



FlexSharesSM Trust

Annual Report

October 31, 2011

Equity

FlexSharesSM Morningstar US Market Factor Tilt Index Fund

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund

Fixed Income

FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund

FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Fund



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Letter to Shareholders

In September 2011 we introduced FlexShares ETFs, a family of exchange traded funds designed to provide investors with the flexibility to construct, allocate and manage portfolios for the specific outcomes they hope to achieve. As part of the next evolution of ETF products our approach to product development is *different by design*.

We believe our initial four FlexShares ETF products have been well received by investors, and we will continue to develop strategies or products which combine focused investment objectives with intelligent portfolio construction. FlexShares ETFs are sponsored and managed by Northern Trust, a world leader in wealth and investment management as well as a premier index manager. With \$684 billion* in assets under management, Northern Trust executes global research across disciplines, and maintains a longstanding reputation for addressing the needs of discerning investors.

Through FlexShares, we seek to offer thoughtful solutions to common investment goals – *to build wealth, to mitigate risk, to generate income or to manage liquidity* – while offering the relative benefits of ETFs such as liquidity, transparency and tax efficiency. The following four FlexShares ETFs are based on indexes created and maintained by Morningstar, Inc. and Markit.

FlexShares Morningstar US Market Factor Tilt Index Fund seeks to provide broad U.S. stock market exposure with a slight tilt toward the long-term growth potential of the value and smaller capitalized segments. It is a total stock market option that is designed to meet long-term capital appreciation needs and to replace traditional market-weighted equity products. The Fund's tilt is accomplished using a multi-factor approach.

FlexShares Morningstar Global Upstream Natural Resources Index Fund seeks to provide investors with exposure to the rising global demand for natural resources. It is one of the first ETFs with a balanced emphasis on the “upstream” portion of the natural resources supply chain, providing coverage of global companies in the energy, metals and agriculture sectors, while also maintaining a core exposure to timberlands and water resources sectors.

FlexShares iBoxx 3-Year Target Duration TIPS Index Fund, and the *FlexShares iBoxx 5-Year Target Duration TIPS Index Fund* are Treasury Inflation Protected Securities (TIPS) strategies that seek to provide access to the inflation-hedging qualities of TIPS with stable duration exposure through changing interest rate and economic cycles. The Funds may help investors manage the risks associated with their specific interest rate and inflation outlooks.

These investment strategies may be employed across a range of portfolio contexts, and thus present an innovative approach to the utilization of exchange traded funds – potentially to provide both core and satellite portfolio exposures for the long-term investor. The ETF market will continue to evolve, and our goal is to develop additional FlexShares ETFs to meet the changing needs and expectations of the investor.

Please review our annual report for details on FlexShares ETFs, and visit our website at www.flexshares.com for more information on portfolio characteristics, pricing and performance. We look forward to being of service to you and appreciate your interest in FlexShares – *Based on Understanding. Built on Experience.*

Shundrawn A. Thomas
President
FlexShares Trust

* As of September 30, 2011

The views in this letter were as of October 31, 2011 and may not necessarily reflect the same views on the date this letter is first published or any time thereafter. These views are intended to help shareholders in understanding the ETFs' investment methodology and do not constitute investment advice.

An investment in FlexShares is subject to investment risk, including the possible loss of principal amount invested. Funds' returns may not match the returns of their respective indexes. The Funds may invest in emerging and foreign markets, derivatives and concentrated sectors. In addition,

Letter to Shareholders (cont.)

the Funds may be subject to asset class risk, small cap stock risk, value investing risk, non-diversification risk, fluctuation of yield, income risk, interest rate/maturity risk, currency risk, passive investment risk, inflation protected security risk, market risk and manager risk. For a complete description of risks associated with each Fund please refer to the prospectus.

This report is submitted for the general information of the shareholders of the Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Funds' risks, objectives, fees and expenses, experience of its management, and other information. Foreside Fund Services, LLC, distributor.

FlexSharesSM Trust

Statements of Assets and Liabilities October 31, 2011

| | FlexShares SM Morningstar US Market Factor Tilt Index Fund | FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund |
|---|--|---|--|--|
| ASSETS | | | | |
| Securities, at cost | \$7,073,104 | \$ 93,380,574 | \$ 139,016,549 | \$ 143,604,460 |
| Affiliate securities, at cost | 2,861 | — | — | — |
| Securities, at value | 7,535,648 | 102,672,554 | 140,096,744 | 144,425,099 |
| Affiliate securities, at value | 3,157 | — | — | — |
| Cash | 221,821 | 461,214 | 628,869 | 187,764 |
| Foreign cash | — | 528,473† | — | — |
| Restricted cash | — | 2,000,343 | — | — |
| Unrealized appreciation on futures contracts | — | 20,283 | — | — |
| Due from brokers | — | 4,011 | — | — |
| Receivables: | | | | |
| Dividends and interest | 5,805 | 68,393 | 526,042 | 604,961 |
| Investment adviser | 1,661 | 22,103 | 30,160 | 31,076 |
| Securities sold | 51,768 | 130,562 | 22,787,666 | 6,616,916 |
| Other | — | 2,759 | — | — |
| Total Assets | 7,819,860 | 105,910,695 | 164,069,481 | 151,865,816 |
| LIABILITIES | | | | |
| Payables: | | | | |
| Investment advisory fees | 1,623 | 34,878 | 18,849 | 19,705 |
| Trustee fees | 1,661 | 22,103 | 30,160 | 31,076 |
| Securities purchased | 47,866 | 2,202,087 | 23,108,681 | 6,620,784 |
| Unrealized depreciation on forward foreign currency contracts | — | 6,410 | — | — |
| Variation margin | 5,180 | — | — | — |
| Due to Authorized Participant | — | 363,693 | — | — |
| Other | 3,000 | 13,500 | — | — |
| Total Liabilities | 59,330 | 2,642,671 | 23,157,690 | 6,671,565 |
| Net Assets | \$7,760,530 | \$103,268,024 | \$140,911,791 | \$145,194,251 |
| NET ASSETS CONSIST OF: | | | | |
| Paid-in capital | \$7,290,604 | \$ 93,935,545 | \$ 139,435,766 | \$ 144,079,327 |
| Undistributed (accumulated) net investment income | 9,383 | 60,360 | 197,712 | 238,042 |
| Undistributed (accumulated) net realized gain (loss) on investments and foreign currency transactions | (20,163) | (43,842) | 198,118 | 56,243 |
| Net unrealized appreciation on: | | | | |
| Investments | 462,840 | 9,291,980 | 1,080,195 | 820,639 |
| Futures contracts | 17,866 | 20,283 | — | — |
| Forward foreign currency contracts and foreign currency translations | — | 3,698 | — | — |
| Net Assets | \$7,760,530 | \$103,268,024 | \$140,911,791 | \$145,194,251 |
| Shares Outstanding | 150,001 | 2,950,001 | 5,604,000 | 5,800,001 |
| Net Asset Value | \$ 51.74 | \$ 35.01 | \$ 25.14 | \$ 25.03 |

† Cost of \$516,554.

See Accompanying Notes to the Financial Statements.

FlexSharesSM Trust

Statements of Operations

| | FlexShares SM Morningstar US Market Factor Tilt Index Fund | FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund |
|---|--|---|--|--|
| | For the period 09/16/11* - 10/31/11 | For the period 09/16/11* - 10/31/11 | For the period 09/19/11* - 10/31/11 | For the period 09/19/11* - 10/31/11 |
| INVESTMENT INCOME | | | | |
| Dividend income | \$ 11,473 | \$ 100,427 | \$ - | \$ - |
| Interest income | - | - | 217,201 | 258,421 |
| Foreign withholding tax on dividends | - | (1,650) | - | - |
| Total Investment Income | 11,473 | 98,777 | 217,201 | 258,421 |
| EXPENSES | | | | |
| Investment advisory fees | 2,045 | 36,417 | 19,489 | 20,379 |
| Trustee fees | 1,661 | 22,103 | 30,160 | 31,076 |
| Total Gross Expenses Before Fees Reimbursed | 3,706 | 58,520 | 49,649 | 51,455 |
| Less: | | | | |
| Trustee fees reimbursed | (1,661) | (22,103) | (30,160) | (31,076) |
| Total Net Expenses | 2,045 | 36,417 | 19,489 | 20,379 |
| Net Investment Income | 9,428 | 62,360 | 197,712 | 238,042 |
| NET REALIZED GAIN (LOSS) ON: | | | | |
| Investments in securities | (17,441) | (47,934) | 198,118 | 56,243 |
| Futures contracts | (2,767) | 4,092 | - | - |
| Foreign currency transactions | - | (2,000) | - | - |
| Net Realized Gain (Loss) | (20,208) | (45,842) | 198,118 | 56,243 |
| NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON: | | | | |
| Investments in securities | 462,840 | 9,291,980 | 1,080,195 | 820,639 |
| Futures contracts | 17,866 | 20,283 | - | - |
| Forward foreign currency contracts | - | (6,410) | - | - |
| Translation of other assets and liabilities denominated in foreign currencies | - | 10,108 | - | - |
| Net Change in Unrealized Appreciation | 480,706 | 9,315,961 | 1,080,195 | 820,639 |
| Net Realized and Unrealized Gain | 460,498 | 9,270,119 | 1,278,313 | 876,882 |
| Net Increase in Net Assets Resulting from Operations | \$469,926 | \$9,332,479 | \$1,476,025 | \$1,114,924 |

* Commencement of investment operations.

See Accompanying Notes to the Financial Statements.

FlexSharesSM Trust

Statements of Changes in Net Assets

| | FlexShares SM Morningstar US Market Factor Tilt Index Fund | FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund |
|---|--|---|--|--|
| | For the period 09/16/11* - 10/31/11 | For the period 09/16/11* - 10/31/11 | For the period 09/19/11* - 10/31/11 | For the period 09/19/11* - 10/31/11 |
| OPERATIONS | | | | |
| Net investment income | \$ 9,428 | \$ 62,360 | \$ 197,712 | \$ 238,042 |
| Net realized gain (loss) | (20,208) | (45,842) | 198,118 | 56,243 |
| Net change in unrealized appreciation | 480,706 | 9,315,961 | 1,080,195 | 820,639 |
| Net Increase in Net Assets Resulting from Operations | 469,926 | 9,332,479 | 1,476,025 | 1,114,924 |
| CAPITAL TRANSACTIONS⁽¹⁾ | | | | |
| Proceeds from shares issued | 2,290,554 | 90,435,510 | 136,835,766 | 141,579,302 |
| Cost of shares redeemed | — | — | — | — |
| Net Increase from Capital Transactions | 2,290,554 | 90,435,510 | 136,835,766 | 141,579,302 |
| Total Increase in Net Assets | 2,760,480 | 99,767,989 | 138,311,791 | 142,694,226 |
| NET ASSETS | | | | |
| Beginning of period | \$5,000,050 | \$ 3,500,035 | \$ 2,600,000 | \$ 2,500,025 |
| End of Period | \$7,760,530 | \$103,268,024 | \$140,911,791 | \$145,194,251 |
| Undistributed (accumulated) net investment income included in end of period net assets | \$ 9,383 | \$ 60,360 | \$ 197,712 | \$ 238,042 |
| SHARE TRANSACTIONS | | | | |
| Beginning of period | 100,001 | 100,001 | 104,000 | 100,001 |
| Issued | — | — | — | — |
| Shares issued in-kind | 50,000 | 2,850,000 | 5,500,000 | 5,700,000 |
| Shares redeemed | — | — | — | — |
| Shares redeemed in-kind | — | — | — | — |
| Shares Outstanding, End of Period | 150,001 | 2,950,001 | 5,604,000 | 5,800,001 |

* Commencement of investment operations.

⁽¹⁾ Capital share transactions may include transaction fees associated with creation and redemption transactions which occurred during the period. See Note 9 to the Financial Statements.

See Accompanying Notes to the Financial Statements.

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FlexSharesSM Trust

Financial Highlights

| | PER SHARE | | | | | | |
|---|--------------------------------------|--------------------------------------|--|-----------------------|-----------------------|-------------------------|-------|
| | Net Asset Value, beginning of period | Investment Operations | | | Distributions | | |
| | | Net Investment Income ^(a) | Net Realized and Unrealized Gain(Loss) | Total from Operations | Net Investment Income | From Net Realized Gains | Total |
| FlexSharesSM Morningstar US Market Factor Tilt Index Fund | | | | | | | |
| For the period 09/16/11 [*] -10/31/11 | \$50.00 | \$0.07 | \$ 1.67 | \$1.74 | \$- | \$- | \$- |
| FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund | | | | | | | |
| For the period 09/16/11 [*] -10/31/11 | 35.00 | 0.03 | (0.02) ^(g) | 0.01 | - | - | - |
| FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund | | | | | | | |
| For the period 09/19/11 [*] -10/31/11 | 25.00 | 0.06 | 0.08 | 0.14 | - | - | - |
| FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Fund | | | | | | | |
| For the period 09/19/11 [*] -10/31/11 | 25.00 | 0.07 | (0.04) ^(g) | 0.03 | - | - | - |

^{*} Commencement of investment operations.

(a) Net investment income per share is based on average shares outstanding.

(b) Not annualized for periods less than one year.

(c) Annualized for periods less than one year.

(d) Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period and redemption on the last day of the period at adjusted net asset value.

(e) Market value total return is calculated assuming an initial investment made at market value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period and redemption on the last day of the period at market value. Market value is determined by the mid point of the bid/ask spread at 4:00 p.m. from the primary listing exchange. Market value returns may vary from net asset value returns.

(f) In-kind transactions are not included in portfolio turnover calculations.

(g) The amount shown for a share outstanding throughout the period is not in accordance with the aggregate net realized and unrealized gain (loss) for that period because of the timing of sales and repurchases of the Fund shares in relation to fluctuating market value of the investments in the Fund.

See Accompanying Notes to the Financial Statements.

| Net Asset Value, end of period | RATIOS/SUPPLEMENTAL DATA | | | | | | | |
|--------------------------------|--------------------------------|---|---|--------------------------------|---|---|--|---------------------------------------|
| | Total Return ^(b) | | Ratios to Average Net Assets ^(c) | | | | Supplemental Data | |
| | Net Asset Value ^(d) | Market Value (Unaudited) ^(e) | Expenses | Expenses net of reimbursements | Net Investment Income before reimbursements | Net investment income net of reimbursements | Portfolio Turnover Rate ^{(b),(f)} | Net Assets, end of period (thousands) |
| \$51.74 | 3.48% | 3.56% | 0.49% | 0.27% | 1.02% | 1.24% | 1% | \$ 7,761 |
| 35.01 | 0.03 | (0.57) | 0.77 | 0.48 | 0.53 | 0.82 | 1 | 103,268 |
| 25.14 | 0.56 | 0.82 | 0.51 | 0.20 | 1.72 | 2.03 | 23 | 140,912 |
| 25.03 | 0.12 | 0.56 | 0.50 | 0.20 | 2.03 | 2.34 | 10 | 145,194 |

See Accompanying Notes to the Financial Statements.

Schedule of Investments

FlexSharesSM Morningstar US Market Factor Tilt Index Fund

| | Shares | Value |
|---|--------|----------------|
| COMMON STOCKS – 96.8% | | |
| Aerospace & Defense – 2.0% | | |
| AAR Corp. | 180 | \$ 3,587 |
| Aerovironment, Inc.* | 33 | 1,090 |
| Alliant Techsystems, Inc. | 150 | 8,712 |
| American Science & Engineering, Inc. | 18 | 1,224 |
| Astronics Corp.* | 18 | 547 |
| BE Aerospace, Inc.* | 33 | 1,245 |
| The Boeing Co. | 240 | 15,790 |
| Ceradyne, Inc.* | 45 | 1,506 |
| Cubic Corp. | 30 | 1,414 |
| Curtiss-Wright Corp. | 213 | 6,982 |
| DigitalGlobe, Inc.* | 66 | 1,346 |
| Ducommun, Inc. | 48 | 685 |
| Esterline Technologies Corp.* | 57 | 3,186 |
| GenCorp, Inc.* | 102 | 496 |
| General Dynamics Corp. | 84 | 5,392 |
| GeoEye, Inc.* | 33 | 1,108 |
| Goodrich Corp. | 45 | 5,518 |
| HEICO Corp. | 24 | 1,368 |
| HEICO Corp., Class A | 42 | 1,651 |
| Hexcel Corp.* | 186 | 4,596 |
| Honeywell International, Inc. | 258 | 13,519 |
| The KEYW Holding Corp.* | 30 | 252 |
| Kratos Defense & Security Solutions, Inc.* | 156 | 987 |
| Level 3 Communications Holdings, Inc. | 30 | 2,033 |
| LMI Aerospace, Inc.* | 45 | 905 |
| Lockheed Martin Corp. | 75 | 5,693 |
| Moog, Inc., Class A* | 78 | 3,021 |
| National Presto Industries, Inc. | 21 | 2,006 |
| Northrop Grumman Corp. | 72 | 4,158 |
| Orbital Sciences Corp.* | 111 | 1,716 |
| Precision Castparts Corp. | 51 | 8,321 |
| Raytheon Co. | 99 | 4,375 |
| Rockwell Collins, Inc. | 57 | 3,182 |
| Spirit Aerosystems Holdings, Inc., Class A* | 33 | 563 |
| Teledyne Technologies, Inc.* | 69 | 3,758 |
| Textron, Inc. | 99 | 1,923 |
| TransDigm Group, Inc.* | 18 | 1,691 |
| Triumph Group, Inc. | 177 | 10,284 |
| United Technologies Corp. | 285 | 22,225 |
| | | 158,055 |

| | Shares | Value |
|---|--------|---------------|
| Air Freight & Logistics – 0.6% | | |
| Air Transport Services Group, Inc.* | 255 | \$ 1,413 |
| Atlas Air Worldwide Holdings, Inc.* | 120 | 4,622 |
| C.H. Robinson Worldwide, Inc. | 60 | 4,166 |
| Expeditors International of Washington, Inc. | 78 | 3,557 |
| FedEx Corp. | 108 | 8,838 |
| Forward Air Corp. | 54 | 1,769 |
| HUB Group, Inc., Class A* | 69 | 2,157 |
| Pacer International, Inc.* | 66 | 311 |
| Park-Ohio Holdings Corp.* | 39 | 631 |
| United Parcel Service, Inc., Class B | 267 | 18,753 |
| UTI Worldwide, Inc. | 189 | 2,761 |
| | | 48,978 |
| Airlines – 0.5% | | |
| Alaska Air Group, Inc.* | 165 | 10,977 |
| Allegiant Travel Co.* | 69 | 3,585 |
| AMR Corp.* | 1,509 | 3,969 |
| Delta Air Lines, Inc.* | 237 | 2,019 |
| Hawaiian Holdings, Inc.* | 228 | 1,220 |
| JetBlue Airways Corp.* | 468 | 2,097 |
| Republic Airways Holdings, Inc.* | 204 | 530 |
| Skywest, Inc. | 237 | 3,178 |
| Southwest Airlines Co. | 225 | 1,924 |
| United Continental Holdings, Inc.* | 93 | 1,797 |
| US Airways Group, Inc.* | 732 | 4,224 |
| | | 35,520 |
| Auto Components – 0.6% | | |
| American Axle & Manufacturing Holdings, Inc.* | 300 | 2,907 |
| Amerigon, Inc.* | 42 | 644 |
| BorgWarner, Inc.* | 39 | 2,983 |
| Cooper Tire & Rubber Co. | 282 | 4,041 |
| Dana Holding Corp.* | 663 | 9,375 |
| Dorman Products, Inc.* | 24 | 915 |
| Drew Industries, Inc. | 36 | 865 |
| Exide Technologies* | 354 | 1,593 |
| Federal-Mogul Corp.* | 114 | 1,922 |
| Fuel Systems Solutions, Inc.* | 30 | 700 |
| Gentex Corp. | 51 | 1,536 |
| The Goodyear Tire & Rubber Co.* | 90 | 1,292 |
| Johnson Controls, Inc. | 246 | 8,101 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|---|--------|----------------|--|------------------------------------|----------|
| COMMON STOCKS – (continued) | | | | Biotechnology – (continued) | |
| Auto Components – (continued) | | | | | |
| Lear Corp. | 30 | \$ 1,407 | Alkermes PLC* | 177 | \$ 3,096 |
| Modine Manufacturing Co.* | 87 | 920 | Allos Therapeutics, Inc.* | 99 | 146 |
| Spartan Motors, Inc. | 63 | 309 | Alnylam Pharmaceuticals, Inc.* | 69 | 560 |
| Standard Motor Products, Inc. | 93 | 1,446 | AMAG Pharmaceuticals, Inc.* | 39 | 550 |
| Stoneridge, Inc.* | 48 | 378 | Amgen, Inc. | 339 | 19,414 |
| Superior Industries International, Inc. | 108 | 1,975 | Amylin Pharmaceuticals, Inc.* | 249 | 2,868 |
| Tenneco, Inc.* | 114 | 3,730 | Ardea Biosciences, Inc.* | 33 | 657 |
| Tower International, Inc.* | 12 | 148 | Ariad Pharmaceuticals, Inc.* | 249 | 2,896 |
| TRW Automotive Holdings Corp.* | 30 | 1,263 | Arqule, Inc.* | 102 | 593 |
| Visteon Corp.* | 18 | 1,001 | AVEO Pharmaceuticals, Inc.* | 81 | 1,301 |
| | | 49,451 | Biogen Idec, Inc.* | 87 | 10,123 |
| Automobiles – 0.4% | | | BioMarin Pharmaceutical, Inc.* | 39 | 1,330 |
| Ford Motor Co.* | 1,047 | 12,229 | BioMimetic Therapeutics, Inc.* | 42 | 136 |
| General Motors Co.* | 210 | 5,429 | Biosante Pharmaceuticals, Inc.* | 189 | 501 |
| Harley-Davidson, Inc. | 87 | 3,384 | Biotime, Inc.* | 48 | 216 |
| Tesla Motors, Inc.* | 102 | 2,996 | Celgene Corp.* | 165 | 10,697 |
| Thor Industries, Inc. | 216 | 5,711 | Cell Therapeutics, Inc.* | 357 | 457 |
| Winnebago Industries, Inc.* | 57 | 464 | Cepheid, Inc.* | 117 | 4,198 |
| | | 30,213 | Chelsea Therapeutics International Ltd.* | 96 | 435 |
| Beverages – 1.4% | | | Cleveland Biolabs, Inc.* | 66 | 196 |
| Beam, Inc. | 57 | 2,818 | Codexis, Inc.* | 36 | 166 |
| Boston Beer Co., Inc., Class A* | 18 | 1,593 | Cubist Pharmaceuticals, Inc.* | 114 | 4,310 |
| Brown-Forman Corp., Class B | 33 | 2,466 | Curis, Inc.* | 144 | 530 |
| Coca-Cola Bottling Co. Consolidated | 9 | 505 | Cytori Therapeutics, Inc.* | 93 | 282 |
| The Coca-Cola Co. | 771 | 52,675 | Dendreon Corp.* | 147 | 1,608 |
| Coca-Cola Enterprises, Inc. | 117 | 3,138 | Dynavax Technologies Corp.* | 174 | 473 |
| Constellation Brands, Inc., Class A* | 51 | 1,031 | Emergent Biosolutions, Inc.* | 45 | 849 |
| Dr Pepper Snapple Group, Inc. | 60 | 2,247 | Enzon Pharmaceuticals, Inc.* | 69 | 507 |
| Hansen Natural Corp.* | 27 | 2,405 | Exact Sciences Corp.* | 99 | 787 |
| Molson Coors Brewing Co., Class B | 45 | 1,905 | Exelixis, Inc.* | 240 | 1,855 |
| National Beverage Corp. | 18 | 305 | Genomic Health, Inc.* | 39 | 835 |
| PepsiCo, Inc. | 576 | 36,259 | Geron Corp.* | 246 | 578 |
| Primo Water Corp.* | 39 | 237 | Gilead Sciences, Inc.* | 279 | 11,622 |
| | | 107,584 | Halozyme Therapeutics, Inc.* | 162 | 1,366 |
| Biotechnology – 1.9% | | | Human Genome Sciences, Inc.* | 45 | 462 |
| Achillion Pharmaceuticals, Inc.* | 87 | 552 | Idenix Pharmaceuticals, Inc.* | 117 | 702 |
| Acorda Therapeutics, Inc.* | 75 | 1,638 | Immunogen, Inc.* | 141 | 1,915 |
| Affymax, Inc.* | 66 | 351 | Immunomedics, Inc.* | 126 | 459 |
| Alexion Pharmaceuticals, Inc.* | 66 | 4,456 | Incyte Corp. Ltd.* | 186 | 2,561 |
| | | | Inhibitex, Inc.* | 126 | 490 |
| | | | InterMune, Inc.* | 114 | 2,907 |
| | | | Ironwood Pharmaceuticals, Inc.* | 105 | 1,428 |
| | | | Isis Pharmaceuticals, Inc.* | 177 | 1,467 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|------------------------------------|--------|----------------|
| COMMON STOCKS – (continued) | | |
| Biotechnology – (continued) | | |
| Keryx Biopharmaceuticals, Inc.* | 132 | \$ 413 |
| Lexicon Pharmaceuticals, Inc.* | 318 | 385 |
| MannKind Corp.* | 102 | 318 |
| Medivation, Inc.* | 66 | 1,134 |
| Metabolix, Inc.* | 63 | 323 |
| Micromet, Inc.* | 171 | 1,123 |
| Myriad Genetics, Inc.* | 162 | 3,447 |
| Nabi Biopharmaceuticals* | 195 | 359 |
| Neurocrine Biosciences, Inc.* | 105 | 657 |
| Novavax, Inc.* | 183 | 289 |
| NPS Pharmaceuticals, Inc.* | 162 | 838 |
| Onyx Pharmaceuticals, Inc.* | 120 | 4,912 |
| Opko Health, Inc.* | 291 | 1,566 |
| Osiris Therapeutics, Inc.* | 36 | 193 |
| PDL BioPharma, Inc. | 636 | 3,861 |
| Pharmacyclics, Inc.* | 93 | 1,225 |
| Pharmasset, Inc.* | 27 | 1,901 |
| Progenics Pharmaceuticals, Inc.* | 60 | 394 |
| PROLOR Biotech, Inc.* | 84 | 371 |
| Regeneron Pharmaceuticals, Inc.* | 27 | 1,493 |
| Rigel Pharmaceuticals, Inc.* | 132 | 1,036 |
| Savient Pharmaceuticals, Inc.* | 132 | 495 |
| Sciclone Pharmaceuticals, Inc.* | 90 | 379 |
| Seattle Genetics, Inc.* | 189 | 4,158 |
| SIGA Technologies, Inc.* | 75 | 243 |
| Spectrum Pharmaceuticals, Inc.* | 99 | 1,098 |
| Synta Pharmaceuticals Corp.* | 63 | 233 |
| Targacept, Inc.* | 51 | 898 |
| Theravance, Inc.* | 147 | 3,268 |
| United Therapeutics Corp.* | 18 | 787 |
| Vanda Pharmaceuticals, Inc.* | 54 | 314 |
| Vical, Inc.* | 126 | 377 |
| Zalicus, Inc.* | 147 | 216 |
| ZIOPHARM Oncology, Inc.* | 111 | 545 |
| | | 144,775 |

