

FlexShares Morningstar® Developed Market ex-US 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® Developed Markets ex-US Factor Tilt Index® (Underlying Index).

Different, by Design

1. "Tilt" the portfolio to the small cap and value segments of the developed markets equity universe
2. Exposure to 97% of the investable market in 23 countries outside the US while minimizing turnover

 Capital
Appreciation

 Risk
Management

 Income
Generation

 Liquidity
Management

FUND FACTS

Ticker	TLTD
Inception	09/25/2012
CUSIP	33939L803
Exchange	NYSE
Underlying Index	Morningstar® Developed Markets ex-US Factor Tilt Index SM
Index Ticker	MDXUSFTN
IOPV Ticker	TLTD.IV
Estimated Cash Ticker	TLTD.EU
Net Assets	\$889,902,903
Shares Outstanding	16,000,001
No. of Holdings	2,820

QUARTER END PERFORMANCE (%)

As of December 31, 2018

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
TLTD NAV Return	-14.09	-17.24	-17.24	3.18	0.52	4.27
TLTD Market Return (Bid-Ask Midpoint)	-14.22	-17.29	-17.29	3.24	0.32	4.27
Morningstar® Developed Markets ex-US Factor Tilt Index SM Return	-13.97	-17.21	-17.21	3.24	0.63	4.42
MSCI World ex USA Investable Market Index Return	-13.28	-14.68	-14.68	3.21	0.59	4.22

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 0.39% (0.40%). 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 (\$)	31,177,696,666
SEC Subsidized Yield	3.23%
SEC Unsubsidized Yield	3.23%

EXPENSE RATIO (%)

As of December 31, 2018

Management Fee	0.39
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.40
Expense Reimbursement	-0.01
Net Expense Ratio	0.39

TOP FUND HOLDINGS

As of December 31, 2018

Name	Weight (%)
1. TOYOTA	0.91
2. NESTLE	0.85
3. TOTAL	0.79
4. ROYAL DUTCH SHELL	0.79
5. BP	0.76
6. NOVARTIS	0.73
7. ROYAL DUTCH SHELL	0.63
8. HSBC HOLDINGS	0.59
9. ROCHE HOLDING	0.58
10. ALLIANZ	0.49
Total	7.12

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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SECTOR BREAKDOWN (%)

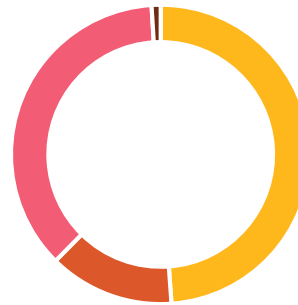
As of December 31, 2018



Financials	20.96
Industrials	17.38
Consumer Discretionary	13.78
Materials	9.02
Consumer Staples	7.25
Energy	6.54
Health Care	6.41
Real Estate	5.49
Information Technology	5.30
Communication Services	4.39
Utilities	2.91
Other	0.57

MARKET CAP BREAKDOWN (%)

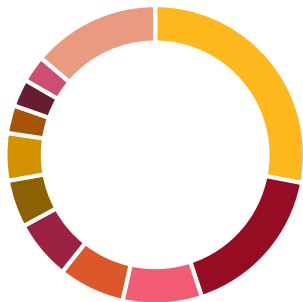
As of December 31, 2018



Large Cap	48.85
Mid Cap	13.56
Small Cap	36.61
Micro Cap	0.98

COUNTRY BREAKDOWN (%)

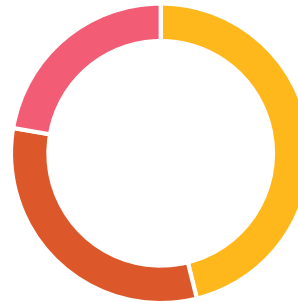
As of December 31, 2018



Japan	28.02
United Kingdom	16.93
Canada	8.55
France	7.17
Germany	6.43
Australia	5.12
Switzerland	5.12
Italy	3.01
Hong Kong	2.96
Sweden	2.89
Other	13.80

STYLE BREAKDOWN (%)

As of December 31, 2018



Value	46.12
Core	31.58
Growth	22.30

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.

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

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.

The Morningstar[®] Developed Markets ex-US Factor Tilt IndexSM measures the performance of developed international equity markets outside of the U.S. with increased exposure toward small-capitalization and value stocks. Stocks that are deemed to be small-capitalization or value will have an overweighting compared to their weight in a corresponding market capitalization-weighted index. Likewise, stocks designated as "large" or "growth" stocks will have an underweighting compared to a standard market-capitalization weighting. The Morningstar index methodology defines "Developed Markets ex-US" 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. All stocks are then designated as "core", "growth" or "value" based on factors such as price-to-book ratios and price-to-earnings ratios, and are modified free float market-capitalization weighted. The Morningstar[®] Developed Markets ex-US Factor Tilt IndexSM was created and is maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote the FlexShares Morningstar Developed Markets ex-US 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 Developed Markets ex-US Factor Tilt Index is a service mark of Morningstar, Inc. The MSCI World ex USA Investable Market Index (IMI) captures large, mid and small cap representation across 23 of 24 developed markets (DM) countries excluding the United States. The Morningstar[®] Developed Markets ex-US Factor Tilt 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 Morningstar[®] Developed Markets ex-US Factor Tilt Index Fund (TLTD) is subject to concentration risk. The Fund's investments are concentrated in the securities of issuers in a particular country, 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 country, 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.

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).

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

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2 of 2

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