

FlexShares Currency Hedged Morningstar[®] EM Factor Tilt 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 Morningstar[®] Emerging Markets Factor Tilt Hedged Index[®] (Underlying Index).

Different, by Design

1. "Tilt" the portfolio to the small cap and value segments of emerging markets equity universe
2. Exposure to 97% of the investable market in 23 countries outside the US while minimizing turnover
3. Hedge currency exposure, using one-month forwards, to reduce potential volatility

Capital
Appreciation

Risk
Management

Income
Generation

Liquidity
Management

FUND FACTS

Ticker	TLEH
Inception	11/09/2015
CUSIP	33939L712
Exchange	NYSE
Underlying Index	Morningstar [®] Emerging Markets Factor Tilt Hedged Index SM
Index Ticker	MSEGEMHN
IOPV Ticker	TLEH.IV
Estimated Cash Ticker	TLEH.EU
Net Assets	\$4,555,527
Shares Outstanding	175,001
No. of Holdings*	1

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

EXPENSE RATIO (%)

As of December 31, 2018

Management Fee	0.64
Acquired Fund Fees and Expenses	0.59
Other Expenses	0.01
Gross Expense Ratio	1.24
Expense Reimbursement	-0.60
Net Expense Ratio	0.64

FUND CHARACTERISTICS

As of December 31, 2018

Average Market Cap (\$)	39,831,114,333
SEC Subsidized Yield	2.97%
SEC Unsubsidized Yield	2.94%

QUARTER END PERFORMANCE (%)

As of December 31, 2018

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
TLEH NAV Return	-6.94	-13.41	-13.41	5.77	N/A	4.28
TLEH Market Return (Bid-Ask Midpoint)	-7.39	-13.23	-13.23	5.61	N/A	4.17
Morningstar [®] Emerging Markets Factor Tilt Hedged Index SM Return	-7.09	-11.16	-11.16	6.99	3.49	5.43
MSCI Emerging Markets Investable Market Index Return	-7.44	-15.05	-15.05	8.50	1.56	6.36

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 0.64% (1.24%). Northern Trust Investments, Inc. ("NTI" or the "Investment Adviser") has contractually agreed to reimburse the fees and expenses of the Trust's independent trustees and their independent legal counsel until March 1, 2019. NTI also has contractually agreed until March 1, 2020 to waive Management Fees or reimburse certain expenses in an amount equal to the Acquired Fund Fees and Expenses attributable to the Fund's investments in the Underlying Fund (as defined below).

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	Weight (%)
1. FLEXSHARES MORNINGSTAR EMERGING MARKETS FACTOR	100.22
2. TWD Currency Forward	0.03
3. RUB Currency Forward	0.03
4. BRL Currency Forward	0.01
5. CLP Currency Forward	0.00
6. PLN Currency Forward	0.00
7. EUR Currency Forward	0.00
8. TRY Currency Forward	0.00
9. THB Currency Forward	0.00
10. HKD Currency Forward	-0.01
Total	100.27

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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Factor Tilt Index Fund

SECTOR BREAKDOWN (%)

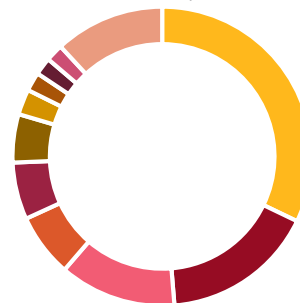
As of December 31, 2018



Financials	22.89
Information Technology	13.93
Materials	11.56
Consumer Discretionary	9.60
Industrials	9.53
Communication Services	7.66
Real Estate	6.57
Energy	6.13
Utilities	4.55
Consumer Staples	4.46
Health Care	2.04
Other	1.08

COUNTRY BREAKDOWN (%)

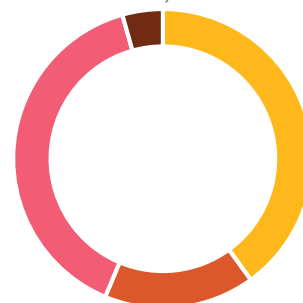
As of December 31, 2018



China	32.13
South Korea	16.56
Taiwan	12.63
India	6.85
Brazil	6.17
South Africa	5.22
Russian Federation	2.75
Mexico	2.04
Thailand	1.89
Indonesia	1.88
Other	11.88

MARKET CAP BREAKDOWN (%)

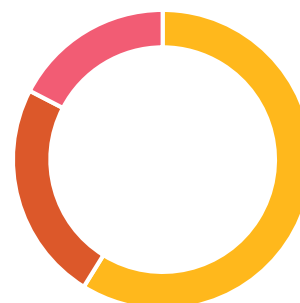
As of December 31, 2018



Large Cap	40.01
Mid Cap	16.29
Small Cap	39.33
Micro Cap	4.37

STYLE BREAKDOWN (%)

As of December 31, 2018



Value	58.84
Core	23.76
Growth	17.40

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.

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

The Morningstar[®] Emerging Markets Factor Tilt Hedged IndexSM (the Currency Hedge Index) measures the performance of the Morningstar[®] Emerging Markets Factor Tilt IndexSM (the Benchmark Index) after applying a practical hedging program, limiting the effects of currency fluctuations. Hedging each foreign currency in the portfolio, relative to an investor's home currency, is a close estimation of the return a local investor can achieve. The U.S. dollar is the default home currency for the Currency Hedge Index. The Currency Hedge Index is long the Benchmark Index and short currency forwards whose notional amount is based on market capitalization of foreign currencies in the Benchmark Index. In other words, the hedge ratio, that is, the proportion of the portfolio's currency exposure that is hedged is set to 100%. The Morningstar[®] Emerging Markets Factor Tilt IndexSM measures the performance of emerging market equities with increased exposure toward small-capitalization and value stocks. The Morningstar index methodology defines "Emerging Markets" as those stocks that form the top 97% of the market capitalization of the stocks eligible to be included in Morningstar's investable universe and currently includes 23 countries. The Morningstar[®] Emerging Markets Factor Tilt Hedged IndexSM was created and is maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote the FlexShares Currency Hedged Morningstar EM Factor Tilt Index Fund and bears no liability with respect to that ETF or any security. Morningstar is a registered trademark of Morningstar, Inc. Morningstar Emerging Markets Factor Tilt Hedged Index is a service mark of Morningstar, Inc. The MSCI Emerging Markets (EM) Investable Market Index captures large, mid and small cap representation across 23 emerging markets countries. 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.

FlexShares Currency Hedged Morningstar[®] EM Factor Tilt Index Fund (TLEH) 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 and emerging market securities involve certain risks such as currency volatility, political and social instability and reduced market liquidity. 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.

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

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