Building Products – 0.2%

| | | |
|----------------------------------|----|-------|
| A.O. Smith Corp. | 72 | 2,675 |
| AAON, Inc. | 39 | 826 |
| Ameresco, Inc., Class A* | 36 | 396 |
| Apogee Enterprises, Inc. | 54 | 590 |
| Armstrong World Industries, Inc. | 9 | 383 |

| | Shares | Value |
|--|--------|---------------|
| Building Products – (continued) | | |
| Gibraltar Industries, Inc.* | 57 | \$ 636 |
| Griffon Corp.* | 102 | 966 |
| Insteel Industries, Inc. | 33 | 340 |
| Lennox International, Inc. | 18 | 579 |
| Masco Corp. | 132 | 1,267 |
| NCI Building Systems, Inc.* | 39 | 355 |
| Owens Corning* | 42 | 1,192 |
| Quanex Building Products Corp. | 69 | 1,018 |
| Simpson Manufacturing Co., Inc. | 75 | 2,300 |
| Trex Co., Inc.* | 27 | 499 |
| Universal Forest Products, Inc. | 36 | 1,011 |
| USG Corp.* | 123 | 1,139 |
| | | 16,172 |

Capital Markets – 1.6%

| | | |
|--|-----|--------|
| Affiliated Managers Group, Inc.* | 18 | 1,667 |
| Ameriprise Financial, Inc. | 66 | 3,081 |
| Arlington Asset Investment Corp., Class A | 33 | 762 |
| Artio Global Investors, Inc. | 144 | 1,054 |
| The Bank of New York Mellon Corp. | 450 | 9,577 |
| BGC Partners, Inc., Class A | 399 | 2,733 |
| BlackRock, Inc. | 36 | 5,680 |
| Calamos Asset Management, Inc., Class A | 90 | 1,124 |
| The Charles Schwab Corp. | 372 | 4,568 |
| Cowen Group, Inc., Class A* | 375 | 1,020 |
| Diamond Hill Investment Group, Inc. | 6 | 452 |
| Duff & Phelps Corp., Class A | 126 | 1,599 |
| E*Trade Financial Corp.* | 93 | 1,009 |
| Eaton Vance Corp. | 42 | 1,104 |
| Epoch Holding Corp. | 36 | 742 |
| Evercore Partners, Inc., Class A | 51 | 1,399 |
| FBR & Co.* | 243 | 505 |
| Federated Investors, Inc., Class B | 36 | 703 |
| Financial Engines, Inc.* | 78 | 1,771 |
| Franklin Resources, Inc. | 54 | 5,758 |
| FXCM, Inc., Class A | 156 | 1,794 |
| GAMCO Investors, Inc., Class A | 9 | 424 |
| GFI Group, Inc. | 300 | 1,296 |
| Gleacher & Co., Inc.* | 330 | 422 |
| The Goldman Sachs Group, Inc. | 120 | 13,147 |
| Greenhill & Co., Inc. | 54 | 2,040 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--|--------|----------------|--|--------|--------|
| COMMON STOCKS – (continued) | | | Chemicals – (continued) | | |
| Capital Markets – (continued) | | | | | |
| HFF, Inc., Class A* | 66 | \$ 726 | Cytec Industries, Inc. | 21 | \$ 938 |
| ICG Group, Inc.* | 69 | 745 | The Dow Chemical Co. | 429 | 11,961 |
| INTL FCStone, Inc.* | 27 | 654 | E.I. du Pont de Nemours & Co. | 342 | 16,439 |
| Invesco Ltd. | 162 | 3,251 | Eastman Chemical Co. | 42 | 1,650 |
| Investment Technology Group, Inc.* | 186 | 2,122 | Ecolab, Inc. | 87 | 4,684 |
| Janus Capital Group, Inc. | 846 | 5,550 | Ferro Corp.* | 393 | 2,543 |
| Jefferies Group, Inc. | 51 | 676 | Flotek Industries, Inc.* | 96 | 714 |
| KBW, Inc. | 57 | 807 | FMC Corp. | 27 | 2,130 |
| Knight Capital Group, Inc., Class A* | 558 | 6,969 | Georgia Gulf Corp.* | 66 | 1,195 |
| Legg Mason, Inc. | 51 | 1,403 | Hawkins, Inc. | 18 | 689 |
| LPL Investment Holdings, Inc.* | 15 | 435 | HB Fuller Co. | 228 | 4,900 |
| MF Global Holdings Ltd.* ^ | 309 | 3 | Huntsman Corp. | 57 | 669 |
| Morgan Stanley | 492 | 8,680 | Innophos Holdings, Inc. | 102 | 4,487 |
| Northern Trust Corp.† | 78 | 3,157 | International Flavors & Fragrances, Inc. | 33 | 1,998 |
| Piper Jaffray Cos.* | 87 | 1,806 | Intrepid Potash, Inc.* | 21 | 584 |
| Raymond James Financial, Inc. | 27 | 820 | KMG Chemicals, Inc. | 18 | 262 |
| Safeguard Scientifics, Inc.* | 36 | 609 | Koppers Holdings, Inc. | 96 | 3,177 |
| SEI Investments Co. | 54 | 874 | Kraton Performance Polymers, Inc.* | 60 | 1,181 |
| State Street Corp. | 183 | 7,391 | Kronos Worldwide, Inc. | 9 | 200 |
| Stifel Financial Corp.* | 102 | 3,251 | LSB Industries, Inc.* | 36 | 1,275 |
| SWS Group, Inc. | 147 | 810 | Minerals Technologies, Inc. | 36 | 1,974 |
| T Rowe Price Group, Inc. | 93 | 4,914 | Monsanto Co. | 195 | 14,186 |
| TD Ameritrade Holding Corp. | 81 | 1,359 | The Mosaic Co. | 102 | 5,973 |
| Virtus Investment Partners, Inc.* | 12 | 749 | Nalco Holding Co. | 51 | 1,923 |
| Waddell & Reed Financial, Inc., Class A | 30 | 832 | NewMarket Corp. | 45 | 8,736 |
| Walter Investment Management Corp. | 126 | 3,195 | Olin Corp. | 138 | 2,603 |
| | | 127,219 | OM Group, Inc.* | 150 | 4,337 |
| | | | Omnova Solutions, Inc.* | 210 | 930 |
| | | | PolyOne Corp. | 180 | 2,014 |
| | | | PPG Industries, Inc. | 60 | 5,185 |
| Chemicals – 2.4% | | | Praxair, Inc. | 114 | 11,590 |
| A Schulman, Inc. | 144 | 3,040 | Quaker Chemical Corp. | 60 | 2,087 |
| Air Products & Chemicals, Inc. | 75 | 6,461 | Rockwood Holdings, Inc.* | 27 | 1,243 |
| Airgas, Inc. | 27 | 1,862 | RPM International, Inc. | 45 | 1,011 |
| Albemarle Corp. | 36 | 1,918 | The Scotts Miracle-Gro Co., Class A | 18 | 873 |
| American Vanguard Corp. | 48 | 594 | Senomyx, Inc.* | 75 | 342 |
| Ashland, Inc. | 21 | 1,112 | Sensient Technologies Corp. | 228 | 8,427 |
| Balchem Corp. | 57 | 2,102 | The Sherwin-Williams Co. | 36 | 2,978 |
| Cabot Corp. | 18 | 543 | Sigma-Aldrich Corp. | 39 | 2,554 |
| Calgon Carbon Corp.* | 111 | 1,770 | Solutia, Inc.* | 48 | 780 |
| Celanese Corp. | 45 | 1,960 | Spartech Corp.* | 63 | 256 |
| CF Industries Holdings, Inc. | 21 | 3,408 | Stepan Co. | 36 | 2,782 |
| Chemtura Corp.* | 186 | 2,258 | TPC Group, Inc.* | 30 | 596 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|---|--------|----------------|--|--------|----------|
| COMMON STOCKS – (continued) | | | Commercial Banks – (continued) | | |
| Chemicals – (continued) | | | | | |
| Valhi, Inc. | 33 | \$ 1,950 | CVB Financial Corp. | 429 | \$ 4,166 |
| Valspar Corp. | 30 | 1,046 | Eagle Bancorp, Inc.* | 36 | 499 |
| W.R. Grace & Co.* | 18 | 752 | East West Bancorp, Inc. | 54 | 1,051 |
| Westlake Chemical Corp. | 9 | 371 | Fifth Third Bancorp | 330 | 3,963 |
| Zep, Inc. | 45 | 686 | Financial Institutions, Inc. | 63 | 1,032 |
| Zoltek Cos., Inc.* | 57 | 413 | First Busey Corp. | 369 | 1,882 |
| | | | First Citizens BancShares, Inc./NC, Class A | 9 | 1,467 |
| | | 177,302 | First Commonwealth Financial Corp. | 474 | 2,185 |
| Commercial Banks – 4.0% | | | First Community Bancshares, Inc./VA | 72 | 865 |
| 1st Source Corp. | 63 | 1,515 | First Financial Bancorp | 261 | 4,280 |
| 1st United Bancorp, Inc./FL* | 60 | 311 | First Financial Bankshares, Inc. | 60 | 1,906 |
| Ameris Bancorp* | 45 | 452 | First Financial Corp./IN | 51 | 1,676 |
| Arrow Financial Corp. | 21 | 490 | First Horizon National Corp. | 96 | 671 |
| Associated Banc-Corp | 324 | 3,613 | First Interstate Bancsystem, Inc. | 66 | 834 |
| Bancfirst Corp. | 33 | 1,277 | First Merchants Corp. | 51 | 411 |
| Bancorp Inc./DE* | 63 | 507 | First Midwest Bancorp, Inc./IL | 138 | 1,243 |
| Bancorp Rhode Island, Inc. | 4 | 174 | First Republic Bank/San Francisco CA* | 27 | 748 |
| BancorpSouth, Inc. | 147 | 1,436 | FirstMerit Corp. | 495 | 6,935 |
| Bank of Hawaii Corp. | 216 | 9,121 | FNB Corp./PA | 576 | 5,812 |
| Bank of the Ozarks, Inc. | 51 | 1,268 | Fulton Financial Corp. | 906 | 8,552 |
| Banner Corp. | 78 | 1,370 | Glacier Bancorp, Inc. | 135 | 1,532 |
| BB&T Corp. | 252 | 5,882 | Great Southern Bancorp, Inc. | 42 | 835 |
| BOK Financial Corp. | 6 | 313 | Hancock Holding Co. | 147 | 4,454 |
| Boston Private Financial Holdings, Inc. | 147 | 1,114 | Hanmi Financial Corp.* | 282 | 282 |
| Bryn Mawr Bank Corp. | 51 | 936 | Home Bancshares, Inc./AR | 48 | 1,126 |
| CapitalSource, Inc. | 603 | 3,835 | Hudson Valley Holding Corp. | 30 | 652 |
| Cardinal Financial Corp. | 54 | 580 | Huntington Bancshares, Inc./OH | 240 | 1,243 |
| Cathay General Bancorp | 147 | 2,057 | Iberiabank Corp. | 57 | 2,948 |
| Center Financial Corp.* | 75 | 493 | Independent Bank Corp./MA | 96 | 2,488 |
| Central Pacific Financial Corp.* | 66 | 805 | International Bancshares Corp. | 261 | 4,729 |
| Chemical Financial Corp. | 114 | 2,295 | Investors Bancorp, Inc.* | 87 | 1,208 |
| CIT Group, Inc.* | 72 | 2,509 | KeyCorp | 267 | 1,885 |
| Citizens Republic Bancorp, Inc.* | 183 | 1,649 | Lakeland Bancorp, Inc. | 117 | 1,087 |
| City Holding Co. | 69 | 2,267 | Lakeland Financial Corp. | 66 | 1,577 |
| City National Corp./CA | 18 | 764 | M&T Bank Corp. | 36 | 2,740 |
| CoBiz Financial, Inc. | 69 | 366 | MB Financial, Inc. | 102 | 1,690 |
| Columbia Banking Systems, Inc. | 75 | 1,430 | Nara Bancorp, Inc.* | 72 | 611 |
| Comerica, Inc. | 72 | 1,840 | National Penn Bancshares, Inc. | 240 | 1,872 |
| Commerce Bancshares, Inc./MO | 21 | 815 | NBT Bancorp, Inc. | 153 | 3,293 |
| Community Bank System, Inc. | 168 | 4,294 | Old National Bancorp/IN | 177 | 2,048 |
| Community Trust Bancorp, Inc. | 63 | 1,785 | Pacific Capital Bancorp N.A.* | 9 | 233 |
| Cullen/Frost Bankers, Inc. | 21 | 1,030 | PacWest Bancorp | 60 | 1,058 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|---------------------------------------|--------|----------|--|---------------------------------------|----------------|
| COMMON STOCKS – (continued) | | | | Commercial Banks – (continued) | |
| Commercial Banks – (continued) | | | | | |
| Park National Corp. | 60 | \$ 3,583 | Western Alliance Bancorp* | 153 | \$ 995 |
| Pinnacle Financial Partners, Inc.* | 63 | 946 | Wintrust Financial Corp. | 66 | 1,906 |
| PNC Financial Services Group, Inc. | 147 | 7,895 | Zions Bancorp. | 66 | 1,146 |
| PrivateBancorp, Inc. | 120 | 1,308 | | | 310,190 |
| Prosperity Bancshares, Inc. | 87 | 3,349 | Commercial Services & Supplies – 1.2% | | |
| Regions Financial Corp. | 456 | 1,792 | ABM Industries, Inc. | 201 | 4,064 |
| Renasant Corp. | 114 | 1,644 | ACCO Brands Corp.* | 249 | 1,711 |
| Republic Bancorp, Inc./KY, Class A | 45 | 915 | American Reprographics Co.* | 72 | 287 |
| S&T Bancorp, Inc. | 126 | 2,352 | Avery Dennison Corp. | 33 | 878 |
| Sandy Spring Bancorp, Inc. | 111 | 1,888 | The Brink's Co. | 213 | 5,920 |
| SCBT Financial Corp. | 27 | 797 | Cenveo, Inc.* | 264 | 990 |
| Signature Bank/NY* | 78 | 4,349 | Cintas Corp. | 42 | 1,255 |
| Simmons First National Corp., Class A | 30 | 779 | Clean Harbors, Inc.* | 87 | 5,069 |
| Southside Bancshares, Inc. | 75 | 1,543 | Consolidated Graphics, Inc.* | 45 | 2,050 |
| StellarOne Corp. | 42 | 504 | Copart, Inc.* | 21 | 915 |
| Sterling Bancorp/NY | 60 | 495 | Corrections Corp of America* | 39 | 867 |
| Sterling Financial Corp./WA* | 51 | 766 | Covanta Holding Corp. | 45 | 660 |
| SunTrust Banks, Inc. | 195 | 3,847 | Deluxe Corp. | 234 | 5,527 |
| Susquehanna Bancshares, Inc. | 289 | 2,098 | EnergySolutions, Inc.* | 153 | 577 |
| SVB Financial Group* | 81 | 3,721 | EnerNOC, Inc.* | 45 | 399 |
| SY Bancorp, Inc. | 57 | 1,173 | Ennis, Inc. | 117 | 1,712 |
| Synovus Financial Corp. | 3,315 | 4,973 | Fuel Tech, Inc.* | 33 | 183 |
| TCF Financial Corp. | 684 | 7,278 | G&K Services, Inc., Class A | 36 | 1,093 |
| Texas Capital Bancshares, Inc.* | 69 | 1,932 | The Geo Group, Inc.* | 120 | 2,188 |
| Tompkins Financial Corp. | 39 | 1,538 | Healthcare Services Group, Inc. | 117 | 2,030 |
| Tower Bancorp, Inc. | 48 | 1,235 | Herman Miller, Inc. | 108 | 2,230 |
| TowneBank/VA | 54 | 673 | Higher One Holdings, Inc.* | 63 | 1,111 |
| Trustmark Corp. | 258 | 5,712 | HNI Corp. | 69 | 1,659 |
| U.S. Bancorp | 693 | 17,733 | InnerWorkings, Inc.* | 54 | 489 |
| UMB Financial Corp. | 159 | 5,862 | Interface, Inc., Class A | 108 | 1,408 |
| Umpqua Holdings Corp. | 216 | 2,473 | Iron Mountain, Inc. | 66 | 2,041 |
| Union First Market Bankshares Corp. | 102 | 1,308 | KAR Auction Services, Inc.* | 141 | 1,939 |
| United Bankshares, Inc./WV | 228 | 5,413 | Knoll, Inc. | 90 | 1,373 |
| United Community Banks, Inc./GA* | 93 | 687 | M&F Worldwide Corp.* | 51 | 1,263 |
| Univest Corp of Pennsylvania | 75 | 1,141 | McGrath Rentcorp | 45 | 1,202 |
| Valley National Bancorp | 318 | 3,816 | Metalico, Inc.* | 78 | 353 |
| Washington Trust Bancorp, Inc. | 66 | 1,550 | Mine Safety Appliances Co. | 60 | 2,013 |
| Webster Financial Corp. | 336 | 6,599 | Mobile Mini, Inc.* | 72 | 1,306 |
| Wells Fargo & Co. | 1,398 | 36,221 | Multi-Color Corp. | 60 | 1,591 |
| WesBanco, Inc. | 114 | 2,264 | Pitney Bowes, Inc. | 54 | 1,101 |
| West Coast Bancorp/OR* | 81 | 1,209 | Quad/Graphics, Inc. | 102 | 2,011 |
| Westamerica Bancorp. | 54 | 2,420 | R.R. Donnelley & Sons Co. | 51 | 831 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|---|--------|---------------|
| COMMON STOCKS – (continued) | | |
| Commercial Services & Supplies – (continued) | | |
| Republic Services, Inc. | 111 | \$ 3,159 |
| Rollins, Inc. | 27 | 588 |
| Schawk, Inc. | 48 | 648 |
| Standard Parking Corp.* | 30 | 528 |
| Steelcase, Inc., Class A | 162 | 1,200 |
| Stericycle, Inc.* | 30 | 2,507 |
| SYKES Enterprises, Inc.* | 78 | 1,243 |
| Team, Inc.* | 36 | 900 |
| Tetra Tech, Inc.* | 117 | 2,554 |
| TMS International Corp., Class A* | 60 | 515 |
| Unifirst Corp./MA | 69 | 3,612 |
| United Stationers, Inc. | 84 | 2,672 |
| US Ecology, Inc. | 33 | 596 |
| Viad Corp. | 39 | 816 |
| Waste Connections, Inc. | 42 | 1,430 |
| Waste Management, Inc. | 147 | 4,841 |
| | | 90,105 |

Communications Equipment – 1.9%

| | | |
|---------------------------------------|-------|--------|
| ADTRAN, Inc. | 120 | 4,032 |
| Anaren, Inc.* | 69 | 1,320 |
| Arris Group, Inc.* | 543 | 5,843 |
| Aruba Networks, Inc.* | 33 | 782 |
| Aviat Networks, Inc.* | 105 | 215 |
| Bel Fuse, Inc., Class B | 45 | 805 |
| Black Box Corp. | 81 | 2,267 |
| Blue Coat Systems, Inc.* | 81 | 1,304 |
| Brocade Communications Systems, Inc.* | 126 | 552 |
| Ciena Corp.* | 180 | 2,372 |
| Cisco Systems, Inc. | 2,007 | 37,189 |
| Comtech Telecommunications Corp. | 120 | 3,973 |
| Digi International, Inc.* | 48 | 614 |
| EchoStar Corp., Class A* | 15 | 395 |
| Emulex Corp.* | 165 | 1,383 |
| Extreme Networks* | 171 | 504 |
| F5 Networks, Inc.* | 30 | 3,119 |
| Finisar Corp.* | 168 | 3,442 |
| Globecomm Systems, Inc.* | 42 | 571 |
| Harmonic, Inc.* | 213 | 1,172 |
| Harris Corp. | 36 | 1,359 |
| Infinera Corp.* | 198 | 1,447 |

| | Shares | Value |
|---|--------|----------------|
| Communications Equipment – (continued) | | |
| InterDigital, Inc./PA | 57 | \$ 2,477 |
| Ixia* | 93 | 1,054 |
| JDS Uniphase Corp.* | 81 | 972 |
| Juniper Networks, Inc.* | 192 | 4,698 |
| Loral Space & Communications, Inc.* | 54 | 3,267 |
| Meru Networks, Inc.* | 150 | 815 |
| Motorola Mobility Holdings, Inc.* | 105 | 4,082 |
| Motorola Solutions, Inc. | 111 | 5,207 |
| Netgear, Inc.* | 69 | 2,447 |
| Oclaro, Inc.* | 96 | 395 |
| Oplink Communications, Inc.* | 39 | 633 |
| Opnext, Inc.* | 216 | 214 |
| Plantronics, Inc. | 87 | 2,907 |
| Powerwave Technologies, Inc.* | 1 | 3 |
| QUALCOMM, Inc. | 609 | 31,423 |
| Riverbed Technology, Inc.* | 57 | 1,572 |
| ShoreTel, Inc.* | 45 | 263 |
| Sonus Networks, Inc.* | 390 | 1,034 |
| Sycamore Networks, Inc. | 36 | 692 |
| Symmetricom, Inc.* | 81 | 417 |
| Tekelec* | 117 | 1,149 |
| Tellabs, Inc. | 1,506 | 6,521 |
| UTStarcom Holdings Corp.* | 240 | 343 |
| Viasat, Inc.* | 78 | 3,322 |
| Westell Technologies, Inc., Class A* | 102 | 205 |
| | | 150,772 |

