

FlexShares Credit-Scored US Long Corporate Bond Index Fund

LKOR

All data as of September 30, 2024

OBJECTIVE

The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Northern Trust US Long Corporate Bond Quality Value Index[®] (Underlying Index).

FUND FACTS

Ticker	LKOR
Inception	09/23/2015
CUSIP	33939L753
Exchange	CBOE
Underlying Index	Northern Trust US Long Corporate Bond Quality Value Index SM
Index Ticker	NTULQVCBTR
IOPV Ticker	LKOR.IV
Estimated Cash Ticker	LKOR.EU
Net Assets	\$43,129,500
Shares Outstanding	950,001
No. of Holdings	935

FUND INFORMATION

Weighted Average Maturity (years)	23.06
Weighted Average Price	95.63
Weighted Average Effective Duration (years)	12.92
Weighted Average Option Adjusted Spread (basis points)	180.17
SEC Subsidized Yield	5.13%
SEC Unsubsidized Yield	5.12%
EXPENSE RATIO (%)	
Management Fee	0.16
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.16
Expense Reimbursement	-0.01
Net Expense Ratio	0.15

QUARTER END PERFORMANCE (%) As of September 30, 2024

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	Since Inception
LKOR NAV Return	8.28	5.16	19.79	-4.06	0.30	2.44	3.74
LKOR Market Return	8.79	5.65	20.39	-3.84	0.37	2.50	3.78
Northern Trust US Long Corporate Bond Quality Value Index SM Return	8.24	5.62	20.17	-3.54	N/A	N/A	-0.04
Bloomberg Long U.S. Corporate Index	8.21	4.53	19.18	-4.35	-0.31	2.07	3.56

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. Beginning July 1, 2024, market price performance is determined using the closing price on the primary exchange. Prior to July 1, 2024, market price performance was determined using the bid/ask midpoint at 4:00pm EST, when the NAV is typically calculated. 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 0.22% until March 1, 2025. Performance would have been lower without fee waivers and expense reimbursements in effect. Fee waivers and/or expense reimbursements, including voluntary fee waivers and/or reimbursements, were in place for some or all periods shown, without which, fund performance would have been lower. Any such voluntary expense reimbursement or fee waiver could be decreased or discontinued at any time.

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

Name	Coupon	Maturity	Weight (%)
CASH			1.29
VISA INC CALLABLE NOTES FIXED 4.3% 14/DEC/2045 USD	4.300%	12/14/2045	0.71
ALTRIA GROUP INC CALLABLE NOTES FIXED 5.95%	5.950%	02/14/2049	0.58
META PLATFORMS INC CALLABLE NOTES FIXED 4.45%	4.450%	08/15/2052	0.54
META PLATFORMS INC CALLABLE NOTES FIXED 5.6%	5.600%	05/15/2053	0.53
WELLS FARGO & CO MEDIUM TERM NOTE FIXED 4.9%	4.900%	11/17/2045	0.53
MICROSOFT CORP CALLABLE NOTES FIXED 2.675%	2.675%	06/01/2060	0.52
LLOYDS BANKING GROUP PLC NOTES FIXED 4.344%	4.344%	01/09/2048	0.50
CISCO SYSTEMS INC CALLABLE NOTES FIXED 5.5%	5.500%	01/15/2040	0.48
META PLATFORMS INC CALLABLE NOTES FIXED 5.75%	5.750%	05/15/2063	0.48
Total			6.16

SECTOR (%)

Energy	24.44
Consumer	24.41
Technology, Telecomm & Media	17.27
Industrial	16.82
Financials	15.55
Cash/and or Derivatives	0.06
Other	1.45

SUB-SECTOR (%)

Technology	15.17
Midstream	11.49
Banking	7.51
Property & Casualty	5.94
Electric	4.70
Independent Energy	4.61
Tobacco	4.35
Healthcare Insurance	4.03
Pharmaceuticals	3.83
Retailers	3.69
Other	34.68

COUNTRY (%)

United States	88.86
United Kingdom	2.82
Canada	2.50
Australia	0.88
France	0.69
China	0.57
Brazil	0.44
Switzerland	0.38
Mexico	0.32
Netherlands	0.24
Other	2.30

MATURITY (%)

Under 10 Years	0.34
10 - 15 Years	13.59
15 - 20 Years	23.55
20 - 30 Years	48.48
30 Years +	12.75
Cash/and or Derivatives	1.29

