

FlexShares High Yield Value-Scored Bond Index Fund

HYGV

All data as of December 31, 2023

OBJECTIVE

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

FUND FACTS

Ticker	HYGV
Inception	07/17/2018
CUSIP	33939L662
Exchange	NYSE Arca
Underlying Index	Northern Trust High Yield Value-Scored US Corporate Bond Index SM
Index Ticker	NTUHVCBTR
IOPV Ticker	HYGV.IV
Estimated Cash Ticker	HYGV.EU
Net Assets	\$1,406,124,752
Shares Outstanding	34,600,001
No. of Holdings	918

FUND INFORMATION

Weighted Average Maturity (years)	5.27
Weighted Average Price	92.26
Weighted Average Effective Duration (years)	3.28
Weighted Average Option Adjusted Spread (basis points)	466.19
SEC Subsidized Yield	9.11%
SEC Unsubsidized Yield	9.08%
EXPENSE RATIO (%)	
Management Fee	0.37
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.38
Expense Reimbursement	-0.01
Net Expense Ratio	0.37

QUARTER END PERFORMANCE (%) As of December 31, 2023

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
HYGV NAV Return	6.19	12.98	12.98	1.42	5.41	4.14
HYGV Market Return (Bid-Ask Midpoint)	6.09	11.94	11.94	1.29	5.28	4.10
Northern Trust High Yield Value-Scored US Corporate Bond Index Return	6.82	14.85	14.85	2.76	6.89	5.58
ICE BofA [®] US High Yield Index Return	7.06	13.46	13.46	2.01	5.21	4.21

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 0.37% until March 1, 2024. 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			1.14
NEPTUNE BIDCO US INC CALLABLE NOTES FIXED 9.29%	9.290%	04/15/2029	0.82
STAPLES INC CALLABLE NOTES FIXED 7.5% 15/APR/2026	7.500%	04/15/2026	0.77
TENNECO INC CALLABLE NOTES FIXED 8% 17/NOV/2028	8.000%	11/17/2028	0.68
VENTURE GLOBAL LNG INC CALLABLE NOTES FIXED 8.125%	8.125%	06/01/2028	0.68
NCL CORP LTD CALLABLE NOTES FIXED 5.875%	5.875%	03/15/2026	0.60
VENTURE GLOBAL LNG INC CALLABLE NOTES FIXED 9.5%	9.500%	02/01/2029	0.59
CSC HOLDINGS LLC CALLABLE NOTES FIXED 5.75%	5.750%	01/15/2030	0.57
TALEN ENERGY SUPPLY LLC CALLABLE NOTES FIXED	8.625%	06/01/2030	0.54
SIRIUS XM RADIO INC CALLABLE NOTES FIXED 4.125%	4.125%	07/01/2030	0.53
Total			6.91

SECTOR (%)

Industrial	35.23
Consumer	25.51
Energy	17.68
Technology, Telecomm & Media	11.16
Financials	9.08
Cash/and or Derivatives	1.14
Other	0.03

SUB-SECTOR (%)

Cable and Satellite	7.14
Midstream	7.12
Technology	6.20
Consumer Cyclical Services	4.93
Independent Energy	4.47
Chemicals	3.74
Media and Entertainment	3.57
Health Care	3.39
Metals	3.18
Wirelines	2.96
Other	53.30

COUNTRY (%)

United States	82.28
Canada	5.66
United Kingdom	2.09
Luxembourg	1.90
Australia	1.72
France	1.71
Cash/And Or Derivatives	1.14
Netherlands	0.95
Germany	0.83
Italy	0.52
Other	1.20

MATURITY (%)

0 - 1 Years	0.00
1 - 3 Years	19.32
3 - 5 Years	37.42
5 - 7 Years	29.23
7 - 10 Years	9.48
10 Years +	3.41
Cash/and or Derivatives	1.14

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	
BBB	0.22	Baa	1.29	A	0.10
BB	42.02	Ba	28.57	BBB	2.1
B	38.86	B	52.10	BB	27.95
CCC	14.40	Caa	14.46	B	8.99%
CC	0.04	Ca	0.24	CCC	0.80
D	0.11	C	0.04	Cash/and or Derivatives	1.14
Cash/and or Derivatives	1.14	Cash/and or Derivatives	1.14	Unclassified	58.92
Unclassified	3.21	Unclassified	2.16		

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 Rating scale assigns credit 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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HYGV*All data as of December 31, 2023*

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.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

FlexShares High Yield Value-Scored Bond Index Fund (HGVY) is passively managed and uses a representative sampling/replication strategy to track its underlying index. Investing in both actively and passively managed funds involves risk and principal loss is possible. Active investing has higher management fees because of the manager's increased level of involvement while passive investing has lower management and operating fees. Actively managed funds may have higher portfolio turnover than passively managed funds. Excessive turnover can limit returns and can incur capital gains.

FlexShares High Yield Value-Scored Bond Index Fund (HYGV) invests in high yield securities, which are considered highly speculative, and is subject to greater credit risk, price volatility and risk of loss than if it invested primarily in investment grade securities.

The Northern Trust High Yield Value-Scored US Corporate Bond Index is designed to measure the performance of a diversified universe of high yield, US-dollar denominated bonds of companies exhibiting favorable fundamental qualities, market valuations and liquidity, as defined by Northern Trust Investments, Inc.'s ("NTI") scoring models.

ICE BofA® US High Yield Index tracks the performance of below investment grade, but not in default, US dollar-denominated corporate bonds publicly issued in the US domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P.

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. **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. **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. **High Yield Securities Risk** is the risk that the Fund will be subject to greater credit risk, price volatility and risk of loss than if it invested primarily in investment grade securities, which can adversely impact the Fund's return and NAV. **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. **Distressed Securities Risk** is the substantial risk of investing in distressed securities that is in addition to the risks of investing in non-investment grade securities generally. NTI defines securities issued by companies whose financial condition is troubled or uncertain and that may be involved in bankruptcy proceedings, reorganizations or financial restructurings as "distressed securities." Distressed securities are speculative and involve a substantial risk that principal will not be paid. **Substantial Volatility Risk** is the risk that the value of the securities in the Fund's portfolio may fluctuate, sometimes rapidly and unpredictably at a greater level than the overall market.

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