Computers & Peripherals – 2.9%

| | | |
|---------------------------------------|-----|---------|
| Apple, Inc.* | 336 | 136,005 |
| Avid Technology, Inc.* | 54 | 335 |
| Cray, Inc.* | 60 | 380 |
| Dell, Inc.* | 465 | 7,352 |
| Diebold, Inc. | 291 | 9,393 |
| Electronics for Imaging, Inc.* | 87 | 1,305 |
| EMC Corp.* | 747 | 18,309 |
| Hewlett-Packard Co. | 582 | 15,487 |
| Immersion Corp.* | 54 | 371 |
| Intermec, Inc.* | 96 | 775 |
| Intevac, Inc.* | 42 | 338 |
| Lexmark International, Inc., Class A* | 360 | 11,412 |
| NCR Corp.* | 45 | 857 |
| NetApp, Inc.* | 135 | 5,530 |
| OCZ Technology Group, Inc.* | 96 | 679 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|--|--------|----------------|
| COMMON STOCKS – (continued) | | |
| Computers & Peripherals – (continued) | | |
| QLogic Corp.* | 195 | \$ 2,724 |
| Quantum Corp.* | 435 | 1,135 |
| SanDisk Corp.* | 66 | 3,344 |
| Seagate Technology PLC | 117 | 1,890 |
| Silicon Graphics International Corp.* | 57 | 824 |
| STEC, Inc.* | 78 | 883 |
| Stratasys, Inc.* | 39 | 1,094 |
| Super Micro Computer, Inc.* | 48 | 768 |
| Synaptics, Inc.* | 156 | 5,271 |
| Western Digital Corp.* | 66 | 1,758 |
| | | 228,219 |

Construction & Engineering – 0.4%

| | | |
|----------------------------------|-----|---------------|
| AECOM Technology Corp.* | 30 | 628 |
| Aegion Corp.* | 72 | 1,065 |
| Comfort Systems USA, Inc. | 72 | 792 |
| Dycom Industries, Inc.* | 66 | 1,282 |
| EMCOR Group, Inc. | 123 | 3,084 |
| Fluor Corp. | 63 | 3,581 |
| Furmanite Corp.* | 69 | 460 |
| Granite Construction, Inc. | 66 | 1,485 |
| Great Lakes Dredge & Dock Corp. | 264 | 1,360 |
| Jacobs Engineering Group, Inc.* | 45 | 1,746 |
| KBR, Inc. | 42 | 1,172 |
| Layne Christensen Co.* | 36 | 907 |
| MasTec, Inc.* | 120 | 2,594 |
| Michael Baker Corp.* | 39 | 803 |
| MYR Group, Inc.* | 39 | 752 |
| Northwest Pipe Co.* | 18 | 480 |
| Orion Marine Group, Inc.* | 120 | 815 |
| Pike Electric Corp.* | 33 | 251 |
| Primoris Services Corp. | 123 | 1,601 |
| Quanta Services, Inc.* | 75 | 1,567 |
| The Shaw Group, Inc.* | 27 | 628 |
| Sterling Construction Co., Inc.* | 75 | 934 |
| Tutor Perini Corp. | 147 | 2,136 |
| URS Corp.* | 21 | 750 |
| | | 30,873 |

Construction Materials – 0.1%

| | | |
|-----------------------|-----|-------|
| Eagle Materials, Inc. | 84 | 1,729 |
| Headwaters, Inc.* | 489 | 861 |

| | Shares | Value |
|---|--------|--------------|
| Construction Materials – (continued) | | |
| Martin Marietta Materials, Inc. | 18 | \$ 1,299 |
| Vulcan Materials Co. | 42 | 1,314 |
| | | 5,203 |

Consumer Finance – 0.8%

| | | |
|--|-----|---------------|
| Advance America Cash Advance Centers, Inc. | 228 | 1,922 |
| American Express Co. | 387 | 19,591 |
| Capital One Financial Corp. | 129 | 5,890 |
| Cash America International, Inc. | 135 | 7,391 |
| Credit Acceptance Corp.* | 12 | 827 |
| DFC Global Corp.* | 150 | 3,288 |
| Discover Financial Services | 153 | 3,605 |
| Ezcorp, Inc., Class A* | 132 | 3,667 |
| First Cash Financial Services, Inc.* | 54 | 2,241 |
| Green Dot Corp., Class A* | 39 | 1,274 |
| Imperial Holdings, Inc.* | 297 | 668 |
| Nelnet, Inc., Class A | 126 | 2,706 |
| Netspend Holdings, Inc.* | 162 | 932 |
| SLM Corp. | 144 | 1,968 |
| World Acceptance Corp.* | 69 | 4,668 |
| | | 60,638 |

Containers & Packaging – 0.5%

| | | |
|---------------------------|-----|---------------|
| Aptargroup, Inc. | 27 | 1,295 |
| Ball Corp. | 60 | 2,074 |
| Bemis Co., Inc. | 30 | 843 |
| Boise, Inc. | 549 | 3,321 |
| Crown Holdings, Inc.* | 42 | 1,419 |
| Greif, Inc., Class A | 6 | 269 |
| Myers Industries, Inc. | 162 | 1,980 |
| Owens-Illinois, Inc.* | 45 | 904 |
| Packaging Corp of America | 30 | 782 |
| Rock-Tenn Co., Class A | 324 | 19,177 |
| Sealed Air Corp. | 51 | 908 |
| Silgan Holdings, Inc. | 18 | 676 |
| Sonoco Products Co. | 30 | 942 |
| Temple-Inland, Inc. | 249 | 7,921 |
| | | 42,511 |

Distributors – 0.1%

| | | |
|------------------------------|----|-------|
| Core-Mark Holding Co., Inc.* | 51 | 1,708 |
| Genuine Parts Co. | 45 | 2,584 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|------------------------------------|--------|--------------|
| COMMON STOCKS – (continued) | | |
| Distributors – (continued) | | |
| LKQ Corp.* | 54 | \$ 1,576 |
| Pool Corp. | 90 | 2,630 |
| | | 8,498 |

Diversified Consumer Services – 0.7%

| | | |
|---------------------------------------|-----|---------------|
| American Public Education, Inc.* | 33 | 1,182 |
| Apollo Group, Inc., Class A* | 36 | 1,705 |
| Archipelago Learning, Inc.* | 18 | 183 |
| Ascent Capital Group, Inc., Class A* | 27 | 1,228 |
| Bridgepoint Education, Inc.* | 84 | 1,820 |
| Capella Education Co.* | 24 | 835 |
| Career Education Corp.* | 279 | 4,501 |
| Coinstar, Inc.* | 57 | 2,721 |
| Corinthian Colleges, Inc.* | 348 | 665 |
| DeVry, Inc. | 18 | 678 |
| Education Management Corp.* | 126 | 2,502 |
| Grand Canyon Education, Inc.* | 156 | 2,544 |
| H&R Block, Inc. | 84 | 1,284 |
| Hillenbrand, Inc. | 285 | 6,017 |
| ITT Educational Services, Inc.* | 123 | 7,622 |
| K12, Inc.* | 66 | 2,313 |
| Lincoln Educational Services Corp. | 102 | 954 |
| Matthews International Corp., Class A | 54 | 1,898 |
| Regis Corp. | 264 | 4,319 |
| School Specialty, Inc.* | 75 | 574 |
| Service Corp. International/US | 84 | 840 |
| Sotheby's | 24 | 845 |
| Steiner Leisure Ltd.* | 27 | 1,301 |
| Stewart Enterprises, Inc., Class A | 150 | 966 |
| Strayer Education, Inc. | 21 | 1,789 |
| Universal Technical Institute, Inc.* | 42 | 600 |
| Weight Watchers International, Inc. | 12 | 895 |
| | | 52,781 |

Diversified Financial Services – 1.6%

| | | |
|------------------------------|-------|--------|
| Bank of America Corp. | 2,829 | 19,322 |
| CBOE Holdings, Inc. | 168 | 4,390 |
| Citigroup, Inc. | 813 | 25,683 |
| CME Group, Inc. | 24 | 6,613 |
| Compass Diversified Holdings | 180 | 2,351 |
| Encore Capital Group, Inc.* | 81 | 2,194 |
| Gain Capital Holdings, Inc.* | 57 | 400 |

| | Shares | Value |
|---|--------|----------------|
| Diversified Financial Services – (continued) | | |
| Interactive Brokers Group, Inc., Class A | 183 | \$ 2,815 |
| IntercontinentalExchange, Inc.* | 27 | 3,507 |
| JPMorgan Chase & Co. | 1,095 | 38,062 |
| Leucadia National Corp. | 54 | 1,449 |
| MarketAxess Holdings, Inc. | 63 | 1,841 |
| Moody's Corp. | 72 | 2,555 |
| MSCI, Inc., Class A* | 42 | 1,402 |
| The NASDAQ OMX Group, Inc.* | 39 | 977 |
| NewStar Financial, Inc.* | 60 | 643 |
| NYSE Euronext | 72 | 1,913 |
| PHH Corp.* | 255 | 4,705 |
| Pico Holdings, Inc.* | 42 | 959 |
| Portfolio Recovery Associates, Inc.* | 33 | 2,315 |
| | | 124,096 |

Diversified Telecommunication Services – 1.6%

| | | |
|--|-------|----------------|
| 8x8, Inc.* | 120 | 451 |
| AboveNet, Inc. | 45 | 2,671 |
| Alaska Communications Systems Group, Inc. | 84 | 594 |
| AT&T, Inc. | 1,668 | 48,888 |
| Atlantic Tele-Network, Inc. | 18 | 683 |
| Cbeyond, Inc.* | 57 | 470 |
| CenturyLink, Inc. | 171 | 6,029 |
| Cincinnati Bell, Inc.* | 903 | 2,908 |
| Cogent Communications Group, Inc.* | 87 | 1,396 |
| Consolidated Communications Holdings, Inc. | 48 | 906 |
| Fairpoint Communications, Inc.* | 99 | 532 |
| Frontier Communications Corp. | 360 | 2,254 |
| General Communication, Inc., Class A* | 66 | 624 |
| Globalstar, Inc.* | 777 | 552 |
| IDT Corp., Class B | 90 | 1,035 |
| Iridium Communications, Inc.* | 210 | 1,336 |
| Level 3 Communications, Inc.* | 101 | 2,696 |
| Neutral Tandem, Inc.* | 60 | 632 |
| PAETEC Holding Corp.* | 258 | 1,414 |
| Premiere Global Services, Inc.* | 234 | 2,120 |
| SureWest Communications | 27 | 310 |
| tw telecom inc* | 54 | 999 |
| Verizon Communications, Inc. | 1,023 | 37,830 |
| Vonage Holdings Corp.* | 270 | 905 |
| Windstream Corp. | 141 | 1,716 |
| | | 119,951 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--------------------------------------|--------|----------------|--|--------|---------------|
| COMMON STOCKS – (continued) | | | Electrical Equipment – (continued) | | |
| Electric Utilities – 2.0% | | | | | |
| Allele, Inc. | 147 | \$ 5,808 | Belden, Inc. | 90 | \$ 2,905 |
| American Electric Power Co., Inc. | 135 | 5,303 | Brady Corp., Class A | 96 | 2,949 |
| Central Vermont Public Service Corp. | 54 | 1,910 | Capstone Turbine Corp.* | 483 | 526 |
| Cleco Corp. | 279 | 10,287 | Cooper Industries PLC | 60 | 3,148 |
| DPL, Inc. | 33 | 1,002 | Emerson Electric Co. | 270 | 12,992 |
| Duke Energy Corp. | 369 | 7,535 | Encore Wire Corp. | 36 | 957 |
| Edison International | 84 | 3,410 | EnerSys* | 228 | 5,137 |
| El Paso Electric Co. | 192 | 6,150 | Franklin Electric Co., Inc. | 36 | 1,653 |
| The Empire District Electric Co. | 192 | 3,834 | FuelCell Energy, Inc.* | 213 | 228 |
| Entergy Corp. | 48 | 3,320 | Generac Holdings, Inc.* | 126 | 2,880 |
| Exelon Corp. | 186 | 8,257 | General Cable Corp.* | 99 | 2,776 |
| FirstEnergy Corp. | 117 | 5,260 | Global Power Equipment Group, Inc.* | 27 | 716 |
| Great Plains Energy, Inc. | 39 | 809 | GrafTech International Ltd.* | 246 | 3,865 |
| Hawaiian Electric Industries, Inc. | 435 | 11,019 | Hubbell, Inc., Class B | 18 | 1,076 |
| IDACORP, Inc. | 225 | 9,086 | II-VI, Inc.* | 99 | 1,882 |
| ITC Holdings Corp. | 18 | 1,308 | LSI Industries, Inc. | 42 | 283 |
| MGE Energy, Inc. | 105 | 4,582 | Polypore International, Inc.* | 51 | 2,675 |
| NextEra Energy, Inc. | 117 | 6,599 | Powell Industries, Inc.* | 18 | 605 |
| Northeast Utilities | 51 | 1,763 | Preformed Line Products Co. | 15 | 965 |
| NV Energy, Inc. | 66 | 1,059 | Regal-Beloit Corp. | 15 | 797 |
| Otter Tail Corp. | 147 | 2,853 | Rockwell Automation, Inc. | 51 | 3,450 |
| Pepco Holdings, Inc. | 63 | 1,247 | Roper Industries, Inc. | 36 | 2,920 |
| Pinnacle West Capital Corp. | 30 | 1,367 | Thomas & Betts Corp.* | 18 | 894 |
| PNM Resources, Inc. | 357 | 6,419 | Valence Technology, Inc.* | 294 | 282 |
| Portland General Electric Co. | 342 | 8,393 | Vicor Corp. | 36 | 329 |
| PPL Corp. | 162 | 4,758 | Woodward, Inc. | 108 | 3,659 |
| Progress Energy, Inc. | 81 | 4,220 | | | 72,664 |
| Southern Co. | 312 | 13,479 | Electronic Equipment, Instruments & Components – 1.5% | | |
| UIL Holdings Corp. | 231 | 7,872 | Aeroflex Holding Corp.* | 33 | 359 |
| Unisource Energy Corp. | 168 | 6,263 | Amphenol Corp., Class A | 63 | 2,992 |
| Unitil Corp. | 51 | 1,360 | Anixter International, Inc.* | 138 | 8,099 |
| Westar Energy, Inc. | 33 | 900 | Arrow Electronics, Inc.* | 33 | 1,190 |
| | | 157,432 | Avnet, Inc.* | 42 | 1,273 |
| Electrical Equipment – 0.9% | | | AVX Corp. | 12 | 161 |
| A123 Systems, Inc.* | 189 | 648 | Badger Meter, Inc. | 27 | 884 |
| Active Power, Inc.* | 1,326 | 1,209 | Benchmark Electronics, Inc.* | 270 | 3,710 |
| Acuity Brands, Inc. | 81 | 3,750 | Brightpoint, Inc.* | 309 | 3,136 |
| American Superconductor Corp.* | 180 | 785 | Checkpoint Systems, Inc.* | 75 | 994 |
| AMETEK, Inc. | 57 | 2,253 | Cognex Corp. | 72 | 2,440 |
| AZZ, Inc. | 57 | 2,546 | Coherent, Inc.* | 48 | 2,447 |
| The Babcock & Wilcox Co.* | 42 | 924 | Corning, Inc. | 438 | 6,259 |
| | | | CTS Corp. | 156 | 1,448 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|---|--------|--------|
| COMMON STOCKS – (continued) | | |
| Electronic Equipment, Instruments & Components – (continued) | | |
| Daktronics, Inc. | 72 | \$ 727 |
| Dolby Laboratories, Inc., Class A* | 18 | 526 |
| DTS, Inc.* | 33 | 927 |
| Echelon Corp.* | 63 | 426 |
| Electro Scientific Industries, Inc.* | 45 | 553 |
| FARO Technologies, Inc.* | 30 | 1,253 |
| FEI Co.* | 75 | 2,982 |
| FLIR Systems, Inc. | 57 | 1,499 |
| Ingram Micro, Inc., Class A* | 45 | 805 |
| Insight Enterprises, Inc.* | 204 | 3,448 |
| IPG Photonics Corp.* | 9 | 476 |
| Itron, Inc.* | 183 | 6,733 |
| Jabil Circuit, Inc. | 57 | 1,172 |
| Kemet Corp.* | 201 | 1,853 |
| LeCroy Corp.* | 30 | 308 |
| Littelfuse, Inc. | 42 | 2,056 |
| Maxwell Technologies, Inc.* | 51 | 1,018 |
| Measurement Specialties, Inc.* | 27 | 843 |
| Mercury Computer Systems, Inc.* | 57 | 832 |
| Methode Electronics, Inc. | 69 | 641 |
| Molex, Inc. | 18 | 444 |
| Molex, Inc., Class A | 21 | 428 |
| MTS Systems Corp. | 30 | 1,100 |
| Multi-Fineline Electronix, Inc.* | 45 | 1,032 |
| National Instruments Corp. | 33 | 881 |
| NeoPhotonics Corp.* | 30 | 157 |
| Newport Corp.* | 69 | 956 |
| OSI Systems, Inc.* | 36 | 1,595 |
| Park Electrochemical Corp. | 36 | 1,019 |
| Plexus Corp.* | 66 | 1,696 |
| Power-One, Inc.* | 249 | 1,233 |
| Pulse Electronics Corp. | 189 | 667 |
| Radisys Corp.* | 42 | 246 |
| Richardson Electronics Ltd. | 27 | 351 |
| Rofin-Sinar Technologies, Inc.* | 54 | 1,404 |
| Rogers Corp.* | 30 | 1,295 |
| Sanmina-SCI Corp.* | 363 | 3,198 |
| Scansource, Inc.* | 123 | 4,275 |
| SYNNEX Corp.* | 111 | 3,205 |
| TE Connectivity Ltd. | 120 | 4,266 |
| Tech Data Corp.* | 213 | 10,476 |

| | Shares | Value |
|---|--------|----------------|
| Electronic Equipment, Instruments & Components – (continued) | | |
| Trimble Navigation Ltd.* | 45 | \$ 1,818 |
| TTM Technologies, Inc.* | 240 | 2,681 |
| Universal Display Corp.* | 75 | 3,512 |
| Vishay Intertechnology, Inc.* | 42 | 452 |
| Zygo Corp.* | 30 | 460 |
| | | 113,317 |
| Energy Equipment & Services – 1.9% | | |
| Atwood Oceanics, Inc.* | 15 | 641 |
| Baker Hughes, Inc. | 156 | 9,047 |
| Basic Energy Services, Inc.* | 54 | 990 |
| Bristow Group, Inc. | 156 | 7,766 |
| Cal Dive International, Inc.* | 177 | 396 |
| Cameron International Corp.* | 87 | 4,275 |
| CARBO Ceramics, Inc. | 6 | 815 |
| Complete Production Services, Inc.* | 150 | 4,920 |
| Dawson Geophysical Co.* | 15 | 434 |
| Diamond Offshore Drilling, Inc. | 18 | 1,180 |
| Dresser-Rand Group, Inc.* | 30 | 1,452 |
| Dril-Quip, Inc.* | 12 | 781 |
| Exterran Holdings, Inc.* | 291 | 2,765 |
| FMC Technologies, Inc.* | 87 | 3,899 |
| Global Geophysical Services, Inc.* | 39 | 372 |
| Global Industries Ltd.* | 195 | 1,550 |
| Gulf Island Fabrication, Inc. | 24 | 668 |
| Gulfmark Offshore, Inc., Class A* | 51 | 2,121 |
| Halliburton Co. | 333 | 12,442 |
| Helix Energy Solutions Group, Inc.* | 189 | 3,413 |
| Helmerich & Payne, Inc. | 36 | 1,914 |
| Hercules Offshore, Inc.* | 258 | 978 |
| Hornbeck Offshore Services, Inc.* | 48 | 1,576 |
| ION Geophysical Corp.* | 222 | 1,692 |
| Key Energy Services, Inc.* | 270 | 3,491 |
| Lufkin Industries, Inc. | 57 | 3,368 |
| Matrix Service Co.* | 120 | 1,274 |
| Nabors Industries Ltd.* | 105 | 1,925 |
| National Oilwell Varco, Inc. | 153 | 10,914 |
| Natural Gas Services Group, Inc.* | 24 | 330 |
| Newpark Resources, Inc.* | 171 | 1,527 |
| Oceaneering International, Inc. | 39 | 1,631 |
| Oil States International, Inc.* | 18 | 1,253 |
| OYO Geospace Corp.* | 9 | 707 |
| Parker Drilling Co.* | 219 | 1,211 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--|--------|----------------|--------------------------------------|-----------------------------|----------------|
| COMMON STOCKS – (continued) | | | | Food Products – 1.6% | |
| Energy Equipment & Services – (continued) | | | | | |
| Patterson-UTI Energy, Inc. | 57 | \$ 1,158 | Archer-Daniels-Midland Co. | 174 | \$ 5,036 |
| PHI, Inc.* | 24 | 530 | B&G Foods, Inc. | 219 | 4,647 |
| Pioneer Drilling Co.* | 117 | 1,157 | Bunge Ltd. | 42 | 2,594 |
| RigNet, Inc.* | 18 | 281 | Calavo Growers, Inc. | 60 | 1,354 |
| Rowan Cos., Inc.* | 45 | 1,552 | Cal-Maine Foods, Inc. | 60 | 1,999 |
| RPC, Inc. | 18 | 334 | Campbell Soup Co. | 72 | 2,394 |
| Schlumberger Ltd. | 489 | 35,928 | Chiquita Brands International, Inc.* | 207 | 1,838 |
| SEACOR Holdings, Inc. | 42 | 3,576 | ConAgra Foods, Inc. | 117 | 2,964 |
| Superior Energy Services, Inc.* | 30 | 844 | Corn Products International, Inc. | 21 | 1,019 |
| Tesco Corp.* | 60 | 928 | Darling International, Inc.* | 219 | 3,070 |
| Tetra Technologies, Inc.* | 144 | 1,368 | Dean Foods Co.* | 834 | 8,106 |
| Tidewater, Inc. | 18 | 886 | Dole Food Co., Inc.* | 165 | 1,746 |
| Transocean Ltd. | 117 | 6,687 | Flowers Foods, Inc. | 39 | 787 |
| Union Drilling, Inc.* | 24 | 180 | Fresh Del Monte Produce, Inc. | 180 | 4,583 |
| Unit Corp.* | 18 | 883 | General Mills, Inc. | 219 | 8,437 |
| Willbros Group, Inc.* | 90 | 458 | H.J. Heinz Co. | 117 | 6,252 |
| | | 150,468 | The Hain Celestial Group, Inc.* | 69 | 2,316 |
| | | | The Hershey Co. | 57 | 3,262 |
| Food & Staples Retailing – 1.7% | | | Hormel Foods Corp. | 51 | 1,503 |
| The Andersons, Inc. | 84 | 3,101 | J&J Snack Foods Corp. | 27 | 1,392 |
| Casey's General Stores, Inc. | 171 | 8,473 | The JM Smucker Co. | 33 | 2,542 |
| Costco Wholesale Corp. | 159 | 13,237 | Kellogg Co. | 90 | 4,879 |
| CVS Caremark Corp. | 378 | 13,721 | Kraft Foods, Inc., Class A | 594 | 20,896 |
| Ingles Markets, Inc., Class A | 60 | 906 | Lancaster Colony Corp. | 36 | 2,395 |
| The Kroger Co. | 159 | 3,686 | McCormick & Co., Inc. | 42 | 2,040 |
| Nash Finch Co. | 54 | 1,421 | Mead Johnson Nutrition Co. | 75 | 5,389 |
| The Pantry, Inc.* | 105 | 1,485 | Omega Protein Corp.* | 87 | 942 |
| Pricesmart, Inc. | 33 | 2,509 | Pilgrim's Pride Corp.* | 213 | 1,074 |
| Rite Aid Corp.* | 2,748 | 3,188 | Ralcorp Holdings, Inc.* | 15 | 1,213 |
| Ruddick Corp. | 195 | 8,523 | Sanderson Farms, Inc. | 93 | 4,604 |
| Safeway, Inc. | 99 | 1,918 | Sara Lee Corp. | 201 | 3,578 |
| Spartan Stores, Inc. | 105 | 1,798 | Seneca Foods Corp., Class A* | 39 | 821 |
| SUPERVALU, Inc. | 963 | 7,723 | Smart Balance, Inc.* | 111 | 727 |
| Susser Holdings Corp.* | 36 | 791 | Smithfield Foods, Inc.* | 45 | 1,029 |
| Sysco Corp. | 213 | 5,904 | Snyders-Lance, Inc. | 117 | 2,483 |
| United Natural Foods, Inc.* | 90 | 3,286 | Tootsie Roll Industries, Inc. | 54 | 1,338 |
| Walgreen Co. | 327 | 10,856 | TreeHouse Foods, Inc.* | 66 | 4,048 |
| Wal-Mart Stores, Inc. | 498 | 28,246 | Tyson Foods, Inc., Class A | 87 | 1,679 |
| Weis Markets, Inc. | 51 | 2,017 | | | 126,976 |
| Whole Foods Market, Inc. | 57 | 4,111 | Gas Utilities – 0.8% | | |
| Winn-Dixie Stores, Inc.* | 240 | 1,522 | AGL Resources, Inc. | 21 | 881 |
| | | 128,422 | Atmos Energy Corp. | 24 | 824 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|------------------------------------|--------|---------------|
| COMMON STOCKS – (continued) | | |
| Gas Utilities – (continued) | | |
| Chesapeake Utilities Corp. | 45 | \$ 1,908 |
| The Laclede Group, Inc. | 96 | 3,852 |
| National Fuel Gas Co. | 27 | 1,655 |
| New Jersey Resources Corp. | 189 | 8,886 |
| Nicor, Inc. | 87 | 4,894 |
| Northwest Natural Gas Co. | 120 | 5,606 |
| Oneok, Inc. | 36 | 2,738 |
| Piedmont Natural Gas Co., Inc. | 135 | 4,413 |
| Questar Corp. | 63 | 1,214 |
| South Jersey Industries, Inc. | 57 | 3,210 |
| Southwest Gas Corp. | 207 | 8,172 |
| UGI Corp. | 30 | 860 |
| WGL Holdings, Inc. | 234 | 10,017 |
| | | 59,130 |