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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QUALITY (%)

S&P		MOODY'S		FITCH	
AAA	2.41	Aaa	4.39	AA	1.94
AA	9.99	Aa	6.93	A	23.97
A	34.18	A	37.57	BBB	37.77
BBB	49.65	Baa	46.89	BB	0.07
BB	1.84	Ba	2.13	Cash/and or Derivatives	0.06
Cash/and or Derivatives	0.06	Cash/and or Derivatives	0.06	Unclassified	36.19
Unclassified	1.87	Unclassified	2.03	Total	100
Total	100	Total	100		

DEFINITIONS

Credit Ratings are forward looking opinions about an issuer's relative creditworthiness. They provide a common and transparent global language for investors to form a view on and compare the relative likelihood of whether an issuer may repay its debts on time and in full. Credit Ratings are just one of many inputs that investors and other market participants can consider as part of their decision-making processes.

Duration is the sensitivity of a fixed income security's price to a change in interest rates.

Fitch's Credit Rating scale assigns using the categories 'AAA' to 'BBB' (investment grade) and 'BB' to 'D' (speculative grade) with an additional +/- for AA through CCC levels indicating relative differences of probability of default or recovery for issues.

Moody's Credit Ratings scale assigns ratings ranging from Aaa to C, with Aaa being the highest quality and C the lowest quality.

S&P Credit Rating scale assigns ratings ranging from AAA the highest quality; extremely strong capacity to meet financial commitments, to D the lowest quality, payment default on a financial commitment or breach of an imputed promise; also used when a bankruptcy petition has been filed.

Spread is the difference in the yield on a corporate bond and a government bond with a similar maturity.

Weighted Average Effective Duration is the sum of the duration of the underlying securities, weighted by its market value with respect to the total market value of the portfolio.

Weighted Average Maturity is calculated by weighing each bond's maturity by its market value with respect to the portfolio, as well as the likelihood of any of the bonds being called.

Weighted Average Option Adjusted Spread is the sum of the spreads of the fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option of the underlying securities, weighted by its market value with respect to the total market value of the portfolio.

Weighted Average Price is the sum of the price of the underlying securities, weighted by its market value with respect to the total market value of the portfolio.

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LKOR*All data as of September 30, 2024*

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.

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 Credit-Scored US Long Corporate Bond Index Fund (LKOR) is passively managed 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.

Effective April 30, 2020, the Fund's investment objective, principal investment strategies and underlying index were changed. Additionally, the underlying index for LKOR was changed from Northern Trust Credit-Scored US Long Corporate Bond Index to the Northern Trust US Long Corporate Bond Quality Value Index. Performance information for the Northern Trust US Long Corporate Bond Quality Value Index is not available for periods prior to its commencement date of January 31, 2020.

The Northern Trust US Long Corporate Bond Quality Value Index has an inception date of January 31, 2020 and is designed to measure the performance of a diversified universe of longer-term maturity, US-dollar denominated bonds of companies with investment grade credit quality, favorable valuations, and enhanced short-term and long-term solvency.

Bloomberg Barclays Long U.S. Corporate Index designed to measure the performance of U.S. corporate bonds that have a maturity of greater than or equal to 10 years.

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

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. **Concentration Risk** is the risk that, if the Fund is concentrated in a particular industry or group of industries, the Fund is likely to present more risks than a fund that is broadly diversified over several industries or groups of industries. **Quality-Value Score Risk** is the risk that the Fund's investment in companies whose securities are believed to be undervalued will not appreciate in value as anticipated or the past performance of companies that have exhibited quality characteristics does not continue. **Corporate Bond Risk** is the risk the Fund faces because it invests primarily in bonds issued by corporations. **Interest Rate Risk** is the risk that during periods of rising interest rates, the Fund's yield (and the market value of its securities) will tend to be lower than prevailing market rates; in periods of falling interest rates, the Fund's yield (and the market value of its securities) will tend to be higher.

Income Risk is the risk that the Fund's income may decline when interest rates fall. **Derivatives Risk** is the risk that derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies 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. **Liquidity Risk** is the risk that certain portfolio securities may be less liquid than others, which may make them difficult or impossible to sell at the time and the price that the Fund would like, adversely affecting the value of the Fund's investments, its returns. Illiquid investments may be harder to value, especially in changing markets, and if the Fund is forced to sell these investments to meet redemption requests or for other cash needs, the Fund may suffer a loss. **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. **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.