

FlexShares Ready Access Variable Income Fund

Objective and Strategy

FlexShares Ready Access Variable Income Fund (RAVI) seeks maximum current income consistent with the preservation of capital and liquidity.

Different, by Design

1. Construct an ultra-short duration portfolio, based on Northern Trust's forecast, with a focus on duration and sector allocation
2. Actively manage portfolio for current income with minimal NAV variability

Capital
Appreciation

Risk
Management

Income
Generation

Liquidity
Management

FUND FACTS

Ticker	RAVI
Inception	10/09/2012
CUSIP	33939L886
Exchange	NYSE
IOPV Ticker	RAVI.IV
Estimated Cash Ticker	RAVI.EU
Net Assets	\$251,537,320
Shares Outstanding	3,350,001
No. of Holdings	255

EXPENSE RATIO (%)

As of December 31, 2018

Management Fee	0.25
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.26
Expense Reimbursement	-0.01
Net Expense Ratio	0.25

FUND CHARACTERISTICS

As of December 31, 2018

Weighted Average Price	99.68
Weighted Average Effective Duration (years)	0.38
Weighted Average Years to Stated Legal Maturity	1.67
Weighted Average Spread Duration (years)	1.21
SEC Subsidized Yield	2.87%
SEC Unsubsidized Yield	2.87%

QUARTER END PERFORMANCE (%)

As of December 31, 2018

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
RAVI NAV Return	0.26	1.83	1.83	1.44	1.09	1.02
RAVI Market Return (Bid-Ask Midpoint)	0.05	1.65	1.65	1.44	1.05	1.01
Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index Return	0.56	1.82	1.82	0.96	0.59	0.48

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 0.25% (0.26%). 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

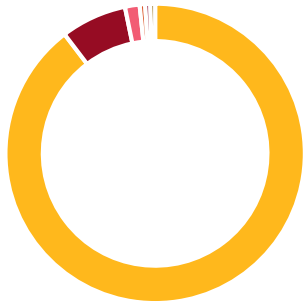
Name	Coupon	Maturity	Weight (%)
1. VOLKSWAGEN GROUP OF AMERICA FINANC	3.388%	11/13/2020	1.38
2. CANADIAN PACIFIC RAILWAY CO	7.250%	05/15/2019	1.33
3. COMMONWEALTH BANK OF AUSTRALIA (NE	2.050%	03/15/2019	1.19
4. JPMORGAN CHASE BANK NA	2.820%	10/19/2020	1.19
5. HAROT_18-2	2.660%	12/18/2020	1.18
6. REPUBLIC SERVICES INC	5.500%	09/15/2019	1.18
7. CITIZENS BANK OF RHODE ISLAND	2.450%	12/04/2019	1.15
8. WELLS FARGO & COMPANY	2.150%	01/15/2019	1.07
9. ILLINOIS TOOL WORKS INC	6.250%	04/01/2019	1.07
10. WESTPAC BANKING CORP	2.250%	01/17/2019	1.06
Total			11.80

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 Ready Access
Variable Income Fund

SECTOR BREAKDOWN (%)

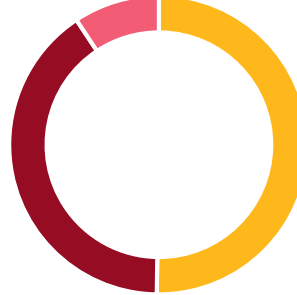
As of December 31, 2018



● Corporate	89.65
● MBS/ABS	7.11
● Government/Agency	1.58
● Commercial Paper	0.59
● Cash	0.55
● Other	0.52

MATURITY BREAKDOWN (%)

As of December 31, 2018



● 0 - 1 Year	50.23
● 1 - 3 Years	40.48
● 3+ Years	9.29

PORTFOLIO LIMITS

Maximums

Asset-Backed Securities	10.0%
Issuer Exposure*	5.0%
Emerging Markets Exposure	20.0%

*The Fund will be managed to, but not restricted to this limit

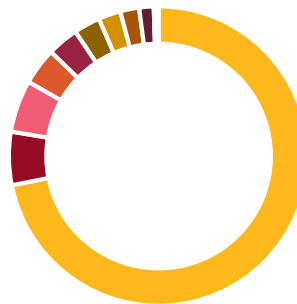
EFFECTIVE DURATION

As of December 31, 2018

Cash	0.06 yrs
Commercial Paper	0.37 yrs
Corporate	0.36 yrs
Government/Agency	0.57 yrs
MBS/ABS	0.55 yrs
Other	0.15 yrs

COUNTRY BREAKDOWN (%)

As of December 31, 2018



● United States	71.87
● Canada	5.75
● United Kingdom	5.64
● Australia	3.99
● Netherlands	3.38
● France	2.85
● Germany	2.40
● Japan	2.04
● Sweden	1.56
● Ireland	0.30
● Other	0.22

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; counterparty; credit/default; currency; debt extension; derivatives; emerging markets; financial sector; foreign securities; high portfolio turnover; inflation; interest rate/maturity risk; issuer; leveraging; liquidity; management; market; market trading; mortgage-related and other asset-backed; municipal market volatility; non-diversification; prepayment/call; U.S. government; U.S. issuer and valuation. A full description of risks is in the prospectus.

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

The FlexShares Ready Access Variable Income Fund is actively managed and does not seek to replicate a specified index. Additionally, the Fund may invest without limitation in the fixed-income and debt securities of foreign issuers in both developed and emerging markets. The fund is at increased credit and default risk, where there is an inability or unwillingness by the issuer of a fixed-income security to meet its financial obligations, debt extension risk, where an issuer may exercise its right to pay principal on an obligation later than expected, as well as interest rate/maturity risk, where the value of the Fund's fixed-income assets will decline because of rising interest rates. The fund may also be subject to increased concentration risk as it may invest more than 25% of its assets into the securities of a single developed market. Additionally, the fund may invest without limitation in mortgage or asset-backed securities which puts it at increased risk for interest rate/maturity risk, debt extension risk, and prepayment (or Call) risk. Also, the Fund is "non-diversified" under the Investment Company Act of 1940, and may invest more of its assets in fewer issuers than diversified funds.

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).

Liquidity is the degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Assets that can be easily bought or sold are known as liquid assets.

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

MANAGED BY



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