Health Care Equipment & Supplies – 2.0%

| | | |
|------------------------------|-----|--------|
| Abaxis, Inc.* | 42 | 1,179 |
| ABIOMED, Inc.* | 63 | 949 |
| Accuray, Inc.* | 117 | 468 |
| Alere, Inc.* | 24 | 625 |
| Align Technology, Inc.* | 114 | 2,625 |
| Alphatec Holdings, Inc.* | 102 | 211 |
| Analogic Corp. | 24 | 1,298 |
| Angiodynamics, Inc.* | 48 | 740 |
| Arthrocare Corp.* | 51 | 1,538 |
| Baxter International, Inc. | 207 | 11,382 |
| Becton Dickinson and Co. | 75 | 5,867 |
| Boston Scientific Corp.* | 552 | 3,251 |
| C.R. Bard, Inc. | 33 | 2,836 |
| Cantel Medical Corp. | 24 | 662 |
| CareFusion Corp.* | 81 | 2,074 |
| Conceptus, Inc.* | 48 | 553 |
| CONMED Corp.* | 54 | 1,419 |
| The Cooper Cos., Inc. | 18 | 1,247 |
| Covidien PLC | 180 | 8,467 |
| Cyberonics, Inc.* | 54 | 1,555 |
| Delcath Systems, Inc.* | 90 | 326 |
| DENTSPLY International, Inc. | 51 | 1,885 |
| Edwards Lifesciences Corp.* | 42 | 3,168 |
| Endologix, Inc.* | 99 | 1,078 |
| Exactech, Inc.* | 18 | 288 |
| Gen-Probe, Inc.* | 18 | 1,082 |

| | Shares | Value |
|---|--------|----------|
| Health Care Equipment & Supplies – (continued) | | |
| Greatbatch, Inc.* | 105 | \$ 2,345 |
| Haemonetics Corp.* | 48 | 2,926 |
| Hansen Medical, Inc.* | 102 | 320 |
| Hill-Rom Holdings, Inc. | 24 | 808 |
| Hologic, Inc.* | 96 | 1,548 |
| ICU Medical, Inc.* | 24 | 943 |
| IDEXX Laboratories, Inc.* | 21 | 1,512 |
| Insulet Corp.* | 78 | 1,273 |
| Integra LifeSciences Holdings Corp.* | 39 | 1,250 |
| Intuitive Surgical, Inc.* | 15 | 6,508 |
| Invacare Corp. | 141 | 3,165 |
| Kensey Nash Corp.* | 15 | 403 |
| Kinetic Concepts, Inc.* | 18 | 1,231 |
| MAKO Surgical Corp.* | 69 | 2,653 |
| Masimo Corp. | 69 | 1,427 |
| Medtronic, Inc. | 384 | 13,341 |
| Meridian Bioscience, Inc. | 75 | 1,367 |
| Merit Medical Systems, Inc.* | 78 | 1,047 |
| Natus Medical, Inc.* | 54 | 464 |
| Neogen Corp.* | 45 | 1,739 |
| Neoprobe Corp.* | 162 | 460 |
| NuVasive, Inc.* | 75 | 1,112 |
| NxStage Medical, Inc.* | 93 | 2,138 |
| OraSure Technologies, Inc.* | 87 | 808 |
| Orthofix International N.V.* | 84 | 2,949 |
| Palomar Medical Technologies, Inc.* | 33 | 281 |
| Quidel Corp.* | 54 | 964 |
| ResMed, Inc.* | 57 | 1,613 |
| Sirona Dental Systems, Inc.* | 21 | 1,006 |
| Solta Medical, Inc.* | 96 | 210 |
| SonoSite, Inc.* | 27 | 837 |
| St. Jude Medical, Inc. | 171 | 6,669 |
| STERIS Corp. | 102 | 3,160 |
| Stryker Corp. | 108 | 5,174 |
| SurModics, Inc.* | 30 | 316 |
| Symmetry Medical, Inc.* | 69 | 627 |
| Synovis Life Technologies, Inc.* | 21 | 377 |
| Teleflex, Inc. | 186 | 11,134 |
| Thoratec Corp.* | 111 | 4,053 |
| Unilife Corp.* | 111 | 588 |
| Varian Medical Systems, Inc.* | 42 | 2,466 |
| West Pharmaceutical Services, Inc. | 63 | 2,449 |
| Wright Medical Group, Inc.* | 75 | 1,289 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|---|--------|----------------|
| COMMON STOCKS – (continued) | | |
| Health Care Equipment & Supplies – (continued) | | |
| Zimmer Holdings, Inc.* | 69 | \$ 3,631 |
| Zoll Medical Corp.* | 42 | 1,588 |
| | | 158,942 |

| | Shares | Value |
|--|--------|--------|
| Health Care Providers & Services – 2.7% | | |
| Accretive Health, Inc.* | 75 | 1,786 |
| Aetna, Inc. | 105 | 4,175 |
| Air Methods Corp.* | 21 | 1,697 |
| Alliance HealthCare Services, Inc.* | 525 | 583 |
| Almost Family, Inc.* | 39 | 727 |
| Amedisys, Inc.* | 135 | 1,773 |
| American Dental Partners, Inc.* | 30 | 317 |
| AMERIGROUP Corp.* | 15 | 834 |
| AmerisourceBergen Corp. | 75 | 3,060 |
| AMN Healthcare Services, Inc.* | 75 | 356 |
| Amsurg Corp.* | 141 | 3,572 |
| Assisted Living Concepts, Inc., Class A | 39 | 554 |
| Bio-Reference Labs, Inc.* | 45 | 902 |
| BioScrip, Inc.* | 102 | 663 |
| Brookdale Senior Living, Inc.* | 87 | 1,442 |
| Capital Senior Living Corp.* | 51 | 398 |
| Cardinal Health, Inc. | 126 | 5,578 |
| Catalyst Health Solutions, Inc.* | 15 | 825 |
| Centene Corp.* | 93 | 3,269 |
| Chemed Corp. | 39 | 2,315 |
| Chindex International, Inc.* | 30 | 333 |
| CIGNA Corp. | 75 | 3,326 |
| Community Health Systems, Inc.* | 66 | 1,154 |
| Corvel Corp.* | 12 | 619 |
| Coventry Health Care, Inc.* | 42 | 1,336 |
| Cross Country Healthcare, Inc.* | 57 | 285 |
| DaVita, Inc.* | 33 | 2,310 |
| Emeritus Corp.* | 57 | 1,009 |
| The Ensign Group, Inc. | 78 | 1,775 |
| ExamWorks Group, Inc.* | 66 | 696 |
| Express Scripts, Inc.* | 165 | 7,545 |
| Five Star Quality Care, Inc.* | 213 | 552 |
| Hanger Orthopedic Group, Inc.* | 63 | 1,094 |
| HCA Holdings, Inc.* | 93 | 2,181 |
| Health Management Associates, Inc., Class A* | 1,155 | 10,118 |
| Health Net, Inc.* | 24 | 667 |

| | Shares | Value |
|---|--------|----------------|
| Health Care Providers & Services – (continued) | | |
| HealthSouth Corp.* | 180 | \$ 3,179 |
| Healthspring, Inc.* | 309 | 16,666 |
| Henry Schein, Inc.* | 33 | 2,288 |
| HMS Holdings Corp.* | 159 | 3,886 |
| Humana, Inc. | 48 | 4,075 |
| IPC The Hospitalist Co., Inc.* | 30 | 1,258 |
| Kindred Healthcare, Inc.* | 237 | 2,761 |
| Laboratory Corp of America Holdings* | 36 | 3,019 |
| Landauer, Inc. | 18 | 923 |
| LHC Group, Inc.* | 75 | 1,177 |
| LifePoint Hospitals, Inc.* | 237 | 9,162 |
| Lincare Holdings, Inc. | 27 | 636 |
| Magellan Health Services, Inc.* | 141 | 7,257 |
| McKesson Corp. | 90 | 7,340 |
| Medco Health Solutions, Inc.* | 141 | 7,735 |
| Mednax, Inc.* | 18 | 1,184 |
| Molina Healthcare, Inc.* | 57 | 1,207 |
| MWI Veterinary Supply, Inc.* | 24 | 1,812 |
| National Healthcare Corp. | 48 | 1,839 |
| Omnicare, Inc. | 33 | 984 |
| Owens & Minor, Inc. | 291 | 8,707 |
| Patterson Cos., Inc. | 36 | 1,133 |
| PharMerica Corp.* | 135 | 2,106 |
| PSS World Medical, Inc.* | 99 | 2,203 |
| Quest Diagnostics, Inc. | 45 | 2,511 |
| Select Medical Holdings Corp.* | 252 | 2,192 |
| Skilled Healthcare Group, Inc., Class A* | 96 | 363 |
| Sunrise Senior Living, Inc.* | 102 | 561 |
| Team Health Holdings, Inc.* | 54 | 1,097 |
| Tenet Healthcare Corp.* | 273 | 1,291 |
| U.S. Physical Therapy, Inc. | 21 | 410 |
| UnitedHealth Group, Inc. | 303 | 14,540 |
| Universal American Corp. | 165 | 1,898 |
| Universal Health Services, Inc., Class B | 24 | 959 |
| VCA Antech, Inc.* | 162 | 3,292 |
| WellCare Health Plans, Inc.* | 195 | 9,557 |
| WellPoint, Inc. | 102 | 7,028 |
| | | 208,062 |

| | Shares | Value |
|--|--------|-------|
| Health Care Technology – 0.2% | | |
| Allscripts Healthcare Solutions, Inc.* | 69 | 1,321 |
| athenahealth, Inc.* | 45 | 2,381 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|---|--------|---------------|
| COMMON STOCKS – (continued) | | |
| Health Care Technology – (continued) | | |
| Cerner Corp.* | 51 | \$ 3,235 |
| Computer Programs & Systems, Inc. | 21 | 1,072 |
| Emdeon, Inc., Class A* | 84 | 1,593 |
| Epocrates, Inc.* | 27 | 235 |
| MedAssets, Inc.* | 102 | 1,087 |
| Medidata Solutions, Inc.* | 42 | 755 |
| Merge Healthcare, Inc.* | 111 | 733 |
| Omicell, Inc.* | 63 | 942 |
| Quality Systems, Inc. | 72 | 2,802 |
| Transcend Services, Inc.* | 21 | 574 |
| | | 16,730 |

Hotels, Restaurants & Leisure – 2.5%

| | | |
|--|-----|-------|
| AFC Enterprises, Inc.* | 45 | 617 |
| Ameristar Casinos, Inc. | 147 | 2,720 |
| Bally Technologies, Inc.* | 99 | 3,591 |
| Biglari Holdings, Inc.* | 3 | 1,035 |
| BJ's Restaurants, Inc.* | 45 | 2,382 |
| Bob Evans Farms, Inc. | 138 | 4,540 |
| Boyd Gaming Corp.* | 108 | 700 |
| Bravo Brio Restaurant Group, Inc.* | 33 | 641 |
| Brinker International, Inc. | 384 | 8,794 |
| Buffalo Wild Wings, Inc.* | 36 | 2,384 |
| Carnival Corp. | 150 | 5,282 |
| Carrols Restaurant Group, Inc.* | 60 | 560 |
| CEC Entertainment, Inc. | 87 | 2,751 |
| The Cheesecake Factory, Inc.* | 102 | 2,855 |
| Chipotle Mexican Grill, Inc.* | 12 | 4,033 |
| Choice Hotels International, Inc. | 60 | 2,147 |
| Churchill Downs, Inc. | 24 | 1,154 |
| Cracker Barrel Old Country Store, Inc. | 105 | 4,451 |
| Darden Restaurants, Inc. | 39 | 1,867 |
| Denny's Corp.* | 441 | 1,588 |
| DineEquity, Inc.* | 75 | 3,522 |
| Domino's Pizza, Inc.* | 261 | 8,360 |
| Einstein Noah Restaurant Group, Inc. | 24 | 353 |
| Gaylord Entertainment Co.* | 78 | 1,824 |
| Hyatt Hotels Corp., Class A* | 15 | 558 |
| International Game Technology | 108 | 1,900 |
| International Speedway Corp., Class A | 51 | 1,217 |
| Interval Leisure Group, Inc.* | 75 | 1,036 |
| Isle of Capri Casinos, Inc.* | 45 | 245 |

| | Shares | Value |
|--|--------|----------------|
| Hotels, Restaurants & Leisure – (continued) | | |
| Jack in the Box, Inc.* | 225 | \$ 4,631 |
| Krispy Kreme Doughnuts, Inc.* | 111 | 784 |
| Las Vegas Sands Corp.* | 168 | 7,888 |
| Life Time Fitness, Inc.* | 75 | 3,235 |
| Marcus Corp. | 39 | 465 |
| Marriott International, Inc., Class A | 111 | 3,497 |
| McDonald's Corp. | 375 | 34,818 |
| MGM Resorts International* | 171 | 1,970 |
| Morgans Hotel Group Co.* | 57 | 371 |
| Orient-Express Hotels Ltd., Class A* | 174 | 1,484 |
| Panera Bread Co., Class A* | 12 | 1,604 |
| Papa John's International, Inc.* | 36 | 1,215 |
| Peef's Coffee & Tea, Inc.* | 24 | 1,529 |
| Penn National Gaming, Inc.* | 24 | 864 |
| PF Chang's China Bistro, Inc. | 42 | 1,306 |
| Pinnacle Entertainment, Inc.* | 117 | 1,324 |
| Red Robin Gourmet Burgers, Inc.* | 27 | 677 |
| Royal Caribbean Cruises Ltd. | 39 | 1,159 |
| Ruby Tuesday, Inc.* | 285 | 2,391 |
| Scientific Games Corp., Class A* | 114 | 991 |
| Shuffle Master, Inc.* | 99 | 1,050 |
| Six Flags Entertainment Corp. | 102 | 3,662 |
| Sonic Corp.* | 114 | 845 |
| Speedway Motorsports, Inc. | 60 | 780 |
| Starbucks Corp. | 270 | 11,431 |
| Starwood Hotels & Resorts Worldwide, Inc. | 72 | 3,608 |
| Texas Roadhouse, Inc. | 117 | 1,677 |
| Vail Resorts, Inc. | 69 | 3,075 |
| The Wendy's Co. | 585 | 2,960 |
| WMS Industries, Inc.* | 108 | 2,366 |
| Wyndham Worldwide Corp. | 45 | 1,515 |
| Wynn Resorts Ltd. | 33 | 4,382 |
| Yum! Brands, Inc. | 168 | 9,000 |
| | | 191,661 |

Household Durables – 0.5%

| | | |
|-----------------------------------|-----|-------|
| American Greetings Corp., Class A | 171 | 2,738 |
| Beazer Homes USA, Inc.* | 345 | 742 |
| Blyth, Inc. | 24 | 1,340 |
| Cavco Industries, Inc.* | 12 | 540 |
| DR Horton, Inc. | 102 | 1,135 |
| Ethan Allen Interiors, Inc. | 51 | 1,010 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|---|--------|---------------|
| COMMON STOCKS – (continued) | | |
| Household Durables – (continued) | | |
| Garmin Ltd. | 42 | \$ 1,444 |
| Harman International Industries, Inc. | 24 | 1,036 |
| Helen of Troy Ltd.* | 129 | 3,731 |
| Hovnanian Enterprises, Inc., Class A* | 510 | 734 |
| iRobot Corp.* | 51 | 1,727 |
| Jarden Corp. | 27 | 865 |
| KB Home | 303 | 2,112 |
| La-Z-Boy, Inc.* | 99 | 1,006 |
| Leggett & Platt, Inc. | 51 | 1,117 |
| Lennar Corp., Class A | 57 | 943 |
| Libbey, Inc.* | 36 | 456 |
| M/I Homes, Inc.* | 36 | 269 |
| MDC Holdings, Inc. | 168 | 3,762 |
| Meritage Homes Corp.* | 51 | 905 |
| Mohawk Industries, Inc.* | 21 | 1,106 |
| Newell Rubbermaid, Inc. | 81 | 1,199 |
| NVR, Inc.* | 3 | 1,928 |
| Pulte Group, Inc.* | 120 | 622 |
| Ryland Group, Inc. | 84 | 1,134 |
| Sealy Corp.* | 90 | 140 |
| Standard Pacific Corp.* | 201 | 611 |
| Tempur-Pedic International, Inc.* | 24 | 1,633 |
| Toll Brothers, Inc.* | 54 | 942 |
| Tupperware Brands Corp. | 21 | 1,187 |
| Universal Electronics, Inc.* | 69 | 1,283 |
| Whirlpool Corp. | 21 | 1,067 |
| Zagg, Inc.* | 36 | 486 |
| | | 40,950 |

Household Products – 1.3%

| | | |
|--------------------------------------|-----|----------------|
| Central Garden and Pet Co.* | 57 | 493 |
| Central Garden and Pet Co., Class A* | 156 | 1,371 |
| Church & Dwight Co., Inc. | 51 | 2,253 |
| The Clorox Co. | 48 | 3,213 |
| Colgate-Palmolive Co. | 177 | 15,995 |
| Energizer Holdings, Inc.* | 21 | 1,550 |
| Kimberly-Clark Corp. | 144 | 10,038 |
| The Procter & Gamble Co. | 996 | 63,735 |
| Spectrum Brands Holdings, Inc.* | 48 | 1,218 |
| WD-40 Co. | 30 | 1,321 |
| | | 101,187 |

| | Shares | Value |
|--|--------|---------------|
| Independent Power Producers & Energy Traders – 0.1% | | |
| The AES Corp.* | 219 | \$ 2,456 |
| Calpine Corp.* | 132 | 2,002 |
| Constellation Energy Group, Inc. | 51 | 2,025 |
| Genie Energy Ltd., Class B* | 90 | 747 |
| GenOn Energy, Inc.* | 279 | 851 |
| NRG Energy, Inc.* | 87 | 1,864 |
| Ormat Technologies, Inc. | 33 | 627 |
| | | 10,572 |

Industrial Conglomerates – 1.4%

| | | |
|-----------------------------|-------|----------------|
| 3M Co. | 237 | 18,728 |
| Carlisle Cos., Inc. | 24 | 1,001 |
| Danaher Corp. | 207 | 10,008 |
| General Electric Co. | 3,864 | 64,568 |
| Raven Industries, Inc. | 33 | 1,980 |
| Standex International Corp. | 57 | 2,201 |
| Tyco International Ltd. | 171 | 7,789 |
| | | 106,275 |

