

FlexShares Emerging Markets Quality Low Volatility Index Fund (QLVE)

FLEXSHARES EXCHANGE TRADED FUNDS

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The FlexShares Emerging Markets Quality Low Volatility Index Fund — or QLVE — is designed to provide exposure to emerging market companies that possess lower overall absolute volatility characteristics while also exhibiting financial strength and stability — or what we believe are “quality” — characteristics.

We build the QLVE fund through a three-step process.

First, we develop a Composite Score Ranking. We start by taking all the companies in emerging markets that are members of the Northern Trust Global Index that are designated Large or Mid Cap companies. From there, we give each asset a Quality Score based on management efficiency, profitability, and cash flow. The securities are then divided into quintiles: 1 for the highest-ranked stocks, to 5 for the lowest-ranked ones — which are excluded from the fund.

Next we apply Security Constraints to make sure the fund is properly balanced. This includes maximums on single securities and liquidity in comparison to benchmark, as well as maximum overweight/underweight in sectors, industry groups, countries, and regions. We also minimize style exposure (except for volatility) and target a historical beta* of 0.65% and a maximum turnover of 12%.

** Beta is a statistical measure of the volatility, or sensitivity, of rates of return on a portfolio or security compared to a market index.*

Finally, using our internal optimization process to the fund we apply both a Volatility Reduction and a Quality Tilt. The funds are then rebalanced on a quarterly basis — in February, May, August, and November.

To learn more about the FlexShares Emerging Markets Quality Low Volatility Index Fund, visit [FlexShares.com/funds/QLVE](https://flexshares.com/funds/QLVE)

Investing involves risk including possible loss of principal. FlexShares Emerging Markets Quality Low Volatility Index Fund (QLVE) is a passively managed, non-diversified fund that invests in emerging markets large- and mid-capitalization equities. Although the fund seeks lower volatility than the broader emerging equity market, there is no guarantee it will be successful. Foreign and emerging market securities may involve certain risks such as currency volatility, political and social instability and reduced market liquidity. The Fund may also invest in derivative instruments. The fund may be subject to concentration risk of securities in a single industry. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

Carefully consider the Fund's investment objectives, risks, charges, expenses before investing. A prospectus is available at www.flexshares.com; read it carefully before investing.

FlexShares funds are distributed by Foreside Fund Services, LLC.