

FlexShares ESG & Climate Emerging Markets Core Index Fund

FEEM

All data as of March 31, 2024

OBJECTIVE

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Northern Trust ESG & Climate Emerging Markets Core IndexSM (the “Underlying Index”).

FUND FACTS

Ticker	FEEM
Inception	04/20/2022
CUSIP	33939L621
Exchange	NYSE Arca
Underlying Index	Northern Trust ESG & Climate Emerging Markets Core Index
Index Ticker	NTEECNTR
IOPV Ticker	FEEM.IV
Estimated Cash Ticker	FEDM.EU
Net Assets	\$4,722,370
Shares Outstanding	100,000
No. of Holdings	281

FUND INFORMATION

Average Market Cap (\$)	99,182,886,622
Weighted Average Beta	0.96
SEC Subsidized Yield	2.27%
SEC Unsubsidized Yield	2.26%
EXPENSE RATIO (%)	
Management Fee	0.18
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.19
Expense Reimbursement	-0.01
Net Expense Ratio	0.18

QUARTER END PERFORMANCE (%) As of March 31, 2024

	QTD	YTD	1 Yr.	Since Inception
FEEM NAV Return	1.46	1.46	7.77	-0.44
FEEM Market Return (Bid-Ask Midpoint)	1.89	1.89	7.65	-0.25
Northern Trust ESG & Climate Emerging Markets Core Index Return	1.75	1.75	8.65	-0.02
MSCI Emerging Markets Index Return	2.37	2.37	8.15	0.25

Index performance returns do not reflect any fees, transaction costs, expenses or taxes.

Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted investment returns and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Performance data for the latest month end is available at <https://www.flexshares.com/us/en/individual/funds>. It is not possible to invest directly in an index.

FlexShares shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 pm EST net asset value (NAV). Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times.

Northern Trust Investments, Inc. (“NTI” or the “Adviser”) has contractually agreed to reimburse a portion of the operating expenses of the Fund (other than Acquired Fund Fees and Expenses) to the extent the “Total Annual Fund Operating Expenses” exceed 0.18% until March 1, 2025. Performance would have been lower without fee waivers and expense reimbursements in effect.

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.

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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TOP FUND HOLDINGS (%)

TAIWAN SEMICONDUCTOR MANUFACTURING	9.07
ALIBABA HOLDING	3.24
SAMSUNG ELECTRONICS	3.02
MEITUAN	1.50
SK HYNIX	1.47
INFOSYS INR	1.44
NETEASE	1.28
BHARTI AIRTEL INR	1.24
HON HAI PRECISION INDUSTRY	1.13
MSCI EMGMKT EQUITY INDEX INDEX	1.10
Total	24.49

SECTOR (%)

Information Technology	22.62
Financials	22.17
Consumer Discretionary	13.21
Communication Services	9.11
Industrials	7.79
Materials	6.46
Consumer Staples	5.12
Energy	4.59
Health Care	3.26
Utilities	2.59
Other	3.08

MARKET CAP (%)

Large-Cap	86.53
Mid-Cap	11.53
Small-Cap	0.05
Cash/and or Derivatives	1.89

STYLE (%)

Value	30.85
Core	44.27
Growth	24.88

COUNTRY (%)

Taiwan	19.55
China	19.50
India	16.69
Korea, Republic Of	13.94
Brazil	6.16
South Africa	4.04
Thailand	2.79
Mexico	2.50
Saudi Arabia	2.04
United Arab Emirates	1.99
Other	10.80

Holdings are subject to change without notice.

Sectors may include many industries and weights are subject to change without notice.

Country allocations subject to change without notice.

Percentages for some of the tables on this page may not total 100 due to rounding.

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DEFINITION

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.

Weighted Average Beta is calculated by taking the weight of the stock, which is the amount of money invested in the stock, divided by the total amount invested. Calculating the weighted average beta of a portfolio allows you to potentially measure the overall risk of your portfolio.