Insurance – 3.8%

| | | |
|---|-----|--------|
| ACE Ltd. | 96 | 6,926 |
| Aflac, Inc. | 132 | 5,952 |
| Alleghany Corp.* | 3 | 952 |
| The Allstate Corp. | 135 | 3,556 |
| American Equity Investment Life Holding Co. | 273 | 2,959 |
| American Financial Group, Inc./OH | 24 | 860 |
| American International Group, Inc.* | 123 | 3,037 |
| American National Insurance Co. | 66 | 4,716 |
| American Safety Insurance Holdings Ltd.* | 48 | 980 |
| AMERISAFE, Inc.* | 84 | 1,810 |
| Amtrust Financial Services, Inc. | 108 | 2,741 |
| Aon Corp. | 120 | 5,594 |
| Arch Capital Group Ltd.* | 48 | 1,727 |
| Argo Group International Holdings Ltd. | 141 | 4,257 |
| Arthur J Gallagher & Co. | 39 | 1,205 |
| Aspen Insurance Holdings Ltd. | 132 | 3,497 |
| Assurant, Inc. | 27 | 1,041 |
| Assured Guaranty Ltd. | 45 | 573 |
| Axis Capital Holdings Ltd. | 45 | 1,411 |
| Berkshire Hathaway, Inc., Class B* | 348 | 27,094 |
| Brown & Brown, Inc. | 42 | 927 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|---|--------|----------|---|--------|----------------|
| COMMON STOCKS – (continued) | | | Insurance – (continued) | | |
| Insurance – (continued) | | | Insurance – (continued) | | |
| The Chubb Corp. | 81 | \$ 5,431 | Old Republic International Corp. | 66 | \$ 583 |
| Cincinnati Financial Corp. | 54 | 1,563 | OneBeacon Insurance Group Ltd., Class A | 108 | 1,644 |
| Citizens, Inc./TX* | 75 | 588 | PartnerRe Ltd. | 18 | 1,120 |
| CNA Financial Corp. | 6 | 160 | The Phoenix Cos., Inc.* | 498 | 742 |
| CNO Financial Group, Inc.* | 1,026 | 6,413 | Platinum Underwriters Holdings Ltd. | 69 | 2,389 |
| Delphi Financial Group, Inc., Class A | 222 | 5,879 | Presidential Life Corp. | 99 | 982 |
| eHealth, Inc.* | 39 | 579 | Primerica, Inc. | 183 | 4,141 |
| Employers Holdings, Inc. | 69 | 1,119 | Principal Financial Group, Inc. | 84 | 2,166 |
| Endurance Specialty Holdings Ltd. | 183 | 6,808 | ProAssurance Corp. | 132 | 10,104 |
| Enstar Group Ltd.* | 45 | 4,139 | The Progressive Corp. | 216 | 4,106 |
| Erie Indemnity Co., Class A | 9 | 711 | Protective Life Corp. | 384 | 7,142 |
| Everest Re Group Ltd. | 15 | 1,349 | Prudential Financial, Inc. | 135 | 7,317 |
| FBL Financial Group, Inc., Class A | 63 | 2,057 | Reinsurance Group of America, Inc. | 21 | 1,097 |
| Fidelity National Financial, Inc., Class A | 63 | 973 | RenaissanceRe Holdings Ltd. | 18 | 1,226 |
| First American Financial Corp. | 477 | 5,724 | RLI Corp. | 81 | 5,698 |
| Flagstone Reinsurance Holdings SA | 243 | 2,063 | Safety Insurance Group, Inc. | 66 | 2,813 |
| Fortegra Financial Corp.* | 15 | 79 | SeaBright Holdings, Inc. | 42 | 302 |
| Genworth Financial, Inc., Class A* | 135 | 861 | Selective Insurance Group, Inc. | 246 | 3,943 |
| Greenlight Capital Re Ltd., Class A* | 57 | 1,284 | StanCorp Financial Group, Inc. | 201 | 6,822 |
| The Hanover Insurance Group, Inc. | 207 | 7,899 | Symetra Financial Corp. | 351 | 3,254 |
| Harleysville Group, Inc. | 54 | 3,173 | Torchmark Corp. | 30 | 1,228 |
| Hartford Financial Services Group, Inc. | 123 | 2,368 | Tower Group, Inc. | 168 | 3,987 |
| HCC Insurance Holdings, Inc. | 30 | 798 | Transatlantic Holdings, Inc. | 24 | 1,249 |
| Hilltop Holdings, Inc.* | 78 | 615 | The Travelers Cos., Inc. | 117 | 6,827 |
| Horace Mann Educators Corp. | 180 | 2,421 | United Fire & Casualty Co. | 99 | 1,862 |
| Infinity Property & Casualty Corp. | 57 | 3,304 | Universal Insurance Holdings, Inc. | 114 | 481 |
| Kemper Corp. | 201 | 5,405 | Unum Group | 87 | 2,074 |
| Lincoln National Corp. | 87 | 1,657 | W.R. Berkley Corp. | 36 | 1,253 |
| Loews Corp. | 129 | 5,121 | White Mountains Insurance Group Ltd. | 3 | 1,260 |
| Maiden Holdings Ltd. | 282 | 2,298 | XL Group PLC | 84 | 1,826 |
| Markel Corp.* | 3 | 1,160 | | | 294,658 |
| Marsh & McLennan Cos., Inc. | 195 | 5,971 | Internet & Catalog Retail – 0.6% | | |
| MBIA, Inc.* | 696 | 6,125 | 1-800-Flowers.com, Inc., Class A* | 48 | 137 |
| Meadowbrook Insurance Group, Inc. | 240 | 2,486 | Amazon.com, Inc.* | 129 | 27,543 |
| Mercury General Corp. | 120 | 5,196 | Blue Nile, Inc.* | 27 | 1,219 |
| MetLife, Inc. | 231 | 8,122 | Expedia, Inc. | 57 | 1,497 |
| Montpelier Re Holdings Ltd. | 279 | 4,883 | HSN, Inc. | 78 | 2,782 |
| National Financial Partners Corp.* | 195 | 2,666 | Liberty Interactive Corp., Class A* | 207 | 3,401 |
| National Western Life Insurance Co., Class A | 9 | 1,294 | Nutrisystem, Inc. | 51 | 630 |
| The Navigators Group, Inc.* | 54 | 2,463 | Orbitz Worldwide, Inc.* | 357 | 675 |
| | | | Overstock.com, Inc.* | 21 | 174 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|--|--------|---------------|
| COMMON STOCKS – (continued) | | |
| Internet & Catalog Retail – (continued) | | |
| PetMed Express, Inc. | 36 | \$ 359 |
| priceline.com, Inc.* | 18 | 9,139 |
| US Auto Parts Network, Inc.* | 27 | 151 |
| Valuevision Media, Inc., Class A* | 75 | 246 |
| | | 47,953 |
| Internet Software & Services – 1.8% | | |
| Akamai Technologies, Inc.* | 66 | 1,778 |
| Ancestry.com, Inc.* | 39 | 888 |
| AOL, Inc.* | 483 | 6,819 |
| comScore, Inc.* | 60 | 1,267 |
| Constant Contact, Inc.* | 54 | 1,093 |
| DealerTrack Holdings, Inc.* | 78 | 1,692 |
| Demand Media, Inc.* | 249 | 1,736 |
| Dice Holdings, Inc.* | 96 | 977 |
| Digital River, Inc.* | 75 | 1,375 |
| Earthlink, Inc. | 492 | 3,449 |
| eBay, Inc.* | 402 | 12,795 |
| Envestnet, Inc.* | 42 | 489 |
| Equinix, Inc.* | 18 | 1,728 |
| Google, Inc., Class A* | 93 | 55,115 |
| IAC/InterActiveCorp* | 27 | 1,102 |
| Infospace, Inc.* | 72 | 631 |
| Internap Network Services Corp.* | 99 | 562 |
| IntraLinks Holdings, Inc.* | 66 | 574 |
| j2 Global Communications, Inc. | 87 | 2,678 |
| Keynote Systems, Inc. | 30 | 716 |
| KIT Digital, Inc.* | 72 | 648 |
| Limelight Networks, Inc.* | 132 | 367 |
| Liquidity Services, Inc.* | 39 | 1,270 |
| LivePerson, Inc.* | 90 | 1,133 |
| LogMeIn, Inc.* | 42 | 1,708 |
| LoopNet, Inc.* | 57 | 1,008 |
| Marchex, Inc., Class B | 48 | 427 |
| ModusLink Global Solutions, Inc. | 198 | 828 |
| Monster Worldwide, Inc.* | 243 | 2,243 |
| Move, Inc.* | 276 | 508 |
| NIC, Inc. | 120 | 1,657 |
| OpenTable, Inc.* | 45 | 1,974 |
| Perficient, Inc.* | 57 | 543 |
| QuinStreet, Inc.* | 51 | 586 |
| Rackspace Hosting, Inc.* | 39 | 1,614 |

| | Shares | Value |
|---|--------|----------------|
| Internet Software & Services – (continued) | | |
| RealNetworks, Inc. | 102 | \$ 996 |
| RightNow Technologies, Inc.* | 48 | 2,064 |
| Saba Software, Inc.* | 51 | 354 |
| SciQuest, Inc.* | 33 | 490 |
| Travelzoo, Inc.* | 15 | 478 |
| United Online, Inc. | 399 | 2,358 |
| ValueClick, Inc.* | 150 | 2,640 |
| VeriSign, Inc. | 60 | 1,925 |
| VistaPrint N.V.* | 75 | 2,619 |
| Vocus, Inc.* | 39 | 795 |
| Web.com Group, Inc.* | 54 | 522 |
| WebMD Health Corp.* | 21 | 755 |
| XO Group, Inc.* | 57 | 526 |
| Yahoo!, Inc.* | 429 | 6,710 |
| Zix Corp.* | 108 | 268 |
| | | 137,478 |

| | Shares | Value |
|--|--------|--------|
| IT Services – 3.1% | | |
| Accenture PLC, Class A | 231 | 13,921 |
| Axiom Corp.* | 153 | 2,018 |
| Alliance Data Systems Corp.* | 18 | 1,844 |
| Amdocs Ltd.* | 54 | 1,621 |
| Automatic Data Processing, Inc. | 177 | 9,263 |
| Broadridge Financial Solutions, Inc. | 45 | 1,001 |
| CACI International, Inc., Class A* | 138 | 7,575 |
| Cardtronics, Inc.* | 81 | 2,019 |
| Cass Information Systems, Inc. | 15 | 588 |
| CIBER, Inc.* | 117 | 407 |
| Cognizant Technology Solutions Corp., Class A* | 111 | 8,075 |
| Computer Sciences Corp. | 42 | 1,321 |
| Convergys Corp.* | 477 | 5,104 |
| CoreLogic, Inc.* | 198 | 2,410 |
| CSG Systems International, Inc.* | 156 | 2,221 |
| DST Systems, Inc. | 168 | 8,432 |
| Echo Global Logistics, Inc.* | 27 | 417 |
| Euronet Worldwide, Inc.* | 222 | 4,300 |
| ExlService Holdings, Inc.* | 33 | 861 |
| Fidelity National Information Services, Inc. | 96 | 2,513 |
| Fiserv, Inc.* | 51 | 3,002 |
| FleetCor Technologies, Inc.* | 12 | 336 |
| Forrester Research, Inc. | 27 | 967 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|---------------------------------------|--------|----------------|
| COMMON STOCKS – (continued) | | |
| IT Services – (continued) | | |
| Gartner, Inc.* | 33 | \$ 1,271 |
| Genpact Ltd.* | 36 | 581 |
| Global Cash Access Holdings, Inc.* | 219 | 653 |
| Global Payments, Inc. | 30 | 1,378 |
| Heartland Payment Systems, Inc. | 69 | 1,501 |
| iGate Corp. | 57 | 768 |
| International Business Machines Corp. | 432 | 79,761 |
| Jack Henry & Associates, Inc. | 30 | 972 |
| Lender Processing Services, Inc. | 24 | 421 |
| Lionbridge Technologies, Inc.* | 108 | 293 |
| Mantech International Corp., Class A | 105 | 3,689 |
| Mastercard, Inc., Class A | 39 | 13,543 |
| MAXIMUS, Inc. | 66 | 2,662 |
| MoneyGram International, Inc.* | 156 | 399 |
| NCL, Inc., Class A* | 33 | 450 |
| NeuStar, Inc., Class A* | 138 | 4,387 |
| Paychex, Inc. | 117 | 3,409 |
| SAIC, Inc.* | 99 | 1,231 |
| Sapient Corp. | 204 | 2,521 |
| ServiceSource International, Inc.* | 159 | 2,116 |
| Syntel, Inc. | 30 | 1,467 |
| TeleTech Holdings, Inc.* | 54 | 944 |
| Teradata Corp.* | 60 | 3,580 |
| TNS, Inc.* | 114 | 2,226 |
| Total System Services, Inc. | 72 | 1,432 |
| Unisys Corp.* | 177 | 4,600 |
| VeriFone Systems, Inc.* | 39 | 1,646 |
| Virtusa Corp.* | 33 | 538 |
| Visa, Inc., Class A | 189 | 17,627 |
| The Western Union Co. | 228 | 3,983 |
| Wright Express Corp.* | 72 | 3,375 |
| | | 243,640 |

Leisure Equipment & Products – 0.2%

| | | |
|-----------------------------|-----|-------|
| Arctic Cat, Inc.* | 24 | 487 |
| Brunswick Corp. | 165 | 2,914 |
| Callaway Golf Co. | 123 | 715 |
| Hasbro, Inc. | 45 | 1,713 |
| Jakks Pacific, Inc. | 123 | 2,333 |
| Leapfrog Enterprises, Inc.* | 93 | 347 |
| Mattel, Inc. | 123 | 3,473 |
| Polaris Industries, Inc. | 24 | 1,520 |

| | Shares | Value |
|---|--------|---------------|
| Leisure Equipment & Products – (continued) | | |
| Smith & Wesson Holding Corp.* | 123 | \$ 364 |
| Sturm Ruger & Co., Inc. | 36 | 1,092 |
| | | 14,958 |

Life Sciences Tools & Services – 0.4%

| | | |
|---|-----|---------------|
| Affymetrix, Inc.* | 120 | 671 |
| Agilent Technologies, Inc.* | 126 | 4,671 |
| Bruker Corp.* | 33 | 476 |
| Caliper Life Sciences, Inc.* | 93 | 975 |
| Charles River Laboratories International, Inc.* | 96 | 3,099 |
| Covance, Inc.* | 21 | 1,065 |
| eResearchTechnology, Inc.* | 90 | 460 |
| Fluidigm Corp.* | 33 | 461 |
| Life Technologies Corp.* | 66 | 2,684 |
| Luminex Corp.* | 78 | 1,713 |
| Mettler-Toledo International, Inc.* | 12 | 1,843 |
| Pacific Biosciences of California, Inc.* | 228 | 894 |
| PAREXEL International Corp.* | 111 | 2,445 |
| PerkinElmer, Inc. | 42 | 868 |
| Pharmaceutical Product Development, Inc. | 39 | 1,287 |
| Sequenom, Inc.* | 123 | 611 |
| Techne Corp. | 12 | 826 |
| Thermo Fisher Scientific, Inc.* | 138 | 6,937 |
| Waters Corp.* | 33 | 2,644 |
| | | 34,630 |

Machinery – 2.3%

| | | |
|-------------------------------------|-----|--------|
| 3D Systems Corp.* | 78 | 1,269 |
| Actuant Corp., Class A | 129 | 2,903 |
| AGCO Corp.* | 36 | 1,578 |
| Alamo Group, Inc. | 42 | 1,002 |
| Albany International Corp., Class A | 120 | 2,711 |
| Altra Holdings, Inc.* | 48 | 706 |
| American Railcar Industries, Inc.* | 18 | 397 |
| Ampco-Pittsburgh Corp. | 39 | 819 |
| Astec Industries, Inc.* | 36 | 1,197 |
| Barnes Group, Inc. | 90 | 2,094 |
| Blount International, Inc.* | 90 | 1,398 |
| Briggs & Stratton Corp. | 228 | 3,329 |
| Cascade Corp. | 39 | 1,681 |
| Caterpillar, Inc. | 213 | 20,119 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--|--------|----------|--|--------|----------------|
| COMMON STOCKS – (continued) | | | Media – (continued) | | |
| Media – 2.4% | | | | | |
| Arbitron, Inc. | 51 | \$ 2,026 | The New York Times Co., Class A* | 243 | \$ 1,852 |
| Belo Corp., Class A | 174 | 1,103 | News Corp., Class A | 657 | 11,511 |
| Cablevision Systems Corp., Class A | 84 | 1,215 | News Corp., Class B | 156 | 2,785 |
| CBS Corp., Class B | 228 | 5,885 | Omnicom Group, Inc. | 102 | 4,537 |
| Charter Communications, Inc., Class A* | 15 | 689 | ReachLocal, Inc.* | 42 | 420 |
| Cinemark Holdings, Inc. | 399 | 8,247 | Regal Entertainment Group, Class A | 150 | 2,166 |
| Clear Channel Outdoor Holdings, Inc., Class A* | 15 | 165 | Rentrak Corp.* | 15 | 205 |
| Comcast Corp., Class A | 990 | 23,109 | Scholastic Corp. | 102 | 2,739 |
| DG FastChannel, Inc.* | 45 | 839 | Scripps Networks Interactive, Inc., Class A | 33 | 1,402 |
| DIRECTV, Class A* | 267 | 12,138 | Sinclair Broadcast Group, Inc., Class A | 234 | 2,242 |
| Discovery Communications, Inc., Class A* | 51 | 2,216 | Sirius XM Radio, Inc.* | 1,422 | 2,545 |
| Discovery Communications, Inc., Class C* | 45 | 1,781 | Time Warner Cable, Inc. | 117 | 7,452 |
| DISH Network Corp., Class A* | 57 | 1,378 | Time Warner, Inc. | 378 | 13,225 |
| DreamWorks Animation SKG, Inc., Class A* | 129 | 2,393 | Valassis Communications, Inc.* | 213 | 4,160 |
| E.W. Scripps Co., Class A* | 60 | 500 | Viacom, Inc., Class A | 3 | 160 |
| Entercom Communications Corp., Class A* | 120 | 787 | Viacom, Inc., Class B | 189 | 8,288 |
| Gannett Co., Inc. | 66 | 772 | The Walt Disney Co. | 624 | 21,764 |
| Harte-Hanks, Inc. | 204 | 1,791 | The Washington Post Co., Class B | 6 | 2,041 |
| The Interpublic Group of Cos., Inc. | 174 | 1,650 | World Wrestling Entertainment, Inc., Class A | 54 | 568 |
| John Wiley & Sons, Inc., Class A | 18 | 856 | | | 188,156 |
| Journal Communications, Inc., Class A* | 186 | 718 | Metals & Mining – 1.3% | | |
| Knology, Inc.* | 150 | 2,150 | A.M. Castle & Co.* | 36 | 493 |
| Lamar Advertising Co., Class A* | 21 | 472 | AK Steel Holding Corp. | 495 | 4,123 |
| Liberty Global, Inc.* | 45 | 1,727 | Alcoa, Inc. | 384 | 4,132 |
| Liberty Global, Inc., Class A* | 51 | 2,049 | Allegheny Technologies, Inc. | 39 | 1,810 |
| Liberty Media Corp. – Liberty Starz, Class A* | 15 | 1,025 | Allied Nevada Gold Corp.* | 30 | 1,139 |
| LIN TV Corp., Class A* | 150 | 468 | AMCOL International Corp. | 51 | 1,540 |
| Live Nation Entertainment, Inc.* | 717 | 6,733 | Carpenter Technology Corp. | 84 | 4,764 |
| The Madison Square Garden Co., Class A* | 117 | 3,092 | Century Aluminum Co.* | 294 | 3,281 |
| Martha Stewart Living Omnimedia, Class A* | 54 | 209 | Cliffs Natural Resources, Inc. | 42 | 2,865 |
| The McClatchy Co., Class A* | 231 | 363 | Coeur d'Alene Mines Corp.* | 408 | 10,433 |
| The McGraw-Hill Cos., Inc. | 108 | 4,590 | Commercial Metals Co. | 216 | 2,685 |
| Meredith Corp. | 165 | 4,427 | Compass Minerals International, Inc. | 15 | 1,141 |
| Morningstar, Inc. | 9 | 531 | Freeport-McMoRan Copper & Gold, Inc. | 342 | 13,769 |
| | | | General Moly, Inc.* | 123 | 423 |
| | | | Globe Specialty Metals, Inc. | 99 | 1,650 |
| | | | Haynes International, Inc. | 24 | 1,404 |
| | | | Hecla Mining Co.* | 729 | 4,571 |
| | | | Horsehead Holding Corp.* | 81 | 703 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--|--------|----------|--|--------|--------|
| COMMON STOCKS – (continued) | | | Oil, Gas & Consumable Fuels – (continued) | | |
| Oil, Gas & Consumable Fuels – (continued) | | | Oil, Gas & Consumable Fuels – (continued) | | |
| Berry Petroleum Co., Class A | 96 | \$ 3,317 | Goodrich Petroleum Corp.* | 51 | \$ 808 |
| Bill Barrett Corp.* | 81 | 3,370 | Green Plains Renewable Energy, Inc.* | 105 | 1,098 |
| BPZ Resources, Inc.* | 198 | 592 | Gulfport Energy Corp.* | 78 | 2,429 |
| Brigham Exploration Co.* | 42 | 1,529 | Harvest Natural Resources, Inc.* | 63 | 672 |
| Cabot Oil & Gas Corp. | 39 | 3,031 | Hess Corp. | 87 | 5,443 |
| Callon Petroleum Co.* | 75 | 353 | HollyFrontier Corp. | 54 | 1,657 |
| Carrizo Oil & Gas, Inc.* | 66 | 1,795 | Houston American Energy Corp. | 33 | 517 |
| Cheniere Energy, Inc.* | 138 | 1,581 | Hyperdynamics Corp.* | 258 | 1,264 |
| Chesapeake Energy Corp. | 186 | 5,230 | James River Coal Co.* | 162 | 1,677 |
| Chevron Corp. | 564 | 59,248 | Kinder Morgan, Inc. | 39 | 1,115 |
| Cimarex Energy Co. | 30 | 1,920 | Kodiak Oil & Gas Corp.* | 393 | 2,716 |
| Clayton Williams Energy, Inc.* | 42 | 2,744 | Magnum Hunter Resources Corp.* | 237 | 1,067 |
| Clean Energy Fuels Corp.* | 96 | 1,135 | Marathon Oil Corp. | 198 | 5,154 |
| Cloud Peak Energy, Inc.* | 279 | 6,403 | McMoRan Exploration Co.* | 39 | 475 |
| Comstock Resources, Inc.* | 90 | 1,642 | Miller Energy Resources, Inc.* | 237 | 680 |
| Concho Resources, Inc.* | 39 | 3,694 | Murphy Oil Corp. | 54 | 2,990 |
| ConocoPhillips | 357 | 24,865 | Newfield Exploration Co.* | 48 | 1,932 |
| Consol Energy, Inc. | 81 | 3,464 | Noble Energy, Inc. | 63 | 5,628 |
| Contango Oil & Gas Co.* | 60 | 3,860 | Northern Oil and Gas, Inc.* | 117 | 2,828 |
| Continental Resources, Inc.* | 21 | 1,274 | Oasis Petroleum, Inc.* | 27 | 792 |
| Crosstex Energy, Inc. | 87 | 1,134 | Occidental Petroleum Corp. | 294 | 27,324 |
| CVR Energy, Inc.* | 393 | 9,731 | Overseas Shipholding Group, Inc. | 123 | 1,535 |
| Delek US Holdings, Inc. | 69 | 999 | Patriot Coal Corp.* | 171 | 2,148 |
| Delta Petroleum Corp.* | 216 | 484 | Peabody Energy Corp. | 99 | 4,294 |
| Denbury Resources, Inc.* | 144 | 2,261 | Penn Virginia Corp. | 207 | 1,261 |
| Devon Energy Corp. | 141 | 9,158 | Petroleum Development Corp.* | 45 | 1,175 |
| El Paso Corp. | 279 | 6,978 | Petroquest Energy, Inc.* | 111 | 809 |
| Endeavour International Corp.* | 72 | 668 | Pioneer Natural Resources Co. | 42 | 3,524 |
| Energen Corp. | 27 | 1,325 | Plains Exploration & Production Co.* | 51 | 1,607 |
| Energy Partners Ltd.* | 132 | 1,893 | QEP Resources, Inc. | 63 | 2,240 |
| EOG Resources, Inc. | 96 | 8,585 | Quicksilver Resources, Inc.* | 225 | 1,733 |
| EQT Corp. | 54 | 3,429 | Range Resources Corp. | 60 | 4,130 |
| Evolution Petroleum Corp.* | 39 | 269 | Rentech, Inc.* | 414 | 667 |
| EXCO Resources, Inc. | 54 | 681 | Resolute Energy Corp.* | 96 | 1,248 |
| Exxon Mobil Corp. | 1,365 | 106,592 | Rex Energy Corp.* | 66 | 1,022 |
| Forest Oil Corp.* | 42 | 490 | Rosetta Resources, Inc.* | 99 | 4,390 |
| FX Energy, Inc.* | 99 | 586 | SandRidge Energy, Inc.* | 138 | 1,057 |
| General Maritime Corp. | 2,400 | 624 | Ship Finance International Ltd. | 192 | 2,748 |
| GeoResources, Inc.* | 39 | 1,035 | SM Energy Co. | 24 | 1,990 |
| Gevo, Inc.* | 15 | 111 | Southern Union Co. | 33 | 1,387 |
| GMX Resources, Inc.* | 108 | 270 | Southwestern Energy Co.* | 126 | 5,297 |
| | | | Spectra Energy Corp. | 234 | 6,699 |
| | | | Stone Energy Corp.* | 222 | 5,392 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--|--------|----------------|---|--------|---------------|
| COMMON STOCKS – (continued) | | | Personal Products – (continued) | | |
| Oil, Gas & Consumable Fuels – (continued) | | | | | |
| Sunoco, Inc. | 45 | \$ 1,675 | The Estee Lauder Cos., Inc., Class A | 42 | \$ 4,135 |
| Swift Energy Co.* | 81 | 2,480 | Herbalife Ltd. | 42 | 2,619 |
| Targa Resources Corp. | 60 | 2,024 | Inter Parfums, Inc. | 30 | 553 |
| Teekay Corp. | 78 | 2,009 | Medifast, Inc.* | 69 | 1,134 |
| Tesoro Corp.* | 39 | 1,012 | Nu Skin Enterprises, Inc., Class A | 267 | 13,493 |
| Toreador Resources Corp.* | 240 | 780 | Prestige Brands Holdings, Inc.* | 228 | 2,412 |
| Ultra Petroleum Corp.* | 54 | 1,720 | Revlon, Inc., Class A* | 54 | 795 |
| Uranerz Energy Corp.* | 96 | 219 | Schiff Nutrition International, Inc.* | 24 | 293 |
| Uranium Energy Corp.* | 138 | 464 | USANA Health Sciences, Inc.* | 36 | 1,246 |
| USEC, Inc.* | 231 | 485 | | | 30,347 |
| Vaalco Energy, Inc.* | 258 | 1,757 | Pharmaceuticals – 3.4% | | |
| Valero Energy Corp. | 159 | 3,911 | Abbott Laboratories | 564 | 30,383 |
| Venoco, Inc.* | 54 | 526 | Akorn, Inc.* | 123 | 1,106 |
| W&T Offshore, Inc. | 69 | 1,359 | Allergan, Inc. | 111 | 9,337 |
| Warren Resources, Inc.* | 132 | 413 | Auxilium Pharmaceuticals, Inc.* | 90 | 1,400 |
| Western Refining, Inc.* | 249 | 3,979 | AVANIR Pharmaceuticals, Inc., Class A* | 234 | 700 |
| Whiting Petroleum Corp.* | 42 | 1,955 | Bristol-Myers Squibb Co. | 621 | 19,617 |
| The Williams Cos., Inc. | 213 | 6,413 | Cadence Pharmaceuticals, Inc.* | 72 | 420 |
| World Fuel Services Corp. | 321 | 12,792 | Columbia Laboratories, Inc.* | 132 | 334 |
| | | 494,379 | Corcept Therapeutics, Inc.* | 114 | 361 |
| Paper & Forest Products – 0.4% | | | Depomed, Inc.* | 63 | 282 |
| AbitibiBowater, Inc.* | 138 | 2,346 | Direct Corp.* | 147 | 234 |
| Buckeye Technologies, Inc. | 183 | 5,533 | Eli Lilly & Co. | 276 | 10,256 |
| Clearwater Paper Corp.* | 105 | 3,479 | Endo Pharmaceuticals Holdings, Inc.* | 33 | 1,066 |
| Deltic Timber Corp. | 24 | 1,625 | Forest Laboratories, Inc.* | 72 | 2,254 |
| Domtar Corp. | 12 | 983 | Hi-Tech Pharmacal Co., Inc.* | 45 | 1,598 |
| International Paper Co. | 114 | 3,158 | Impax Laboratories, Inc.* | 123 | 2,326 |
| KapStone Paper and Packaging Corp.* | 192 | 3,149 | ISTA Pharmaceuticals, Inc.* | 66 | 273 |
| Louisiana-Pacific Corp.* | 249 | 1,656 | Jazz Pharmaceuticals, Inc.* | 84 | 3,273 |
| MeadWestvaco Corp. | 48 | 1,340 | Johnson & Johnson | 990 | 63,747 |
| Neenah Paper, Inc. | 69 | 1,139 | KV Pharmaceutical Co., Class A* | 591 | 656 |
| PH Glatfelter Co. | 210 | 3,150 | MAP Pharmaceuticals, Inc.* | 48 | 709 |
| Schweitzer-Mauduit International, Inc. | 72 | 5,062 | The Medicines Co.* | 246 | 4,605 |
| Verso Paper Corp.* | 63 | 115 | Medicis Pharmaceutical Corp., Class A | 120 | 4,595 |
| Wausau Paper Corp. | 225 | 1,688 | Merck & Co., Inc. | 861 | 29,705 |
| | | 34,423 | Mylan, Inc.* | 120 | 2,348 |
| Personal Products – 0.4% | | | Nektar Therapeutics* | 213 | 1,154 |
| Avon Products, Inc. | 105 | 1,919 | Obagi Medical Products, Inc.* | 36 | 340 |
| Elizabeth Arden, Inc.* | 51 | 1,748 | Optimer Pharmaceuticals, Inc.* | 78 | 1,113 |
| | | | Pain Therapeutics, Inc.* | 72 | 320 |
| | | | Par Pharmaceutical Cos., Inc.* | 165 | 5,049 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|--------------------------------------|--------|----------------|
| COMMON STOCKS – (continued) | | |
| Pharmaceuticals – (continued) | | |
| Perrigo Co. | 30 | \$ 2,708 |
| Pfizer, Inc. | 2,190 | 42,179 |
| Questcor Pharmaceuticals, Inc.* | 111 | 4,508 |
| Sagent Pharmaceuticals, Inc.* | 60 | 1,533 |
| Salix Pharmaceuticals Ltd.* | 99 | 3,391 |
| Viropharma, Inc.* | 144 | 2,915 |
| Vivus, Inc.* | 168 | 1,584 |
| Warner Chilcott PLC, Class A* | 48 | 870 |
| Watson Pharmaceuticals, Inc.* | 48 | 3,224 |
| XenoPort, Inc.* | 66 | 403 |
| | | 262,876 |

