portfolio turnover. 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 MSCI World index is a stock market index of 1,643 `world` stocks. It is maintained by MSCI, Inc., formerly Morgan Stanley Capital International, and is used as a common benchmark for `world` or `global` stock funds. The index includes a collection of stocks of all the developed markets in the world, as defined by MSCI.

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. 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.

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