IMPORTANT INFORMATION

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. FlexShares and Foreside are not related.

FlexShares ESG & Climate Emerging Markets Core Index Fund (FEEM) is a passively managed fund that invests in emerging market equities and use 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.

The Northern Trust ESG & Climate Emerging Markets Core Index is designed to construct a universe of large and mid-capitalization companies, from Emerging Market countries, that possess environmental, social, and governance (ESG) characteristics.

MSCI Emerging Markets Investable Market Index captures large, mid and small cap representation across 24 Emerging Markets (EM) countries.

All data provided by: Northern Trust, J.P. Morgan, Rimes, Morningstar and Refinitiv.

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. **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 securities of U.S. companies, due to less liquid markets and adverse economic, political, diplomatic, financial, and regulatory factors. **Emerging Markets Risk** is the risk that emerging markets are generally subject to greater market volatility, political, social and economic instability, uncertain trading markets and more governmental limitations on foreign investments than more developed markets. In addition, companies operating in emerging markets may be subject to lower trading volumes and greater price volatility than companies in more developed markets. **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.

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Geographic Risk is the risk that if the Fund invests a significant portion of its total assets in certain issuers within the same country or geographic region, an adverse economic, business or political development affecting that country or region may affect the value of the Fund's investments more, and the Fund's investments may be more volatile, than if the Fund's investments were not so concentrated in such country or region. **China Investment Risk** is the risk associated with investments in companies located or operating in China, such as nationalization, expropriation, or confiscation of property; a alteration or discontinuation of economic reforms; and considerable degrees of economic, political and social instability. Investors in Chinese markets generally experience difficulties in obtaining information necessary for investigations into and/or litigation against Chinese companies, as well as in obtaining and/or enforcing judgements due to a lack of publicly available information; and there are generally limited legal remedies for shareholders. Internal social unrest or confrontations with other neighboring countries, including military conflicts, may disrupt economic development in China and result in a greater risk of currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation. Export growth continues to be a major driver of China's rapid economic growth. As a result, a reduction in spending on Chinese products and services, the institution of additional tariffs or other trade barriers, including as a result of heightened trade tensions between China and the U.S., or a downturn in any of the economies of China's key trading partners may have an adverse impact on the Chinese economy. Although the Public Company Accounting Oversight Board ("PCAOB") in 2021 had determined the PCAOB was unable to inspect or investigate audit firms headquartered in mainland China and Hong Kong, in December 2022 the PCAOB announced that it had been able to secure complete access to inspect and investigate audit firms in China for the first time in history. Certain securities issued by companies located or operating in China, such as China A-shares, are subject to trading restrictions and suspensions, quota limitations and sudden changes in those limitations, and operational, clearing and settlement risks. **Taiwan Investment Risk** is the risk of investing in securities of Taiwanese issuers. Specifically, Taiwan's geographic proximity and history of political contention with China have resulted in ongoing tensions between the two countries, which may materially affect the Taiwanese economy and its securities market. Investments in securities of Taiwanese companies are subject to Taiwan's heavy dependence on exports. Reductions in spending on Taiwanese products and services, labor shortages, institution of tariffs or other trade barriers, or a downturn in any of the economies of Taiwan's key trading partners, including the United States, may have an adverse impact on the Taiwanese economy and the values of Taiwanese companies.

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 because the Fund is non-diversified and may invest a larger percentage of its assets in the securities of fewer issuers than a diversified fund, the Fund's performance will be more vulnerable to changes in the market value of a single issuer or group of issuers, and more susceptible to risks associated with a single economic, political or regulatory occurrence. **Equity Securities Risk** is the risk that the values of the equity securities owned by the Funds may be more volatile and under perform other asset classes and the general securities markets. 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. **Market Trading Risk** is the risk that the Fund faces because its shares are listed on a securities exchange, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. ANY OF THESE FACTORS MAY LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.