Professional Services – 0.6%

| | | |
|--|-----|-------|
| Acacia Research - Acacia Technologies* | 123 | 4,900 |
| The Advisory Board Co.* | 30 | 1,838 |
| CBIZ, Inc.* | 198 | 1,253 |
| CDI Corp. | 24 | 315 |
| The Corporate Executive Board Co. | 66 | 2,415 |
| CoStar Group, Inc.* | 48 | 2,953 |
| CRA International, Inc.* | 21 | 406 |
| The Dolan Co.* | 129 | 1,129 |
| The Dun & Bradstreet Corp. | 18 | 1,203 |
| Equifax, Inc. | 45 | 1,582 |
| Exponent, Inc.* | 27 | 1,301 |
| FTI Consulting, Inc.* | 78 | 3,074 |
| Heidrick & Struggles International, Inc. | 33 | 653 |
| Huron Consulting Group, Inc.* | 42 | 1,512 |
| ICF International, Inc.* | 90 | 2,104 |
| IHS, Inc., Class A* | 18 | 1,512 |
| Insperty, Inc. | 45 | 1,160 |
| Kelly Services, Inc., Class A | 54 | 883 |
| Kforce, Inc.* | 75 | 957 |
| Korn/Ferry International* | 87 | 1,389 |
| Manpower, Inc. | 30 | 1,294 |
| Mistras Group, Inc.* | 30 | 654 |
| Navigant Consulting, Inc.* | 237 | 2,685 |
| Nielsen Holdings N.V.* | 27 | 792 |
| Odyssey Marine Exploration, Inc.* | 138 | 393 |
| On Assignment, Inc.* | 69 | 745 |
| Resources Connection, Inc. | 84 | 932 |
| Robert Half International, Inc. | 54 | 1,427 |

| | Shares | Value |
|--|--------|---------------|
| Professional Services – (continued) | | |
| Towers Watson & Co., Class A | 15 | \$ 986 |
| TrueBlue, Inc.* | 81 | 1,071 |
| Verisk Analytics, Inc., Class A* | 45 | 1,582 |
| | | 45,100 |

Real Estate Investment Trusts (REITs) – 4.7%

| | | |
|--|-----|-------|
| Acadia Realty Trust | 75 | 1,554 |
| Agree Realty Corp. | 45 | 1,076 |
| Alexander's, Inc. | 6 | 2,602 |
| Alexandria Real Estate Equities, Inc. | 21 | 1,388 |
| American Assets Trust, Inc. | 57 | 1,155 |
| American Campus Communities, Inc. | 132 | 5,139 |
| American Capital Agency Corp. | 123 | 3,384 |
| Annaly Capital Management, Inc. | 381 | 6,420 |
| Anworth Mortgage Asset Corp. | 600 | 3,870 |
| Apartment Investment & Management Co., Class A | 45 | 1,110 |
| Apollo Commercial Real Estate Finance, Inc. | 93 | 1,303 |
| ARMOUR Residential REIT, Inc. | 348 | 2,488 |
| Ashford Hospitality Trust, Inc. | 309 | 2,750 |
| Associated Estates Realty Corp. | 189 | 3,209 |
| AvalonBay Communities, Inc. | 33 | 4,412 |
| BioMed Realty Trust, Inc. | 246 | 4,455 |
| Boston Properties, Inc. | 54 | 5,345 |
| Brandywine Realty Trust | 609 | 5,548 |
| BRE Properties, Inc. | 27 | 1,353 |
| Camden Property Trust | 27 | 1,637 |
| Campus Crest Communities, Inc. | 57 | 652 |
| CapLease, Inc. | 306 | 1,196 |
| Capstead Mortgage Corp. | 384 | 4,654 |
| CBL & Associates Properties, Inc. | 264 | 4,060 |
| Cedar Shopping Centers, Inc. | 96 | 352 |
| Chatham Lodging Trust | 24 | 270 |
| Chesapeake Lodging Trust | 60 | 896 |
| Chimera Investment Corp. | 600 | 1,806 |
| Cogdell Spencer, Inc. | 93 | 376 |
| Colonial Properties Trust | 165 | 3,346 |
| Colony Financial, Inc. | 150 | 2,201 |
| CommonWealth REIT | 378 | 7,314 |
| Coresite Realty Corp. | 90 | 1,499 |
| Corporate Office Properties Trust | 135 | 3,274 |
| Cousins Properties, Inc. | 381 | 2,499 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--|--------|----------|--|--------|----------|
| COMMON STOCKS – (continued) | | | Real Estate Investment Trusts (REITs) – (continued) | | |
| Real Estate Investment Trusts (REITs) – (continued) | | | | | |
| CreXus Investment Corp. | 303 | \$ 2,897 | Kilroy Realty Corp. | 111 | \$ 4,073 |
| CubeSmart | 165 | 1,619 | Kimco Realty Corp. | 147 | 2,568 |
| CYS Investments, Inc. | 378 | 4,793 | Kite Realty Group Trust | 111 | 458 |
| DCT Industrial Trust, Inc. | 462 | 2,292 | LaSalle Hotel Properties | 159 | 3,802 |
| DDR Corp. | 81 | 1,038 | Lexington Realty Trust | 258 | 2,028 |
| DiamondRock Hospitality Co. | 315 | 2,851 | Liberty Property Trust | 42 | 1,344 |
| Digital Realty Trust, Inc. | 36 | 2,244 | LTC Properties, Inc. | 57 | 1,617 |
| Douglas Emmett, Inc. | 240 | 4,680 | The Macerich Co. | 48 | 2,388 |
| Duke Realty Corp. | 90 | 1,105 | Mack-Cali Realty Corp. | 33 | 926 |
| DuPont Fabros Technology, Inc. | 117 | 2,432 | Medical Properties Trust, Inc. | 207 | 2,091 |
| EastGroup Properties, Inc. | 51 | 2,224 | MFA Financial, Inc. | 1,617 | 10,914 |
| Education Realty Trust, Inc. | 135 | 1,249 | Mid-America Apartment Communities, Inc. | 69 | 4,306 |
| Entertainment Properties Trust | 87 | 3,898 | Monmouth Real Estate Investment Corp., Class A | 60 | 504 |
| Equity Lifestyle Properties, Inc. | 72 | 4,761 | National Health Investors, Inc. | 45 | 2,011 |
| Equity One, Inc. | 114 | 1,955 | National Retail Properties, Inc. | 177 | 4,823 |
| Equity Residential | 108 | 6,337 | NorthStar Realty Finance Corp. | 435 | 1,718 |
| Essex Property Trust, Inc. | 12 | 1,713 | Omega Healthcare Investors, Inc. | 192 | 3,410 |
| Extra Space Storage, Inc. | 177 | 3,988 | One Liberty Properties, Inc. | 21 | 341 |
| Federal Realty Investment Trust | 24 | 2,130 | Parkway Properties, Inc. | 99 | 1,272 |
| FelCor Lodging Trust, Inc.* | 234 | 704 | Pebblebrook Hotel Trust | 96 | 1,827 |
| First Industrial Realty Trust, Inc.* | 150 | 1,478 | Pennsylvania Real Estate Investment Trust | 252 | 2,586 |
| First Potomac Realty Trust | 93 | 1,322 | PennyMac Mortgage Investment Trust | 126 | 2,155 |
| Franklin Street Properties Corp. | 138 | 1,753 | Piedmont Office Realty Trust, Inc., Class A | 63 | 1,070 |
| General Growth Properties, Inc. | 138 | 2,029 | Plum Creek Timber Co., Inc. | 60 | 2,260 |
| Getty Realty Corp. | 51 | 813 | Post Properties, Inc. | 96 | 3,944 |
| Glimcher Realty Trust | 201 | 1,841 | Potlatch Corp. | 75 | 2,436 |
| Government Properties Income Trust | 69 | 1,624 | ProLogis, Inc. | 165 | 4,910 |
| Hatteras Financial Corp. | 342 | 8,788 | PS Business Parks, Inc. | 36 | 1,916 |
| HCP, Inc. | 147 | 5,858 | Public Storage | 51 | 6,582 |
| Health Care REIT, Inc. | 63 | 3,319 | RAIT Financial Trust | 72 | 374 |
| Healthcare Realty Trust, Inc. | 147 | 2,777 | Ramco-Gershenson Properties Trust | 72 | 695 |
| Hersha Hospitality Trust | 279 | 1,230 | Rayonier, Inc. | 45 | 1,878 |
| Highwoods Properties, Inc. | 135 | 4,182 | Realty Income Corp. | 45 | 1,503 |
| Home Properties, Inc. | 78 | 4,594 | Redwood Trust, Inc. | 321 | 3,730 |
| Hospitality Properties Trust | 45 | 1,081 | Regency Centers Corp. | 33 | 1,352 |
| Host Hotels & Resorts, Inc. | 255 | 3,639 | Resource Capital Corp. | 339 | 1,820 |
| Hudson Pacific Properties, Inc. | 45 | 601 | Retail Opportunity Investments Corp. | 78 | 889 |
| Inland Real Estate Corp. | 144 | 1,080 | Saul Centers, Inc. | 15 | 538 |
| Invesco Mortgage Capital, Inc. | 525 | 8,285 | Senior Housing Properties Trust | 54 | 1,212 |
| Investors Real Estate Trust | 150 | 1,112 | | | |
| iStar Financial, Inc.* | 162 | 1,100 | | | |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|--|--------|----------------|
| COMMON STOCKS – (continued) | | |
| Real Estate Investment Trusts (REITs) – (continued) | | |
| Simon Property Group, Inc. | 105 | \$ 13,485 |
| SL Green Realty Corp. | 30 | 2,070 |
| Sovran Self Storage, Inc. | 51 | 2,254 |
| Starwood Property Trust, Inc. | 423 | 7,948 |
| Strategic Hotels & Resorts, Inc.* | 279 | 1,588 |
| Summit Hotel Properties, Inc. | 51 | 412 |
| Sun Communities, Inc. | 36 | 1,371 |
| Sunstone Hotel Investors, Inc.* | 222 | 1,543 |
| Tanger Factory Outlet Centers | 162 | 4,562 |
| Taubman Centers, Inc. | 21 | 1,286 |
| Two Harbors Investment Corp. | 636 | 5,947 |
| UDR, Inc. | 81 | 2,019 |
| Universal Health Realty Income Trust | 21 | 797 |
| Urstadt Biddle Properties, Inc., Class A | 39 | 696 |
| Ventas, Inc. | 96 | 5,339 |
| Vornado Realty Trust | 66 | 5,465 |
| Washington Real Estate Investment Trust | 123 | 3,562 |
| Weingarten Realty Investors | 42 | 975 |
| Weyerhaeuser Co. | 192 | 3,452 |
| Winthrop Realty Trust | 48 | 434 |
| | | 367,485 |

| | | |
|--|-----|--------------|
| Real Estate Management & Development – 0.1% | | |
| Avatar Holdings, Inc.* | 18 | 171 |
| CBRE Group, Inc.* | 105 | 1,867 |
| Forest City Enterprises, Inc., Class A* | 48 | 657 |
| Forestar Group, Inc.* | 66 | 858 |
| Jones Lang LaSalle, Inc. | 15 | 969 |
| Kennedy-Wilson Holdings, Inc. | 54 | 671 |
| The St. Joe Co.* | 171 | 2,453 |
| Tejon Ranch Co.* | 27 | 702 |
| | | 8,348 |

| | | |
|--|-----|-------|
| Road & Rail – 1.1% | | |
| Amerco, Inc.* | 27 | 2,044 |
| Arkansas Best Corp. | 48 | 989 |
| Avis Budget Group, Inc.* | 198 | 2,792 |
| Celadon Group, Inc. | 42 | 462 |
| Con-way, Inc. | 102 | 3,006 |
| CSX Corp. | 396 | 8,795 |
| Dollar Thrifty Automotive Group, Inc.* | 75 | 4,578 |
| Genesee & Wyoming, Inc., Class A* | 75 | 4,441 |

| | Shares | Value |
|--|--------|---------------|
| Road & Rail – (continued) | | |
| Heartland Express, Inc. | 105 | \$ 1,408 |
| Hertz Global Holdings, Inc.* | 87 | 1,009 |
| J.B. Hunt Transport Services, Inc. | 36 | 1,523 |
| Kansas City Southern* | 39 | 2,464 |
| Knight Transportation, Inc. | 108 | 1,642 |
| Landstar System, Inc. | 90 | 4,017 |
| Marten Transport Ltd. | 30 | 531 |
| Norfolk Southern Corp. | 126 | 9,323 |
| Old Dominion Freight Line, Inc.* | 102 | 3,730 |
| Quality Distribution, Inc.* | 30 | 338 |
| RailAmerica, Inc.* | 39 | 533 |
| Roadrunner Transportation Systems, Inc.* | 21 | 350 |
| Ryder System, Inc. | 231 | 11,767 |
| Saia, Inc.* | 30 | 401 |
| Swift Transportation Co.* | 150 | 1,335 |
| Union Pacific Corp. | 177 | 17,624 |
| Werner Enterprises, Inc. | 96 | 2,275 |
| Zipcar, Inc.* | 15 | 307 |
| | | 87,684 |

