

# FlexShares Morningstar<sup>®</sup> Global Upstream Natural Resources Index Fund

## Objective and Strategy

FlexShares Morningstar Global Upstream Natural Resources Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Morningstar<sup>®</sup> Global Upstream Natural Resources Index<sup>®</sup> (Underlying Index).

## Different, by Design

1. Identify upstream natural resources equities based on a Morningstar industry classification system
2. Balanced exposure to three traditional (30% each in Agriculture, Energy, and Metals) and two nontraditional (5% each in Timber and Water) natural resource sectors

Capital  
Appreciation

Risk  
Management

Income  
Generation

Liquidity  
Management

## FUND FACTS

Ticker	GUNR
Inception	09/16/2011
CUSIP	33939L407
Exchange	NYSE
Underlying Index	Morningstar <sup>®</sup> Global Upstream Natural Resources Index <sup>SM</sup>
Index Ticker	MUNRT
IOPV Ticker	GUNR.IV
Estimated Cash Ticker	GUNR.EU
Net Assets	\$5,432,429,903
Shares Outstanding	174,700,001
No. of Holdings	123

## QUARTER END PERFORMANCE (%)

As of September 30, 2019

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
GUNR NAV Return	-5.07	8.82	-4.89	7.15	1.37	1.03
GUNR Market Return (Bid-Ask Midpoint)	-4.86	9.07	-4.77	7.03	1.38	1.04
Morningstar <sup>®</sup> Global Upstream Natural Resources Index <sup>SM</sup> Return	-5.01	9.15	-4.51	7.59	1.81	1.38
S&P Global Natural Resources Index Return	-6.18	6.43	-11.55	6.35	0.49	0.17

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 0.46% (0.46%).** Northern Trust Investments, Inc. ("NTI" or "Investment Adviser") has contractually agreed to reimburse certain expenses (amount is less than 0.005%) of the Trust's independent trustees until March 1, 2020.

For the most recent month-end performance, please visit the Fund's website at [www.flexshares.com](http://www.flexshares.com).

## FUND CHARACTERISTICS

As of September 30, 2019

Average Market Cap (\$)	58,036,912,656
Price to Earnings	21.41
Price to Book	2.04
SEC Subsidized Yield	3.60%
SEC Unsubsidized Yield	3.60%

## EXPENSE RATIO (%)

As of September 30, 2019

<b>Management Fee</b>	0.46
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.00
<b>Gross Expense Ratio</b>	<b>0.46</b>
Expense Reimbursement	0.00
<b>Net Expense Ratio</b>	<b>0.46</b>

## TOP FUND HOLDINGS

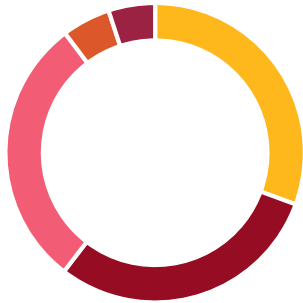
As of September 30, 2019

Name	Weight (%)
1. EXXON MOBIL	4.99
2. CHEVRON	4.63
3. BHP	4.32
4. TYSON FOODS	4.26
5. NUTRIEN	4.21
6. RIO TINTO	3.37
7. ARCHER-DANIELS-MIDLAND	3.16
8. TOTAL	2.69
9. ROYAL DUTCH SHELL	2.63
10. BP	2.62
<b>Total</b>	<b>36.89</b>

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.

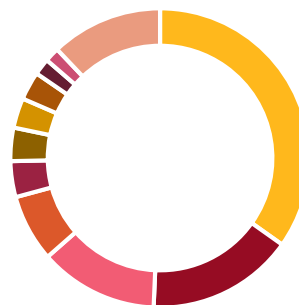
FlexShares Morningstar<sup>®</sup> Global Upstream Natural Resources Index Fund

**SECTOR BREAKDOWN (%)**  
As of September 30, 2019



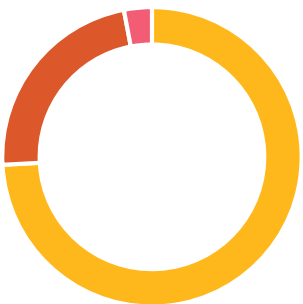
● Agriculture	30.61
● Metal	29.81
● Energy	29.30
● Water	5.24
● Timber	5.04

**COUNTRY BREAKDOWN (%)**  
As of September 30, 2019



● United States	34.82
● United Kingdom	15.87
● Canada	12.84
● Australia	7.26
● France	3.88
● Norway	3.60
● Brazil	3.23
● Japan	3.06
● Russian Federation	1.79
● Singapore	1.58
● Other	12.07

**MARKET CAP BREAKDOWN (%)**  
As of September 30, 2019



● Large Cap	74.15
● Mid Cap	22.84
● Small Cap	3.01

**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](http://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 Morningstar<sup>®</sup> Global Upstream Natural Resources Index Fund (GUNR) is subject to the global natural resource industry. As the demand for or prices of natural resources increase, the Fund's equity investment generally would be expected to also increase. Conversely, declines in demand for or prices of natural resources generally would be expected to cause declines in value of such equity securities. Such declines may occur quickly and without warning and may negatively impact your investment in the Fund.

The Morningstar<sup>®</sup> Global Upstream Natural Resources Index is the intellectual property (including registered trademarks) of Morningstar<sup>®</sup> 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 Morningstar<sup>®</sup> and its Licensors and neither of the Licensors shall have any liability with respect thereto. The Morningstar<sup>®</sup> Global Upstream Natural Resources Index<sup>SM</sup> measures the performance of stocks issued by companies that have significant business operations in the ownership, management and/or production of natural resources in energy, agriculture, precious or industrial metals, timber and water resources sectors as defined by Morningstar's industry classification standards. The Morningstar index methodology uses a proprietary industry classification system to identify companies within the five natural resource categories. Individual stock weights as well as category and regional exposure are capped to provide diversified exposure. Categories are rebalanced at least annually to the following percentages: Agriculture (30%), Energy (30%), Metals (30%), Timber (5%) and Water (5%). The Morningstar<sup>®</sup> Global Upstream Natural Resources Index<sup>SM</sup> was created and is maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote the FlexShares Morningstar Global Upstream Natural Resources Index Fund and bears no liability with respect to that ETF or any security. Morningstar is a registered trademark of Morningstar, Inc. Morningstar Global Upstream Natural Resources Index is a service mark of Morningstar, Inc. S&P Global Natural Resources Index is comprised of the largest publicly traded companies, based on market capitalization, in global natural resources and commodities businesses that meet certain investability requirements.

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).

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.

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