

FlexShares US Quality Large Cap 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 Northern Trust Quality Large Cap Index[®] (Underlying Index).

Different, by Design

1. Assess the current financial state of US large cap companies based on a proprietary quality factor
2. Maximize exposure to the quality, value and momentum factors
3. Utilize constraints in an effort to minimize the overall risk of the strategy

Capital
Appreciation

Risk
Management

Income
Generation

Liquidity
Management

FUND FACTS

Ticker	QLC
Inception	09/23/2015
CUSIP	33939L746
Exchange	NASDAQ
Underlying Index	Northern Trust Quality Large Cap Index SM
Index Ticker	NTUQVMTR
IOPV Ticker	QLC.IV
Estimated Cash Ticker	QLC.EU
Net Assets	\$57,540,977
Shares Outstanding	1,900,001
No. of Holdings	136

QUARTER END PERFORMANCE (%)

As of December 31, 2018

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
QLC NAV Return	-14.77	-7.54	-7.54	7.05	N/A	7.85
QLC Market Return (Bid-Ask Midpoint)	-14.80	-7.62	-7.62	7.05	N/A	7.85
Northern Trust Quality Large Cap Index SM Return	-14.83	-7.48	-7.48	7.36	7.72	8.17
S&P 500 Index Return	-13.52	-4.38	-4.38	9.26	8.50	10.42

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% (0.34%). 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 (\$)	146,422,930,954
SEC Subsidized Yield	2.08%
SEC Unsubsidized Yield	2.07%

EXPENSE RATIO (%)

As of December 31, 2018

Management Fee	0.32
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.02
Gross Expense Ratio	0.34
Expense Reimbursement	-0.02
Net Expense Ratio	0.32

TOP FUND HOLDINGS

As of December 31, 2018

Name	Weight (%)
1. APPLE	3.68
2. JOHNSON & JOHNSON	2.48
3. VERIZON	2.38
4. INTEL	2.28
5. CISCO SYSTEMS	2.19
6. CHEVRON	2.16
7. HOME DEPOT	2.12
8. BOEING	2.12
9. MICROSOFT	2.08
10. AMGEN	1.98
Total	23.48

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.

MANAGED BY



flexshares.com

FlexShares US Quality Large Cap Index Fund (QLC)

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FlexShares US Quality Large Cap Index Fund

SECTOR BREAKDOWN (%)

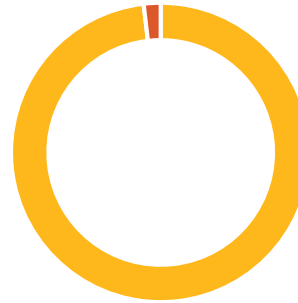
As of December 31, 2018



Information Technology	22.86
Health Care	13.59
Financials	11.44
Industrials	9.96
Consumer Discretionary	9.76
Communication Services	8.06
Consumer Staples	6.99
Energy	6.96
Utilities	4.06
Materials	3.31
Real Estate	3.01

MARKET CAP BREAKDOWN (%)

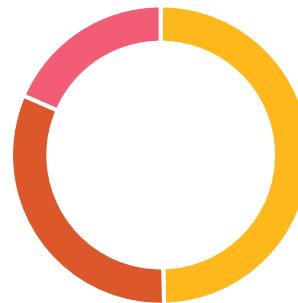
As of December 31, 2018



Large Cap	98.18
Mid Cap	1.82

STYLE BREAKDOWN (%)

As of December 31, 2018



Value	49.64
Core	31.87
Growth	18.49

DISCLOSURES

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.

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; authorized participant concentration; concentration; counterparty; derivatives; equity securities; issuer; large cap; management; market; market trading; momentum; new fund; passive investment; tracking error; U.S. issuer; valuation; and value investing. A full description of risks is in the prospectus.

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

FlexShares US Quality Large Cap Index Fund 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. Additionally, the Fund is at increased dividend risk, as the issuers of the underlying stock might not declare a dividend, or the dividend rate may not remain at current levels. 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. Finally, the Fund may also be subject to increased volatility risk, where volatility may not equal the target of the underlying index.

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, and Morningstar.