

Northern Trust ESG & Climate Emerging Markets Core Index

The above index is the underlying index for the FlexShares ESG & Climate Emerging Markets Core Index fund (FEEM) and is designed to construct a universe of large and mid-capitalization companies, from Emerging Market countries, that possess environmental, social, and governance (ESG) characteristics.¹

Define Eligible Universe

Northern Trust Emerging Markets Large Cap Index²

Apply ESG Exclusions

Sustainability Issues

UN Global Compact ³	Tobacco
Weapons	Thermal Coal
For Profit Prisons	Unconventional Oil & Gas
Governance Issues	State-Owned Entities

Optimize

Based on exposure to quantitative factors:

Northern Trust Vector Score^{®4}



Magnitude

ESG issues that are reasonably likely to impact financial performance



Direction

Forward-looking risk assessment framework

ISS ESG Data⁵

📊 Carbon Risk Rating < Carbon Intensity 🌳 Carbon Reserves

Constrain⁶

- Limit a constituents maximum and minimum active weight to -1.00% to +0.75%
- Liquidity limit of maximum weight when the liquidity score is in the bottom decile
- Sector +/-1.00%
- Industry +/-3.00%
- Region +/-1.00%
- Region Sector +/-1.50%
- Country +/-3.00%
- Turnover limit maximum turnover to approximately 15% on any reconstitution date

Reconstituted Quarterly

FlexShares ESG & Climate Emerging Markets Core (FEEM)

To learn more about FlexShares, contact our team at 1-855-FlexETF (1-855-353-9383) or visit our website, www.flexshares.com.

Before investing, carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting www.flexshares.com. Read the prospectus carefully before you invest.

Foreside Fund Services, LLC, distributor. FlexShares and Foreside are not related.

Please see back for additional important information.



FOOTNOTES

1. ESG investing is defined as utilizing environmental, social, and governance (ESG) criteria as a set of standards for a company's operations that socially conscious investors use to screen potential investments.
2. The Northern Trust Emerging Markets Large Cap Index is a sub-index of the Northern Trust Global Index. The sub-index is formed by selecting all of the securities from the Northern Trust Global Index that are assigned to Emerging Markets countries, and are large-mid capitalization, per Northern Trust's methodology. The Northern Trust Global Index is designed to track the performance of the global investable equity markets covering approximately 97.5% of world's float adjusted market capitalization. The Index's coverage encompasses both developed and emerging markets worldwide.
3. The United Nations Global Compact is a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.
4. The Northern Trust ESG Vector Score is designed to rank companies based on their management of and exposure to material ESG metrics. The Score was designed to align with the Sustainability Accounting Standards Board (SASB) Standards. The SASB Standards were designed for investors, and focus on only financially material issues based on the industry in which the company operates. Based on that structure, the ESG Vector Score is a combination of individual ESG indicators, adjusted for industry membership.
5. Institutional Shareholder Services (ISS) ESG data enables investors to develop and integrate responsible investing policies and practices, engage on responsible investment issues, and monitor portfolio company practices through screening solutions. It also provides climate data, analytics, and advisory services to help financial market participants understand, measure, and act on climate-related risks across all asset classes.
6. All targets are in comparison to the underlying index – the Northern Trust Emerging Markets Large Cap Index.

IMPORTANT INFORMATION

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 is in the prospectus.

FlexShares ESG & Climate Emerging Markets Core Index Fund (FEEM) is a passively managed fund that invests in emerging market equities 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. Northern Trust does not attempt to take defensive positions in any market conditions, including declining markets.

ESG Investment Risk is the risk that because the Index Provider includes and excludes issuers and assigns weights to issuers in the Underlying Index by applying non-financial factors, the Fund may underperform the broader equity market or other funds that do or do not use ESG investment criteria. Although the Underlying Index is designed to measure a portfolio of companies with certain ESG characteristics, there is no assurance that the Underlying Index or Fund will be comprised of such securities or that companies that have historically exhibited such characteristics will continue to exhibit such characteristics.

Concentration Risk is the risk that, to the extent the Fund's investments are concentrated in the securities of issuers in a particular region, country, market, industry, sector or asset class, the Fund may be subject to increased price volatility. **Authorized Participant Concentration Risk** is the risk that the Fund may be adversely affected because it has a limited number of institutions that act as authorized participants. **Derivatives Risk** is the risk that the use of futures and options on futures may pose risks in addition to and greater than those associated with investing directly in securities and other instruments, may be illiquid or less liquid, more volatile, more difficult to value and leveraged so that small changes in the value of the underlying instrument may produce disproportionate losses to the Fund.

Non Diversification Risk is the risk that Fund performance may depend on the performance of a small number of issuers because the Fund may invest a large percentage of its assets in securities issued by or representing a small number of issuers. **New Fund Risk** is the risk that the Fund will not grow to or maintain an economically viable size, in which case it may experience greater tracking error to its Underlying Index than it otherwise would at higher asset levels, or it could ultimately liquidate without shareholder approval.

Foreign Securities Risk is the risk that investing in foreign(non U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in U.S. securities, due to less liquid markets, tariffs and trade disputes and adverse economic, political, diplomatic, environmental, financial, and regulatory factors. **Currency Risk** is the risk that foreign currencies, securities that trade in or receive revenues in foreign currencies, or derivatives that provide exposure to foreign currencies will fluctuate in value relative to the U.S. dollar, adversely affecting the value of the Fund's investments and its returns.

High Portfolio Turnover Risk is the risk that active and frequent trading of the Fund's portfolio securities may result in increased transaction costs to the Fund. **Tracking Error Risk** is the risk that the Fund's performance may vary substantially from the performance of the Underlying Index. The Fund's performance may vary from the performance of the Underlying Index for a number of reasons including that the Fund incurs operating expenses that the Underlying Index does not and that the Fund accepts custom baskets.