| | | |
|--|-----|-------|
| Semiconductors & Semiconductor Equipment – 3.1% | | |
| Advanced Energy Industries, Inc.* | 177 | 1,653 |
| Advanced Micro Devices, Inc.* | 207 | 1,207 |
| Altera Corp. | 117 | 4,437 |
| Amkor Technology, Inc.* | 492 | 2,381 |
| Amtech Systems, Inc.* | 42 | 429 |
| Anadigics, Inc.* | 126 | 331 |
| Analog Devices, Inc. | 108 | 3,950 |
| Applied Materials, Inc. | 369 | 4,546 |
| Applied Micro Circuits Corp.* | 120 | 809 |
| Atmel Corp.* | 156 | 1,647 |
| ATMI, Inc.* | 60 | 1,224 |
| Broadcom Corp., Class A* | 177 | 6,388 |
| Brooks Automation, Inc. | 300 | 3,135 |
| Cabot Microelectronics Corp.* | 45 | 1,733 |
| Cavium, Inc.* | 90 | 2,942 |
| Ceva, Inc.* | 45 | 1,398 |
| Cirrus Logic, Inc.* | 297 | 4,942 |
| Cohu, Inc. | 102 | 1,131 |
| Cree, Inc.* | 39 | 1,039 |
| Cymer, Inc.* | 54 | 2,346 |
| Cypress Semiconductor Corp.* | 63 | 1,204 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|---|--------|----------|---|--------|----------------|
| COMMON STOCKS – (continued) | | | Semiconductors & Semiconductor Equipment – (continued) | | |
| Semiconductors & Semiconductor Equipment – (continued) | | | Semiconductors & Semiconductor Equipment – (continued) | | |
| Diodes, Inc.* | 66 | \$ 1,476 | NVIDIA Corp.* | 216 | \$ 3,197 |
| Entegris, Inc.* | 609 | 5,457 | Omnivision Technologies, Inc.* | 111 | 1,810 |
| Entropic Communications, Inc.* | 390 | 2,270 | ON Semiconductor Corp.* | 123 | 931 |
| Exar Corp.* | 72 | 440 | Pericom Semiconductor Corp.* | 48 | 408 |
| Fairchild Semiconductor International, Inc.* | 579 | 8,668 | Photronics, Inc.* | 267 | 1,674 |
| Formfactor, Inc.* | 96 | 574 | PMC - Sierra, Inc.* | 1,059 | 6,714 |
| GSI Technology, Inc.* | 36 | 176 | Power Integrations, Inc. | 54 | 1,924 |
| GT Advanced Technologies, Inc.* | 573 | 4,699 | Rambus, Inc.* | 195 | 3,457 |
| Hittite Microwave Corp.* | 54 | 2,840 | RF Micro Devices, Inc.* | 519 | 3,809 |
| Inphi Corp.* | 39 | 431 | Rubicon Technology, Inc.* | 78 | 813 |
| Integrated Device Technology, Inc.* | 273 | 1,660 | Rudolph Technologies, Inc.* | 144 | 1,061 |
| Integrated Silicon Solution, Inc.* | 123 | 1,133 | Semtech Corp.* | 123 | 3,004 |
| Intel Corp. | 1,473 | 36,148 | Sigma Designs, Inc.* | 144 | 1,201 |
| International Rectifier Corp.* | 132 | 3,206 | Silicon Image, Inc.* | 153 | 985 |
| Intersil Corp., Class A | 234 | 2,801 | Silicon Laboratories, Inc.* | 84 | 3,591 |
| IXYS Corp.* | 48 | 656 | Skyworks Solutions, Inc.* | 66 | 1,307 |
| KLA-Tencor Corp. | 48 | 2,260 | Spansion, Inc., Class A* | 93 | 957 |
| Kopin Corp.* | 126 | 510 | Standard Microsystems Corp.* | 42 | 1,040 |
| Kulicke & Soffa Industries, Inc.* | 330 | 3,185 | STR Holdings, Inc.* | 192 | 1,642 |
| Lam Research Corp.* | 36 | 1,548 | SunPower Corp., Class A* | 117 | 1,172 |
| Lattice Semiconductor Corp.* | 537 | 3,399 | SunPower Corp., Class B* | 75 | 709 |
| Linear Technology Corp. | 75 | 2,423 | Supertex, Inc.* | 21 | 388 |
| LSI Corp.* | 207 | 1,294 | Teradyne, Inc.* | 54 | 773 |
| LTX-Credence Corp.* | 225 | 1,424 | Tessera Technologies, Inc.* | 231 | 3,181 |
| Marvell Technology Group Ltd.* | 144 | 2,015 | Texas Instruments, Inc. | 417 | 12,815 |
| Maxim Integrated Products, Inc. | 105 | 2,747 | TriQuint Semiconductor, Inc.* | 309 | 1,644 |
| MaxLinear, Inc., Class A* | 33 | 192 | Ultra Clean Holdings, Inc.* | 102 | 559 |
| MEMC Electronic Materials, Inc.* | 63 | 377 | Ultratech, Inc.* | 48 | 1,046 |
| Micrel, Inc. | 96 | 1,058 | Varian Semiconductor Equipment Associates, Inc.* | 27 | 1,695 |
| Microchip Technology, Inc. | 69 | 2,495 | Veeco Instruments, Inc.* | 222 | 5,925 |
| Micron Technology, Inc.* | 243 | 1,358 | Volterra Semiconductor Corp.* | 45 | 1,067 |
| Microsemi Corp.* | 162 | 2,991 | Xilinx, Inc. | 96 | 3,212 |
| Mindspeed Technologies, Inc.* | 66 | 367 | | | 241,930 |
| MIPS Technologies, Inc.* | 96 | 527 | Software – 3.5% | | |
| MKS Instruments, Inc. | 237 | 6,314 | Accelrys, Inc.* | 105 | 696 |
| Monolithic Power Systems, Inc.* | 63 | 785 | ACI Worldwide, Inc.* | 63 | 1,932 |
| MoSys, Inc.* | 66 | 255 | Activision Blizzard, Inc. | 117 | 1,567 |
| Nanometrics, Inc.* | 96 | 1,620 | Actuate Corp.* | 90 | 585 |
| Netlogic Microsystems, Inc.* | 129 | 6,347 | Adobe Systems, Inc.* | 180 | 5,294 |
| Novellus Systems, Inc.* | 21 | 726 | Advent Software, Inc.* | 63 | 1,726 |
| NVE Corp.* | 9 | 495 | ANSYS, Inc.* | 33 | 1,794 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|------------------------------------|--------|----------|--|--------|----------------|
| COMMON STOCKS – (continued) | | | Software – (continued) | | |
| Software – (continued) | | | | | |
| Ariba, Inc.* | 36 | \$ 1,140 | Oracle Corp. | 1,410 | \$ 46,205 |
| Aspen Technology, Inc.* | 177 | 3,069 | Parametric Technology Corp.* | 42 | 875 |
| Autodesk, Inc.* | 84 | 2,906 | Pegasystems, Inc. | 30 | 1,134 |
| Blackbaud, Inc. | 84 | 2,355 | Progress Software Corp.* | 126 | 2,654 |
| Bottomline Technologies, Inc.* | 63 | 1,530 | PROS Holdings, Inc.* | 39 | 619 |
| BroadSoft, Inc.* | 42 | 1,512 | QLIK Technologies, Inc.* | 141 | 4,028 |
| CA, Inc. | 147 | 3,184 | Quest Software, Inc.* | 111 | 1,952 |
| Cadence Design Systems, Inc.* | 507 | 5,612 | RealD, Inc.* | 75 | 838 |
| Callidus Software, Inc.* | 63 | 357 | RealPage, Inc.* | 60 | 1,581 |
| Citrix Systems, Inc.* | 69 | 5,025 | Red Hat, Inc.* | 69 | 3,426 |
| CommVault Systems, Inc.* | 78 | 3,321 | Rosetta Stone, Inc.* | 24 | 238 |
| Compuware Corp.* | 411 | 3,473 | Rovi Corp.* | 39 | 1,932 |
| Concur Technologies, Inc.* | 18 | 837 | S1 Corp.* | 68 | 662 |
| Convio, Inc.* | 21 | 201 | Salesforce.com, Inc.* | 45 | 5,993 |
| DemandTec, Inc.* | 54 | 408 | Seachange International, Inc.* | 54 | 456 |
| Digimarc Corp.* | 12 | 321 | SolarWinds, Inc.* | 108 | 3,117 |
| Ebix, Inc.* | 63 | 1,078 | Solera Holdings, Inc. | 27 | 1,475 |
| Electronic Arts, Inc.* | 120 | 2,802 | Sourcefire, Inc.* | 54 | 1,488 |
| EPIQ Systems, Inc. | 60 | 856 | SS&C Technologies Holdings, Inc.* | 63 | 999 |
| Factset Research Systems, Inc. | 15 | 1,491 | SuccessFactors, Inc.* | 156 | 4,165 |
| Fair Isaac Corp. | 72 | 1,969 | Symantec Corp.* | 273 | 4,644 |
| FalconStor Software, Inc.* | 63 | 214 | Synchronoss Technologies, Inc.* | 57 | 1,713 |
| Fortinet, Inc.* | 42 | 969 | Synopsys, Inc.* | 54 | 1,448 |
| Glu Mobile, Inc.* | 78 | 236 | Take-Two Interactive Software, Inc.* | 162 | 2,556 |
| Informatica Corp.* | 39 | 1,775 | Taleo Corp., Class A* | 78 | 2,527 |
| Interactive Intelligence Group* | 27 | 749 | TeleCommunication Systems, Inc., Class A* | 93 | 307 |
| Intuit, Inc. | 102 | 5,474 | TeleNav, Inc.* | 96 | 823 |
| JDA Software Group, Inc.* | 78 | 2,486 | THQ, Inc.* | 282 | 601 |
| Kenexa Corp.* | 45 | 1,029 | TIBCO Software, Inc.* | 60 | 1,733 |
| Magma Design Automation, Inc.* | 117 | 618 | TiVo, Inc.* | 228 | 2,469 |
| Manhattan Associates, Inc.* | 39 | 1,652 | Tyler Technologies, Inc.* | 60 | 1,894 |
| Mentor Graphics Corp.* | 177 | 2,011 | Ultimate Software Group, Inc.* | 48 | 2,889 |
| MICROS Systems, Inc.* | 30 | 1,477 | VASCO Data Security International, Inc.* | 51 | 421 |
| Microsoft Corp. | 2,706 | 72,060 | Verint Systems, Inc.* | 42 | 1,252 |
| MicroStrategy, Inc., Class A* | 15 | 1,977 | VirnetX Holding Corp.* | 78 | 1,681 |
| Monotype Imaging Holdings, Inc.* | 66 | 896 | VMware, Inc., Class A* | 30 | 2,933 |
| Motricity, Inc.* | 375 | 660 | Wave Systems Corp., Class A* | 156 | 407 |
| Netscout Systems, Inc.* | 66 | 1,082 | Websense, Inc.* | 75 | 1,338 |
| NetSuite, Inc.* | 54 | 2,054 | | | |
| Nuance Communications, Inc.* | 84 | 2,224 | | | 273,338 |
| Opnet Technologies, Inc. | 27 | 1,181 | | | |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value | | Shares | Value |
|--|--------|----------|--|--------|--------|
| COMMON STOCKS – (continued) | | | Specialty Retail – (continued) | | |
| Specialty Retail – 3.3% | | | | | |
| Aaron's, Inc. | 132 | \$ 3,532 | Guess?, Inc. | 18 | \$ 594 |
| Abercrombie & Fitch Co., Class A | 33 | 2,455 | Haverty Furniture Cos, Inc. | 36 | 418 |
| Advance Auto Parts, Inc. | 27 | 1,757 | hhgregg, Inc.* | 102 | 1,301 |
| Aeropostale, Inc.* | 366 | 5,000 | Hibbett Sports, Inc.* | 51 | 2,101 |
| American Eagle Outfitters, Inc. | 54 | 709 | Home Depot, Inc. | 579 | 20,728 |
| America's Car-Mart, Inc.* | 45 | 1,502 | HOT Topic, Inc. | 81 | 612 |
| ANN, Inc.* | 96 | 2,557 | JOS A Bank Clothiers, Inc.* | 51 | 2,725 |
| Asbury Automotive Group, Inc.* | 147 | 2,742 | Kirkland's, Inc.* | 75 | 843 |
| Ascena Retail Group, Inc.* | 291 | 8,410 | Lithia Motors, Inc., Class A | 102 | 2,098 |
| AutoNation, Inc.* | 18 | 701 | Lowe's Cos., Inc. | 471 | 9,900 |
| AutoZone, Inc.* | 9 | 2,912 | Ltd. Brands, Inc. | 96 | 4,100 |
| Barnes & Noble, Inc. | 186 | 2,282 | Lumber Liquidators Holdings, Inc.* | 45 | 674 |
| Bebe Stores, Inc. | 69 | 495 | MarineMax, Inc.* | 45 | 366 |
| Bed Bath & Beyond, Inc.* | 90 | 5,566 | The Men's Wearhouse, Inc. | 234 | 7,226 |
| Best Buy Co., Inc. | 84 | 2,203 | Monro Muffler Brake, Inc. | 57 | 2,114 |
| Big 5 Sporting Goods Corp. | 87 | 673 | Office Depot, Inc.* | 519 | 1,189 |
| Body Central Corp.* | 24 | 504 | OfficeMax, Inc.* | 390 | 1,997 |
| Brown Shoe Co., Inc. | 201 | 1,791 | O'Reilly Automotive, Inc.* | 48 | 3,650 |
| The Buckle, Inc. | 51 | 2,273 | Pacific Sunwear of California, Inc.* | 297 | 371 |
| Cabela's, Inc.* | 222 | 5,532 | Penske Automotive Group, Inc. | 204 | 4,160 |
| CarMax, Inc.* | 81 | 2,435 | PEP Boys-Manny Moe & Jack | 237 | 2,726 |
| Casual Male Retail Group, Inc.* | 195 | 809 | PetSmart, Inc. | 42 | 1,972 |
| The Cato Corp., Class A | 126 | 3,229 | Pier 1 Imports, Inc.* | 219 | 2,740 |
| Charming Shoppes, Inc.* | 198 | 687 | RadioShack Corp. | 453 | 5,395 |
| Chico's FAS, Inc. | 801 | 9,900 | Rent-A-Center, Inc. | 279 | 9,528 |
| The Childrens Place Retail Stores, Inc.* | 48 | 2,254 | Ross Stores, Inc. | 33 | 2,895 |
| Christopher & Banks Corp. | 147 | 490 | Rue21, Inc.* | 30 | 799 |
| Citi Trends, Inc.* | 66 | 818 | Sally Beauty Holdings, Inc.* | 438 | 8,405 |
| Collective Brands, Inc.* | 279 | 4,076 | Select Comfort Corp.* | 105 | 2,181 |
| Cost Plus, Inc.* | 30 | 237 | Shoe Carnival, Inc.* | 45 | 1,228 |
| Destination Maternity Corp. | 60 | 994 | Sonic Automotive, Inc., Class A | 165 | 2,421 |
| Dick's Sporting Goods, Inc.* | 36 | 1,407 | Stage Stores, Inc. | 159 | 2,485 |
| DSW, Inc., Class A | 48 | 2,512 | Staples, Inc. | 258 | 3,860 |
| Express, Inc. | 258 | 5,828 | Stein Mart, Inc. | 126 | 914 |
| The Finish Line, Inc., Class A | 240 | 4,824 | Systemax, Inc.* | 51 | 772 |
| Foot Locker, Inc. | 45 | 984 | Talbots, Inc.* | 129 | 339 |
| GameStop Corp., Class A* | 39 | 997 | Tiffany & Co. | 45 | 3,588 |
| The Gap, Inc. | 99 | 1,871 | TJX Cos., Inc. | 141 | 8,309 |
| Genesco, Inc.* | 108 | 6,366 | Tractor Supply Co. | 27 | 1,915 |
| GNC Holdings, Inc., Class A* | 42 | 1,040 | Ultra Salon Cosmetics & Fragrance, Inc.* | 18 | 1,211 |
| Group 1 Automotive, Inc. | 108 | 4,920 | Urban Outfitters, Inc.* | 45 | 1,226 |
| | | | Vitamin Shoppe, Inc.* | 51 | 1,923 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|--|--------|-------|
|--|--------|-------|

COMMON STOCKS – (continued)

Specialty Retail – (continued)

| | | |
|------------------------------|-----|--------|
| West Marine, Inc.* | 69 | \$ 627 |
| The Wet Seal, Inc., Class A* | 192 | 804 |
| Williams-Sonoma, Inc. | 33 | 1,239 |
| Zumiez, Inc.* | 39 | 887 |

247,830

Textiles, Apparel & Luxury Goods – 0.9%

| | | |
|---|-----|--------|
| Carter's, Inc.* | 96 | 3,657 |
| Coach, Inc. | 105 | 6,832 |
| Columbia Sportswear Co. | 27 | 1,451 |
| Deckers Outdoor Corp.* | 15 | 1,729 |
| Fossil, Inc.* | 18 | 1,866 |
| G-III Apparel Group Ltd.* | 72 | 2,030 |
| Hanesbrands, Inc.* | 27 | 712 |
| Iconix Brand Group, Inc.* | 138 | 2,477 |
| The Jones Group, Inc. | 390 | 4,356 |
| Kenneth Cole Productions, Inc., Class A* | 21 | 226 |
| K-Swiss, Inc., Class A* | 51 | 230 |
| Liz Claiborne, Inc.* | 432 | 3,460 |
| Maidenform Brands, Inc.* | 45 | 1,106 |
| Movado Group, Inc. | 33 | 552 |
| NIKE, Inc., Class B | 135 | 13,006 |
| Oxford Industries, Inc. | 27 | 1,067 |
| Perry Ellis International, Inc.* | 63 | 1,581 |
| PVH Corp. | 21 | 1,563 |
| Quiksilver, Inc.* | 249 | 834 |
| Ralph Lauren Corp. | 21 | 3,335 |
| Skechers U.S.A., Inc., Class A* | 117 | 1,668 |
| Steven Madden Ltd.* | 72 | 2,657 |
| True Religion Apparel, Inc.* | 48 | 1,628 |
| Under Armour, Inc., Class A* | 15 | 1,266 |
| Unifi, Inc.* | 72 | 558 |
| Vera Bradley, Inc.* | 45 | 2,039 |
| VF Corp. | 24 | 3,317 |
| The Warnaco Group, Inc.* | 15 | 737 |
| Wolverine World Wide, Inc. | 93 | 3,527 |

69,467

Thriffs & Mortgage Finance – 0.6%

| | | |
|----------------------------------|-----|-------|
| Astoria Financial Corp. | 567 | 4,706 |
| Beneficial Mutual Bancorp, Inc.* | 69 | 566 |

| | Shares | Value |
|--|--------|-------|
|--|--------|-------|

Thriffs & Mortgage Finance – (continued)

| | | |
|-------------------------------------|-----|----------|
| Berkshire Hills Bancorp, Inc. | 96 | \$ 1,922 |
| Brookline Bancorp, Inc. | 111 | 928 |
| Capitol Federal Financial, Inc. | 315 | 3,493 |
| Dime Community Bancshares, Inc. | 144 | 1,716 |
| First Niagara Financial Group, Inc. | 81 | 744 |
| Flagstar Bancorp, Inc.* | 360 | 281 |
| Flushing Financial Corp. | 144 | 1,765 |
| Fox Chase Bancorp, Inc. | 27 | 342 |
| Hudson City Bancorp, Inc. | 132 | 825 |
| MGIC Investment Corp.* | 348 | 926 |
| New York Community Bancorp, Inc. | 120 | 1,597 |
| Northwest Bancshares, Inc. | 195 | 2,432 |
| Ocwen Financial Corp.* | 336 | 4,873 |
| Oritani Financial Corp. | 99 | 1,283 |
| People's United Financial, Inc. | 135 | 1,721 |
| The PMI Group, Inc.* ^ | 285 | 88 |
| Provident Financial Services, Inc. | 258 | 3,341 |
| Provident New York Bancorp | 72 | 500 |
| Radian Group, Inc. | 429 | 1,008 |
| Rockville Financial, Inc. | 24 | 241 |
| TFS Financial Corp.* | 33 | 304 |
| Trustco Bank Corp. NY | 420 | 2,083 |
| United Financial Bancorp, Inc./MD | 30 | 484 |
| ViewPoint Financial Group | 30 | 386 |
| Walker & Dunlop, Inc.* | 21 | 267 |
| Washington Federal, Inc. | 501 | 6,840 |
| Westfield Financial, Inc. | 51 | 363 |
| WSFS Financial Corp. | 15 | 596 |

46,621

Tobacco – 1.1%

| | | |
|-----------------------------------|-----|--------|
| Alliance One International, Inc.* | 399 | 1,065 |
| Altria Group, Inc. | 756 | 20,828 |
| Lorillard, Inc. | 51 | 5,644 |
| Philip Morris International, Inc. | 636 | 44,437 |
| Reynolds American, Inc. | 123 | 4,758 |
| Star Scientific, Inc.* | 216 | 626 |
| Universal Corp. | 108 | 4,625 |
| Vector Group Ltd. | 171 | 3,004 |

84,987

Trading Companies & Distributors – 0.6%

| | | |
|----------------|-----|-------|
| Aceto Corp. | 129 | 818 |
| Aircastle Ltd. | 225 | 2,729 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

| | Shares | Value |
|---|--------|---------------|
| COMMON STOCKS – (continued) | | |
| Trading Companies & Distributors – (continued) | | |
| Applied Industrial Technologies, Inc. | 177 | \$ 5,951 |
| Beacon Roofing Supply, Inc.* | 87 | 1,603 |
| CAI International, Inc.* | 24 | 375 |
| DXP Enterprises, Inc.* | 18 | 450 |
| Fastenal Co. | 108 | 4,114 |
| GATX Corp. | 87 | 3,304 |
| H&E Equipment Services, Inc.* | 57 | 625 |
| Houston Wire & Cable Co. | 30 | 383 |
| Interline Brands, Inc.* | 63 | 939 |
| Kaman Corp. | 48 | 1,596 |
| MSC Industrial Direct Co., Class A | 18 | 1,224 |
| RSC Holdings, Inc.* | 117 | 1,142 |
| Rush Enterprises, Inc., Class A* | 51 | 984 |
| TAL International Group, Inc. | 105 | 2,922 |
| Textainer Group Holdings Ltd. | 81 | 2,223 |
| Titan Machinery, Inc.* | 33 | 770 |
| United Rentals, Inc.* | 117 | 2,739 |
| W.W. Grainger, Inc. | 21 | 3,598 |
| Watsco, Inc. | 48 | 2,960 |
| WESCO International, Inc.* | 81 | 3,925 |
| | | 45,374 |

Water Utilities – 0.1%

| | | |
|--------------------------------|----|--------------|
| American States Water Co. | 36 | 1,258 |
| American Water Works Co., Inc. | 48 | 1,465 |
| Aqua America, Inc. | 48 | 1,065 |
| California Water Service Group | 78 | 1,448 |
| Middlesex Water Co. | 30 | 569 |
| SJW Corp. | 24 | 559 |
| | | 6,364 |

Wireless Telecommunication Services – 0.3%

| | | |
|------------------------------------|-----|-------|
| American Tower Corp., Class A* | 144 | 7,934 |
| Clearwire Corp., Class A* | 393 | 755 |
| Crown Castle International Corp.* | 87 | 3,598 |
| Leap Wireless International, Inc.* | 396 | 2,752 |
| MetroPCS Communications, Inc.* | 90 | 765 |
| NTELOS Holdings, Corp.* | 132 | 2,511 |
| SBA Communications Corp., Class A* | 42 | 1,600 |
| Shenandoah Telecommunications Co. | 45 | 610 |
| Sprint Nextel Corp.* | 561 | 1,442 |
| Telephone & Data Systems, Inc. | 12 | 278 |

See Accompanying Notes to the Financial Statements.

| | Shares | Value |
|--|-----------------------------|---------------------|
| Wireless Telecommunication Services – (continued) | | |
| Telephone & Data Systems, Inc., Special Shares | 12 | \$ 251 |
| United States Cellular Corp.* | 6 | 239 |
| USA Mobility, Inc. | 102 | 1,333 |
| | | 24,068 |
| Total Common Stocks (Cost \$7,055,967) | | 7,518,811 |
| | Principal Amount | |
| U.S. GOVERNMENT & AGENCY SECURITY – 0.3% | | |
| U.S. Treasury Bill 0.05%, due 05/03/12(a) (b) | \$ 20,000 | 19,994 |
| Total U.S. Government & Agency Security (Cost \$19,998) | | 19,994 |
| Total Investment Securities (Cost \$7,075,965) – 97.1% | | 7,538,805 |
| Other assets less liabilities – 2.9% | | 221,725 |
| NET ASSETS – 100.0% | | \$ 7,760,530 |

* Non-income producing security.

^ Security fair valued in accordance with procedures adopted by the Board of Trustees. At October 31, 2011, the value of these securities amounted to \$91 or 0.00% of net assets.

‡ Investment in affiliated company. Northern Trust Investments, Inc., the Investment Adviser of the Fund, is an indirect subsidiary of Northern Trust Corporation.

(a) Zero coupon security. Rate disclosed is yield as of October 31, 2011.

(b) Security pledged as collateral to cover margin requirements for open futures contracts.

Percentages shown are based on Net Assets.

Classifications shown on the Schedule of Investments are unaudited.

Abbreviation:

REIT – Real Estate Investment Trust

As of October 31, 2011, the gross unrealized appreciation (depreciation) of investments based on the aggregate cost of investments for federal income tax purposes was as follows:

| | |
|---|-------------|
| Aggregate gross unrealized appreciation | \$ 511,470 |
| Aggregate gross unrealized depreciation | (48,630) |
| Net unrealized appreciation | \$ 462,840 |
| Federal income tax cost of investments | \$7,075,965 |

FlexSharesSM Morningstar US Market Factor Tilt Index Fund (cont.)

Investment in a company which was affiliated for the period ending October 31, 2011, was as follows:

| Security | Value September 16, 2011 | Purchases at Cost | Sales at Cost | Value October 31, 2011 | Dividend Income | Realized Gain (Loss) |
|----------------------|-----------------------------|----------------------|---------------|---------------------------|--------------------|-------------------------|
| Northern Trust Corp. | \$- | \$2,861 | \$- | \$3,157 | \$- | \$- |

Futures Contracts Purchased

FlexSharesSM Morningstar US Market Factor Tilt Index had the following open long futures contracts as of October 31, 2011:

| | Number of Contracts | Expiration Date | Notional Amount at Value | Unrealized Appreciation |
|---|------------------------|--------------------|-----------------------------|----------------------------|
| E-Mini S&P 500 [®] Futures Contracts | 2 | 12/16/11 | \$124,930 | \$ 8,738 |
| Mini Russell 2000 [®] Futures Contract | 1 | 12/16/11 | 73,930 | 9,128 |
| | | | | \$17,866 |

See Accompanying Notes to the Financial Statements.

