

FlexShares Currency Hedged Morningstar[®] EM Factor Tilt Index Fund

OBJECTIVE

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Morningstar[®] Emerging Markets Factor Tilt Hedged Index[®] (Underlying Index).

FUND FACTS

Ticker	TLEH
Inception	11/09/2015
CUSIP	33939L712
Exchange	NYSE Arca
Underlying Index	Morningstar [®] Emerging Markets Factor Tilt Hedged Index SM
Index Ticker	MSEGEMHN
IOPV Ticker	TLEH.IV
Estimated Cash Ticker	TLEH.EU
Net Assets	\$1,611,586
Shares Outstanding	50,001
No. of Holdings*	28

EXPENSE RATIO (%)

Management Fee	0.64
Acquired Fund Fees and Expenses	0.59
Other Expenses	0.00
Gross Expense Ratio	1.24
Expense Reimbursement	-0.59
Net Expense Ratio	0.64

FUND CHARACTERISTICS

Average Market Cap (\$)	81,362,719,495
Price to Earnings	21.80
Price to Book	3.17
SEC Subsidized Yield	1.92%
SEC Unsubsidized Yield	1.90%

*Cash positions and derivatives such as futures and currency forwards are not included in the number of holdings

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.

QUARTER END PERFORMANCE (%)

As of December 31, 2020

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
TLEH NAV Return	18.76	14.85	14.85	4.28	9.16	8.12
TLEH Market Return (Bid-Ask Midpoint)	19.14	14.64	14.64	4.50	9.14	8.13
Morningstar [®] Emerging Markets Factor Tilt Hedged Index SM Return	19.04	14.11	14.11	5.23	9.95	8.88
MSCI Emerging Markets Investable Market Index Return	19.95	18.39	18.39	5.76	12.21	10.75

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 11/10/2015, 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 0.64% until March 1, 2021. NTI also has contractually agreed until March 1, 2021 to waive a portion of its Management Fees and/or reimburse certain operating expenses in an amount equal to the Acquired Fund Fees and Expenses attributable to the Fund's investments in the Underlying Fund. Performance would have been lower without fee waivers and expense reimbursements in effect.

Morningstar Emerging Markets Factor Tilt Hedged Index (the Currency Hedge Index) measures the performance of the Morningstar Emerging Markets Factor Tilt Index (the Benchmark Index) after applying a practical hedging program, limiting the effects of currency fluctuations.

MSCI Emerging Markets Investable Market Index captures large, mid and small cap representation across 26 Emerging Markets (EM) countries.

TOP FUND HOLDINGS

Name	Weight (%)
1. FLEXSHARES MORNINGSTAR EMERG TLTE	100.01
2. US DOLLARS	0.08
3. BRL/USD FWD 20210120 STAR USD	0.05
4. ZAR/USD FWD 20210119 STAR USD	0.03
5. PLN/USD FWD 20210119 STAR USD	0.03
6. TWD/USD FWD 20210119 STAR USD	0.02
7. USD/TRY FWD 20210119 STAR USD	0.02
8. RUB/USD FWD 20210115 STAR USD	0.01
9. THB/USD FWD 20210119 STAR USD	0.01
10. HKD/USD FWD 20210119 STAR USD	0.01
Total	100.26

SECTOR BREAKDOWN (%)



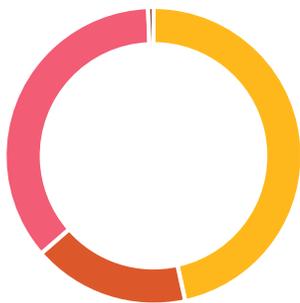
Financials	22.16
Information Technology	16.15
Consumer Discretionary	12.85
Materials	9.61
Industrials	8.01
Communication Services	6.68
Real Estate	5.75
Consumer Staples	4.84
Utilities	4.82
Energy	4.41
Health Care	3.23
Other	1.49

COUNTRY BREAKDOWN (%)



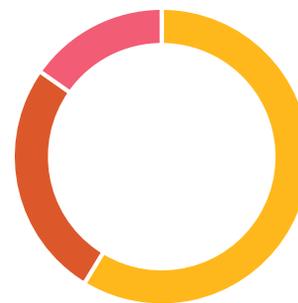
China	30.38
South Korea	15.91
Taiwan	11.97
India	8.12
Brazil	5.07
South Africa	4.29
Russian Federation	3.59
Malaysia	2.33
Mexico	2.02
Thailand	2.01
Other	14.31

MARKET CAP BREAKDOWN (%)



Large Cap	46.06
Mid Cap	16.83
Small Cap	35.41
Micro Cap	0.58
Cash/and or Derivatives	1.12

STYLE BREAKDOWN (%)



Value	58.72
Core	26.01
Growth	15.27

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.

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

FlexShares Currency Hedged Morningstar® EM Factor Tilt Index Fund (TLEH) 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. It is subject to commodity exposure risk, the risk of investing in economies that are susceptible to fluctuations in certain commodity markets. The Fund enters into foreign currency forward contracts designed to offset the Fund's currency exposure of non-U.S. dollar denominated securities included in the Underlying Index against the U.S. dollar, which may not be successful. 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's investments are concentrated in the securities of issuers in a particular market, industry, sector or asset class. The Fund may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that 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 Morningstar® Emerging Markets Factor Tilt Hedged Index is the intellectual property (including registered trademarks) of Morningstar® 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® 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.