

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name FLEXSHARES IBOXX 5-YEAR TARGET DURATION TIPS INDEX FUND		2 Issuer's employer identification number (EIN) 45-2846523	
3 Name of contact for additional information RANDAL REIN	4 Telephone No. of contact 312-630-1872	5 Email address of contact RR36@NTRS.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 50 SOUTH LASALLE STREET		7 City, town, or post office, state, and Zip code of contact CHICAGO, IL 60603	
8 Date of action 10/31/2016		9 Classification and description COMMON STOCK - REGULATED INVESTMENT COMPANY	
10 CUSIP number 33939L605	11 Serial number(s) N/A	12 Ticker symbol TDTF	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON JULY 8, AUGUST 5 AND SEPTEMBER 8, 2016 FLEXSHARES IBOXX 5-YEAR TARGET DURATION TIPS INDEX FUND PAID DISTRIBUTIONS TO COMMON SHAREHOLDERS OF RECORD AS OF JULY 6, AUGUST 3 AND SEPTEMBER 6, 2016, RESPECTIVELY. A PORTION OF THE DISTRIBUTIONS CONSTITUTES A NON-TAXABLE RETURN OF CAPITAL.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE PORTION OF THE DISTRIBUTIONS THAT CONSTITUTES A NON-TAXABLE RETURN OF CAPITAL WILL DECREASE A U.S. TAXPAYER'S BASIS IN THE SHARES OF FLEXSHARES IBOXX 5-YEAR TARGET DURATION TIPS INDEX FUND. THE NON-TAXABLE RETURN OF CAPITAL IS AS FOLLOWS:

DISTRIBUTIONS PAYABLE ON:	PER SHARE REDUCTION OF BASIS IN COMMON STOCK
JULY 8, 2016	\$0.0070
AUGUST 5, 2016	\$0.0060
SEPTEMBER 8, 2016	\$0.0049

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ FLEXSHARES IBOXX 5-YEAR TARGET DURATION TIPS INDEX FUND CURRENT AND ACCUMULATED EARNINGS WERE COMPARED TO DISTRIBUTIONS PAID DURING THE YEAR ENDED OCTOBER 31, 2016. THE NON-TAXABLE RETURN OF CAPITAL REPRESENTS THE AMOUNT OF DISTRIBUTIONS PAID DURING THE TAXABLE YEAR ENDED OCTOBER 31, 2016 IN EXCESS OF FLEXSHARES IBOXX 5-YEAR TARGET DURATION TIPS INDEX FUND'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS UNDER IRC SECTION 316.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based
INTERNAL REVENUE CODE SECTIONS 301, 316 AND 852.

18 Can any resulting loss be recognized? NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year
SEE PART II, ITEM 15 OF THIS FORM FOR THE PER SHARE AMOUNTS AND DATES OF DISTRIBUTIONS
IMPACTED BY THIS ORGANIZATIONAL ACTION. THIS ORGANIZATIONAL ACTION IS REPORTABLE WITH
RESPECT TO CALENDAR YEAR 2016.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature Randal Rein Date 1/18/17

Print your name Randal Rein Title Treasurer

Paid Preparer Use Only

Print/Type preparer's name RAUL POSADA	Preparer's signature <i>Raul Posada</i>	Date 1/11/2017	Check <input type="checkbox"/> if self-employed	PTIN P00626199
Firm's name KPMG LLP, 4200 WELLS FARGO CENTER,	Firm's EIN 13-5565207	Firm's address 90 SOUTH 7TH STREET, MINNEAPOLIS, MN 55402	Phone no. 612-305-5000	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054