

FlexShares Core Select Bond Fund

BNDC

All data as of March 31, 2024

OBJECTIVE

FlexShares Core Select Bond Fund (BNDC) seeks total return and preservation of capital.

FUND FACTS

Ticker	BNDC
Inception	11/18/2016
CUSIP	33939L670
Exchange	NYSE Arca
IOPV Ticker	BNDC.IV
Estimated Cash Ticker	BNDC.EU
Net Assets	\$174,880,277
Shares Outstanding	7,825,001
No. of Holdings	17

FUND INFORMATION

Weighted Average Price	79.24
Weighted Average Effective Duration (years)	5.63
Weighted Average Option Adjusted Spread (basis points)	48.15
SEC Subsidized Yield	3.25%
SEC Unsubsidized Yield	3.14%
EXPENSE RATIO (%)	
Management Fee	0.35
Acquired Fund Fees and Expenses	0.20
Other Expenses	0.01
Gross Expense Ratio	0.56
Expense Reimbursement	-0.21
Net Expense Ratio	0.35

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

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	Since Inception
BNDC NAV Return	-0.80	-0.80	1.29	-2.78	0.38	1.02	0.97
BNDC Market Return (Bid-Ask Midpoint)	-0.80	-0.80	1.29	-2.80	0.37	1.01	0.97
Bloomberg US Aggregate Bond index Return	-0.78	-0.78	1.70	-2.46	0.36	1.06	1.13

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 0.35% until March 1, 2025. NTI has also contractually agreed to waive Management Fees or reimburse certain expenses in an amount equal to the sum of (a) any Acquired Fund Fees and Expenses, if any, incurred by the Fund attributable to the Fund's investment in Acquired Funds managed by NTI or an investment adviser controlling, controlled by, or under common control with NTI ("Affiliated Funds"); and (b) 0.05% or such lesser amount in Acquired Fund Fees and Expenses incurred by the Fund attributable to the Fund's investment in Acquired Funds that are not Affiliated Funds, 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

Name	Maturity	Weight (%)
ISHARES MBS ETF ETP USD		22.90
ISHARES 3-7 YEAR TREASURY BOND ETF ETP USD		19.60
ISHARES 20+ YEAR TREASURY BOND ETF ETP USD		12.46
FLEXSHARES DISCIPLINED DURATION MBS INDEX FUND		11.75
ISHARES 1-5 YEAR INVESTMENT GRADE CORPORATE BOND		7.83
FLEXSHARES CREDIT-SCORED US CORPORATE BOND INDEX		6.80
US 2YR NOTE (CBT) BOND 28/JUN/2024 TUM4 COMDTY	06/28/2024	5.69
FLEXSHARES ULTRA-SHORT INCOME FUND ETP USD		5.10
ISHARES 5-10 YEAR INVESTMENT GRADE CORPORATE BOND		3.41
FLEXSHARES IBOX 3-YEAR TARGET DURATION TIPS INDEX		1.92
Total		97.47

Holdings are subject to change without notice.

PORTFOLIO MANAGEMENT

Morten Olsen

Head of Multi-Sector Portfolio Management



Began career in 2004

With Northern Trust since 2009. Mr. Olsen received a B.S. in economics and a M.S. in economics, both from University of Copenhagen.

Bilal Memon

Senior Portfolio Manager, Northern Trust Asset Management



Began career in 2004

With Northern Trust since 2007. Mr. Memon received a B.A. in economics from The University of Chicago and his M.B.A in analytical finance and marketing management from the University of Chicago Graduate School of Business.

Chaitanya Mandavakuriti, CFA

Fixed Income Portfolio Manager



Began career in 2009

With Northern Trust since 2013. Chaitanya Mandavakuriti received a Bachelor of Technology in Aerospace Engineering from the Indian Institute of Technology. Chaitanya is a CFA charterholder.

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DEFINITIONS

Duration is the sensitivity of a fixed income security's price to a change in interest rates. 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 average expected price decline for the portfolio when interest rates rise by 1%. All else being equal, the longer the maturity of a portfolio, the larger its effective duration.

Weighted Average Option Adjusted Spread is the average measurement of the spread of a fixed-income portfolio and the risk-free rate of return, which is adjusted to take into account an embedded option. Typically, an analyst uses the Treasury securities yield for the risk-free rate.

Weighted Average Price is the average price of the investments within a given portfolio. The formula for determining this is to multiply each price paid for the investments by the number of individual securities purchased at that price. Add up all of these results and divide by the total number of investments found within the portfolio.

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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 Core Select Bond Fund (BNDC) is actively managed and does not seek to replicate a specified index. **Authorized Participant Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities.

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. **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. **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. **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. **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.

Credit and Default Risk is the risk that an issuer of a fixed income security is unable or unwilling to meet its financial obligations. **Debt Extension Risk** is the risk that an issuer will exercise its right to pay principal on an obligation held by the Fund (such as a mortgage-backed security) later than expected. This may happen during a period of rising interest rates. Under these circumstances, the value of the obligation will decrease and the Fund will suffer from the inability to invest in higher yielding securities. **Mortgage-Backed Pass-Through Securities Risk** is the risk of investing in mortgage-backed securities issued by a U.S. Agency. These securities may not be backed by the full faith and credit of the U.S. government. As interest rates rise, bond prices fall, reducing the value of fixed income investments. **Prepayment Risk** is the risk involved with the premature return of principal. **Interest Rate/Maturity Risk** is the risk that the value of the Fund's fixed income assets will decline because of rising interest rates. **Underlying Fund Risk** is the risk that the Fund's investment performance and its ability to achieve its investment objectives are directly related to the performance of the Underlying Funds in which it invests.