

FlexShares US Quality Large Cap Index Fund

QLC

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 Quality Large Cap Index[®] (Underlying Index).

FUND FACTS

Ticker	QLC
Inception	09/23/2015
CUSIP	33939L746
Exchange	CBOE
Underlying Index	Northern Trust Quality Large Cap Index SM
Index Ticker	NTUQVMTR
IOPV Ticker	QLC.IV
Estimated Cash Ticker	QLC.EU
Net Assets	\$174,751,302
Shares Outstanding	3,300,001
No. of Holdings	178

FUND INFORMATION

Average Market Cap (\$)	634,775,587,566
Price to Earnings	28.05
Price to Book	10.16
SEC Subsidized Yield	1.23%
SEC Unsubsidized Yield	1.23%
EXPENSE RATIO (%)	
Management Fee	0.25
Acquired Fund Fees and Expenses	0.00
Other Expenses	0.01
Gross Expense Ratio	0.26
Expense Reimbursement	-0.01
Net Expense Ratio	0.25

QUARTER END PERFORMANCE (%) As of December, 2023

	QTD	YTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	Since Inception
QLC NAV Return	11.50	25.86	25.86	10.25	13.54	11.31	11.26
QLC Market Return (Bid-Ask Midpoint)	11.51	25.91	25.91	10.23	13.55	11.32	11.26
Northern Trust Quality Large Cap Index SM Return	11.60	26.30	26.30	10.64	13.90	11.64	11.59
S&P 500 Index Return	11.69	26.29	26.29	10.03	15.71	13.43	13.58

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 0.25% until March 1, 2024. 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 (%)

APPLE	8.25
MICROSOFT	5.24
ALPHABET	2.98
ALPHABET	2.81
NVIDIA	2.41
BERKSHIRE HATHAWAY	2.22
AMAZON.COM	2.06
JOHNSON & JOHNSON	1.86
JPMORGAN CHASE	1.80
META PLATFORMS	1.72
Total	31.36

SECTOR (%)

Information Technology	30.57
Financials	12.62
Health Care	12.33
Communication Services	10.49
Consumer Discretionary	9.90
Industrials	6.71
Real Estate	3.94
Consumer Staples	3.90
Utilities	3.61
Energy	2.30
Materials	1.90
Other	1.73

MARKET CAP (%)

Large-Cap	81.76
Mid-Cap	16.51
Small-Cap	0.00
Cash/and or Derivatives	1.73

STYLE (%)

Value	27.89
Core	38.50
Growth	33.61

COUNTRY (%)

United States	98.27
Cash/And Or Derivatives	1.73

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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DEFINITIONS

Price to Book is calculated as the market value of all common stock shares of a company divided by the book value of the company.

Price to Earnings is calculated as a company's current stock price divided by its earnings per share.

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 US Quality Large Cap Index Fund (QLC) 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.

Northern Trust Quality Large Cap Index is designed to measure the performance of a universe of large capitalization securities which demonstrate characteristics of better quality, attractive valuation and positive momentum.

S&P 500 Index is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States.

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. **Equity Securities Risk** is the risk that the values of the equity securities owned by the Fund may be more volatile and underperform other asset classes and the general securities markets. **Information Technology Sector Risk** is the risk that securities of technology companies may be subject to greater price volatility than securities of companies in other sectors. These securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. Technology securities also may be affected adversely by changes in technology, consumer and business purchasing patterns, government regulation and/or obsolete products or services. **Dividend Risk** is the risk that an issuer of stock held by the Fund may choose not to declare a dividend or the dividend rate might not remain at current levels. Dividend paying stocks might not experience the same level of earnings growth or capital appreciation as non-dividend paying stocks. **Momentum Risk** is the risk that securities that have had positive momentum compared to other securities may be more volatile than a broad cross-section of securities or that returns on securities that have previously exhibited positive momentum are less than returns on other securities or the overall stock market.

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Quality Factor Risk is the risk that the past performance of companies that have exhibited quality characteristics does not continue or the returns on securities issued by such companies may be less than returns from other styles of investing or the overall stock market.

Value Investing Risk is the risk that the Fund's investment in companies whose securities are believed to be undervalued, relative to their underlying profitability, will not appreciate in value as anticipated. 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.