Schedule of Investments

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund

| | Shares | Value |
|---|---------|-------------------|
| COMMON STOCKS – 99.4% | | |
| Chemicals – 25.0% | | |
| Agrium, Inc. | 19,293 | \$ 1,596,274 |
| CF Industries Holdings, Inc. | 8,673 | 1,407,368 |
| Incitec Pivot Ltd. | 197,650 | 733,939 |
| Intrepid Potash, Inc.* | 5,192 | 144,493 |
| Israel Chemicals Ltd. | 52,805 | 637,607 |
| K+S AG | 17,110 | 1,097,672 |
| Monsanto Co. | 65,785 | 4,785,859 |
| The Mosaic Co. | 19,057 | 1,115,978 |
| Potash Corp. of Saskatchewan, Inc. | 114,283 | 5,428,513 |
| The Scotts Miracle-Gro Co., Class A | 6,018 | 291,933 |
| Sociedad Quimica y Minera de Chile S.A. (ADR) | 11,446 | 669,591 |
| Syngenta AG* | 12,095 | 3,729,338 |
| Uralkali OJSC (GDR) | 72,747 | 3,157,220 |
| Yara International ASA | 21,122 | 1,015,796 |
| | | 25,811,581 |

Containers & Packaging – 0.3%

| | | |
|---------------------|-------|---------|
| Sonoco Products Co. | 8,378 | 262,985 |
|---------------------|-------|---------|

Food Products – 7.7%

| | | |
|--|---------|------------------|
| Archer-Daniels-Midland Co. | 77,880 | 2,253,847 |
| Bunge Ltd. | 18,526 | 1,144,351 |
| Chaoda Modern Agriculture Holdings Ltd.^ | 30,000 | 4,250 |
| China Agri-Industries Holdings Ltd. | 236,000 | 191,475 |
| Cosan S.A. Industria e Comercio | 17,700 | 279,727 |
| Golden Agri-Resources Ltd. | 826,000 | 428,937 |
| IOI Corp. Bhd | 472,000 | 807,692 |
| Kuala Lumpur Kepong Bhd | 64,900 | 445,500 |
| Nutreco N.V. | 4,366 | 293,523 |
| PPB Group Bhd | 64,900 | 360,885 |
| Suedzucker AG | 7,316 | 216,281 |
| Viterra, Inc. | 46,551 | 480,859 |
| Wilmar International Ltd. | 236,000 | 1,031,333 |
| | | 7,938,660 |

Machinery – 0.3%

| | | |
|------------------------------|--------|---------|
| Kurita Water Industries Ltd. | 11,800 | 330,657 |
|------------------------------|--------|---------|

Metals & Mining – 25.7%

| | | |
|-------------------------|-------|---------|
| Agnico-Eagle Mines Ltd. | 4,493 | 195,598 |
|-------------------------|-------|---------|

| | Shares | Value |
|--|---------|-------------------|
| Metals & Mining – (continued) | | |
| Alcoa, Inc. | 43,188 | \$ 464,703 |
| Anglo American Platinum Ltd. | 3,009 | 218,897 |
| Anglo American PLC | 50,563 | 1,871,811 |
| AngloGold Ashanti Ltd. | 16,343 | 741,970 |
| Antofagasta PLC | 15,458 | 291,175 |
| Barrick Gold Corp. | 40,533 | 2,008,184 |
| BHP Billiton Ltd. | 121,481 | 4,871,862 |
| Cia de Minas Buenaventura S.A. (ADR) | 5,900 | 241,487 |
| Cliffs Natural Resources, Inc. | 5,428 | 370,298 |
| Eldorado Gold Corp. | 21,004 | 396,078 |
| First Quantum Minerals Ltd. | 13,157 | 276,983 |
| Freeport-McMoRan Copper & Gold, Inc. | 38,055 | 1,532,094 |
| Gold Fields Ltd. | 29,559 | 513,581 |
| Goldcorp, Inc. | 30,857 | 1,506,735 |
| Grupo Mexico SAB de CV | 153,400 | 430,313 |
| Impala Platinum Holdings Ltd. | 19,529 | 453,719 |
| Kinross Gold Corp. | 49,737 | 711,566 |
| MMC Norilsk Nickel OJSC (ADR) | 4,484 | 87,752 |
| Newcrest Mining Ltd. | 31,034 | 1,103,664 |
| Newmont Mining Corp. | 21,240 | 1,419,469 |
| Randgold Resources Ltd. | 4,130 | 452,971 |
| Rio Tinto PLC | 56,876 | 3,107,550 |
| Southern Copper Corp. | 8,614 | 264,278 |
| Sumitomo Metal Mining Co. Ltd. | 22,000 | 310,074 |
| Teck Resources Ltd., Class B | 17,641 | 709,725 |
| United Co. RUSAL PLC* | 354,000 | 328,242 |
| Xstrata PLC | 71,331 | 1,203,740 |
| Yamana Gold, Inc. | 34,397 | 515,306 |
| | | 26,599,825 |

Multi-Utilities – 1.0%

| | | |
|---------------------------|--------|------------------|
| ACEA S.p.A. | 9,912 | 76,039 |
| Suez Environnement Co. | 28,143 | 445,335 |
| Veolia Environnement S.A. | 34,869 | 499,727 |
| | | 1,021,101 |

Oil, Gas & Consumable Fuels – 32.1%

| | | |
|--------------------------|---------|-----------|
| Anadarko Petroleum Corp. | 9,204 | 722,514 |
| Apache Corp. | 6,313 | 628,964 |
| BG Group PLC | 54,457 | 1,192,351 |
| BP PLC | 316,004 | 2,351,386 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund (cont.)

| | Shares | Value |
|--|---------|-------------------|
| COMMON STOCKS – (continued) | | |
| Oil, Gas & Consumable Fuels – (continued) | | |
| Canadian Natural Resources Ltd. | 17,523 | \$ 620,296 |
| Chevron Corp. | 36,403 | 3,824,135 |
| CNOOC Ltd. | 354,000 | 695,691 |
| ConocoPhillips | 24,249 | 1,688,943 |
| Devon Energy Corp. | 7,257 | 471,342 |
| Encana Corp. | 13,275 | 288,956 |
| ENI S.p.A. | 45,371 | 1,011,903 |
| EOG Resources, Inc. | 4,484 | 401,004 |
| Exxon Mobil Corp. | 73,514 | 5,740,707 |
| Gazprom OAO (ADR) | 170,451 | 1,989,163 |
| Hess Corp. | 5,192 | 324,812 |
| Lukoil OAO (ADR) | 8,260 | 480,732 |
| Marathon Oil Corp. | 11,623 | 302,547 |
| Occidental Petroleum Corp. | 13,865 | 1,288,613 |
| OGX Petroleo e Gas Participacoes S.A.* | 23,600 | 200,347 |
| PetroChina Co. Ltd., Class H | 472,000 | 623,660 |
| Petroleo Brasileiro S.A. (ADR) | 40,238 | 1,017,619 |
| Repsol YPF S.A. | 12,095 | 369,455 |
| Royal Dutch Shell PLC, Class A | 65,726 | 2,349,621 |
| Sasol Ltd. | 9,912 | 449,351 |
| Statoil ASA | 18,054 | 465,227 |
| Suncor Energy, Inc. | 26,078 | 833,603 |
| Talisman Energy, Inc. | 16,815 | 239,380 |
| Total S.A. | 35,990 | 1,898,270 |
| Tullow Oil PLC | 15,576 | 352,731 |
| Woodside Petroleum Ltd. | 9,676 | 375,316 |
| | | 33,198,639 |

Paper & Forest Products – 2.6%

| | | |
|--------------------------|--------|------------------|
| Domtar Corp. | 3,186 | 260,965 |
| Duratex S.A. | 23,600 | 131,382 |
| International Paper Co. | 29,441 | 815,515 |
| Louisiana-Pacific Corp.* | 10,561 | 70,231 |
| Meadwestvaco Corp. | 12,626 | 352,392 |
| OJI Paper Co. Ltd. | 59,000 | 295,095 |
| Stora Enso Oyj | 43,896 | 281,518 |
| UPM-Kymmene Oyj | 37,288 | 441,039 |
| | | 2,648,137 |

Real Estate Investment Trusts (REITs) – 1.5%

| | | |
|-----------------------------|--------|---------|
| Plum Creek Timber Co., Inc. | 11,623 | 437,722 |
|-----------------------------|--------|---------|

| | Shares | Value |
|--|--------|------------------|
| Real Estate Investment Trusts (REITs) – (continued) | | |
| Potlatch Corp. | 2,537 | \$ 82,402 |
| Rayonier, Inc. | 8,024 | 334,842 |
| Weyerhaeuser Co. | 35,931 | 646,039 |
| | | 1,501,005 |

Water Utilities – 3.2%

| | | |
|--|--------|------------------|
| American States Water Co. | 2,065 | 72,151 |
| American Water Works Co., Inc. | 18,172 | 554,791 |
| Aqua America, Inc. | 14,809 | 328,612 |
| California Water Service Group | 4,720 | 87,650 |
| CIA Saneamento Basico de Sao Paulo (ADR) | 8,791 | 477,000 |
| Pennon Group PLC | 39,589 | 444,429 |
| Severn Trent PLC | 26,314 | 643,897 |
| United Utilities Group PLC | 76,759 | 751,434 |
| | | 3,359,964 |

| | | |
|----------------------------|--|--------------------|
| Total Common Stocks | | |
| (Cost \$93,380,574) | | 102,672,554 |

| | | |
|--|--|--------------------|
| Total Investment Securities – 99.4% | | |
| (Cost \$93,380,574) | | 102,672,554 |

| | | |
|--------------------------------------|--|---------|
| Other Assets less Liabilities – 0.6% | | 595,470 |
|--------------------------------------|--|---------|

| | | |
|----------------------------|--|----------------------|
| NET ASSETS – 100.0% | | \$103,268,024 |
|----------------------------|--|----------------------|

* Non-income producing security.

^ Security fair valued in accordance with procedures adopted by the Board of Trustees. At October 31, 2011, the value of these securities amounted to \$4,250 or 0.00% of net assets.

Percentages shown are based on Net Assets.

Classifications shown on the Schedule of Investments are unaudited.

Abbreviations:

ADR – American Depositary Receipt

GDR – Global Depositary Receipt

REIT – Real Estate Investment Trust

As of October 31, 2011, the gross unrealized appreciation (depreciation) of investments based on the aggregate cost of investments for federal income tax purposes was as follows:

| | |
|---|--------------|
| Aggregate gross unrealized appreciation | \$ 9,456,590 |
| Aggregate gross unrealized depreciation | (164,610) |
| Net unrealized appreciation | \$ 9,291,980 |
| Federal income tax cost of investments | \$93,380,574 |

See Accompanying Notes to the Financial Statements.

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund (cont.)

Futures Contracts Purchased

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund had the following open long futures contracts as of October 31, 2011:

| | Number of Contracts | Expiration Date | Notional Amount at Value | Unrealized Appreciation |
|---|---------------------|-----------------|--------------------------|-------------------------|
| E-Mini S&P 500 [®] Futures Contracts | 2 | 12/16/11 | \$124,930 | \$ 7,450 |
| FTSE 100 [®] Index Futures Contracts | 2 | 12/16/11 | 178,794 | 5,610 |
| S&P Toronto Stock Exchange 60 [®] Index Futures Contract | 1 | 12/15/11 | 140,287 | 6,118 |
| SPI 200 [®] Index Futures Contract | 1 | 12/15/11 | 113,628 | 1,105 |
| | | | | \$20,283 |

Cash collateral in the amount of \$233,668 was pledged to cover margin requirements for open futures contracts as of October 31, 2011.

Forward Foreign Currency Contracts

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund had the following outstanding contracts as of October 31, 2011:

| Contracts to Deliver | Counterparty | In Exchange For | Delivery Date | Unrealized Depreciation |
|----------------------|--------------|-----------------|---------------|-------------------------|
| GBP 189,925 | UBS AG | USD 300,000 | 12/21/11 | \$(6,410) |

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund invested, as a percentage of net assets, in the following countries as of October 31, 2011 (unaudited):

| | |
|--------------------|--------|
| Australia | 6.9% |
| Brazil | 2.0 |
| Canada | 15.6 |
| Chile | 0.6 |
| China | 1.3 |
| Finland | 0.7 |
| France | 2.7 |
| Germany | 1.3 |
| Hong Kong | 0.2 |
| Israel | 0.6 |
| Italy | 1.1 |
| Japan | 0.9 |
| Jersey | 0.4 |
| Malaysia | 1.6 |
| Mexico | 0.4 |
| Netherlands | 2.6 |
| Norway | 1.4 |
| Peru | 0.2 |
| Russia | 5.8 |
| Singapore | 1.4 |
| South Africa | 2.3 |
| Spain | 0.4 |
| Switzerland | 4.8 |
| United Kingdom | 10.7 |
| United States | 33.5 |
| Other ¹ | 0.6 |
| | 100.0% |

¹ Includes any non-equity securities and net other assets (liabilities).

See Accompanying Notes to the Financial Statements.

Schedule of Investments

FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund

| | Principal Amount | Value |
|---|---------------------|----------------------|
| U.S. TREASURY OBLIGATIONS – 99.4% | | |
| U.S. Treasury Inflation Index | | |
| Notes | | |
| 0.63%, due 04/15/13 | \$ 4,512,320 | \$ 4,622,412 |
| 1.88%, due 07/15/13 | 6,907,432 | 7,285,528 |
| 2.00%, due 01/15/14 | 7,123,409 | 7,634,209 |
| 1.25%, due 04/15/14 | 4,602,978 | 4,871,340 |
| 2.00%, due 07/15/14 | 6,411,870 | 6,986,077 |
| 1.63%, due 01/15/15 | 16,260,160 | 17,716,142 |
| 0.50%, due 04/15/15 | 9,241,071 | 9,729,435 |
| 1.88%, due 07/15/15 | 14,285,046 | 15,878,951 |
| 2.00%, due 01/15/16 | 13,948,030 | 15,716,559 |
| 0.13%, due 04/15/16 | 19,516,045 | 20,381,905 |
| 2.50%, due 07/15/16 | 6,293,186 | 7,333,265 |
| 2.38%, due 01/15/17 | 5,504,562 | 6,412,306 |
| 2.63%, due 07/15/17 | 4,284,834 | 5,112,131 |
| 1.63%, due 01/15/18 | 4,844,582 | 5,464,821 |
| 1.38%, due 07/15/18 | 4,433,405 | 4,951,663 |
| | | 140,096,744 |
| Total U.S. Treasury Obligations (Cost \$139,016,549) | | 140,096,744 |
| Total Investment Securities – 99.4% | | |
| (Cost \$139,016,549) | | 140,096,744 |
| Other Assets less Liabilities – 0.6% | | 815,047 |
| NET ASSETS – 100.0% | | \$140,911,791 |

As of October 31, 2011, the gross unrealized appreciation (depreciation) of investments based on the aggregate cost of investments for federal income tax purposes was as follows:

| | |
|---|---------------|
| Aggregate gross unrealized appreciation | \$ 1,116,113 |
| Aggregate gross unrealized depreciation | (35,918) |
| Net unrealized appreciation | \$ 1,080,195 |
| Federal income tax cost of investments | \$139,016,549 |

Percentages shown are based on Net Assets.

Classifications shown on the Schedule of Investments are unaudited.

See Accompanying Notes to the Financial Statements.

Schedule of Investments

FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Fund

| | Principal Amount | Value |
|--|---------------------|--------------------|
| U.S. TREASURY OBLIGATIONS – 99.5% | | |
| U.S. Treasury Inflation Index | | |
| Notes | | |
| 1.63%, due 01/15/15 | \$ 5,505,082 | \$ 5,998,023 |
| 0.50%, due 04/15/15 | 5,404,563 | 5,690,179 |
| 1.88%, due 07/15/15 | 4,856,799 | 5,398,714 |
| 2.00%, due 01/15/16 | 4,748,266 | 5,350,318 |
| 0.13%, due 04/15/16 | 6,548,113 | 6,838,630 |
| 2.50%, due 07/15/16 | 5,440,633 | 6,339,810 |
| 2.38%, due 01/15/17 | 4,628,326 | 5,391,571 |
| 2.63%, due 07/15/17 | 12,007,374 | 14,325,703 |
| 1.63%, due 01/15/18 | 13,901,140 | 15,680,866 |
| 1.38%, due 07/15/18 | 12,317,933 | 13,757,879 |
| 2.13%, due 01/15/19 | 12,197,765 | 14,289,250 |
| 1.88%, due 07/15/19 | 12,620,714 | 14,607,406 |
| 1.38%, due 01/15/20 | 4,861,003 | 5,436,883 |
| 1.25%, due 07/15/20 | 8,201,247 | 9,098,037 |
| 1.13%, due 01/15/21 | 9,118,634 | 9,993,250 |
| 0.63%, due 07/15/21 | 5,960,539 | 6,228,580 |
| | | 144,425,099 |

Total U.S. Treasury Obligations
(Cost \$143,604,460) **144,425,099**

Total Investment Securities – 99.5%
(Cost \$143,604,460) **144,425,099**

Other Assets less Liabilities – 0.5% 769,152

NET ASSETS – 100.0% **\$145,194,251**

As of October 31, 2011, the gross unrealized appreciation (depreciation) of investments based on the aggregate cost of investments for federal income tax purposes was as follows:

| | |
|---|---------------|
| Aggregate gross unrealized appreciation | \$ 850,965 |
| Aggregate gross unrealized depreciation | (30,326) |
| Net unrealized appreciation | \$ 820,639 |
| Federal income tax cost of investments | \$143,604,460 |

Percentages shown are based on Net Assets.

Classifications shown on the Schedule of Investments are unaudited.

See Accompanying Notes to the Financial Statements.

Notes to the Financial Statements (October 31, 2011)

1. Organization

FlexSharesSM Trust (the “Trust”), a Maryland statutory trust, was formed on May 13, 2010, originally named NT ETF Trust and renamed FlexSharesSM Trust as of April 12, 2011. The Trust is registered as an open-end management investment company under the Investment Company Act of 1940 (the “1940 Act”), as amended. The Trust currently consists of four operational exchange-traded funds (each, a “Fund”, and collectively the “Funds”). Each Fund is a non-diversified series of the Trust, pursuant to the 1940 Act. The FlexSharesSM Morningstar US Market Factor Tilt Index Fund and FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund commenced investment operations on September 16, 2011. The FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund and FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Fund commenced investment operations on September 19, 2011. The Trust also consists of an additional series, which had not commenced operations as of the date of this report.

The Funds seek to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of a specified benchmark index (each an “Underlying Index”). Each Fund is managed by Northern Trust Investment, Inc. (“NTI” or “Investment Adviser”), an indirect subsidiary of Northern Trust Corporation. The Funds had no operations prior to their inception, other than matters relating to their organization.

On August 22, 2011, prior to commencing operations, the FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund issued 2,000 shares of beneficial interest in the Fund to Northern Trust Corporation at a net asset value of \$50 per share to comply with the regulatory capital requirements of the 1940 Act. The Fund then underwent a 2 for 1 stock split increasing the regulatory seed shares outstanding from 2,000 to 4,000 shares.

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Funds in preparation of their financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in con-

formity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Investment Valuation

Each Fund’s Net Asset Value (“NAV”) is determined daily as of the close of regular trading on the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. The NAV is calculated by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of shares outstanding.

The securities and other assets of the Funds are valued at fair value pursuant to the pricing policy and procedures approved by the Board of Trustees of the Trust (the “Board”). The Funds’ investments are valued using market quotations when available. When market quotations are not readily available, are deemed unreliable, or do not reflect material events occurring between the close of local markets and the time of valuation, the Funds value securities at fair value as determined in good faith in accordance with the Funds’ fair value pricing procedures as approved by the Board. Such circumstances include periods when trading in a security is limited, corporate actions and announcements take place, or regulatory news is released such as government approvals. Additionally, the Trust, in its discretion, may make adjustments to the prices of securities held by a Fund if an event occurs after the publication of market values normally used by a Fund but before the time as of which the Fund calculates its NAV, depending on the nature and significance of the event, consistent with applicable regulatory guidance and the Trust’s fair value procedures. Other events that can trigger fair valuing of foreign securities include, for example, significant fluctuations in general market indicators, government actions, or natural disasters.

The use of fair valuation involves the risk that the values used by the Funds to price their investments may be higher or lower than the values used by other investment companies and investors to price the same investments. Fair value pricing involves subjective judgments and it is possible that a

Notes to the Financial Statements (cont.)

fair value determination for a portfolio security is materially different than the value that could be realized upon the sale of such security. In addition, fair value pricing could result in a difference between the prices used to calculate a Fund's NAV and the prices used by the Fund's Underlying Index. This may adversely affect the Fund's ability to track its Underlying Index. With respect to securities that are primarily listed on foreign exchanges, the value of the FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund's securities may change on days when shareholders will not be able to purchase or sell Fund shares.

Security prices are generally provided by independent pricing services. Portfolio securities listed or traded on domestic securities exchanges or the NASDAQ/NMS, including dollar-dominated foreign securities or American Depositary Receipts ("ADRs"), are valued at the closing price on the exchange or system where the security is principally traded. With respect to securities traded on the NASDAQ/NMS, such closing price is the Nasdaq Official Closing Price ("NOCP"). If there have been no sales for that day on the exchange or system where the security is principally traded, then the value is determined with reference to the last sale price, or the NOCP, if applicable, on any other exchange or system. If there have been no sales of the security for that day on any exchange or system, the security is valued at fair value pursuant to the Trust's fair value procedures.

Securities that are traded regularly in the over-the-counter market (other than the NASDAQ/NMS), including securities listed on exchanges but that are primarily traded over-the-counter, are valued on the basis of the mean between the bid and asked quotes based upon quotes furnished by primary market makers for those securities. Securities that may be traded over-the-counter include equity securities, fixed-income securities, non-exchange-listed foreign securities, and certain derivative instruments. Fixed-income securities, however, may be valued on the basis of evaluated prices provided by independent pricing services when such prices are believed to reflect the fair market value of such securities. Such prices may be determined by taking into account securities prices, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to

specific securities. Fixed-income securities maturing within a relatively short period, less than 60 days, are valued at amortized cost, which according to NTI approximates value. Foreign securities may be priced at the closing price reported on the foreign exchange on which they are principally traded. If there have been no sales of the security for that day, the security will be valued at fair value pursuant to the Trust's fair value procedures.

Spot and forward foreign currency exchange contracts generally are valued using an independent pricing service. Exchange-traded financial futures and options are valued at the settlement price as established by the exchange on which they are traded. Over-the-counter options are valued at broker-provided bid prices, as are swaps, caps, collars and floors. The foregoing prices may be obtained from one or more independent pricing services or, as needed or applicable, independent broker-dealers. If there was no sale on that day, and for non-exchange traded derivatives, the contract is valued at fair value pursuant to the Trust's fair value procedures.

Various inputs are used in determining the value of each Fund's investments. These inputs are summarized in three levels listed below:

- Level 1—Quoted prices in active markets for identical assets.
- Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3—Significant unobservable inputs (including the Funds' own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, short-term debt securities may be valued at amortized cost. Generally, amortized cost approximates the current fair value of a security, but since the valuation is not obtained from a quoted price in an active market, such securities are reflected as Level 2.

Notes to the Financial Statements (cont.)

The following is a summary of the valuations as of October 31, 2011 for each Fund based upon the three levels defined above. As of October 31, 2011, there were no Level 3 securities. Please refer to the Schedules of Investments to view common stock segregated by industry type where applicable.

| | Level 1 – Quoted Prices | | Level 2 – Other Significant Observable Inputs | | | | Total | |
|---|-------------------------|-------------------|---|---------------------------|------------------------------------|-----------------------|--|--|
| | Common Stocks | Futures Contracts | Common Stocks | U.S. Treasury Obligations | Forward Foreign Currency Contracts | Investment Securities | Other Financial Instruments including Futures Contracts and Forward Foreign Currency Contracts | |
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$ 7,518,720 | \$ 17,866 | \$ 91 | \$ 19,994 | \$ – | \$ 7,538,805 | \$ 17,866 | |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 102,668,304 | 20,283 | 4,250 | – | (6,410) | 102,672,554 | 13,873 | |
| FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | – | – | – | 140,096,744 | – | 140,096,744 | – | |
| FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund | – | – | – | 144,425,099 | – | 144,425,099 | – | |

Foreign Securities

The FlexsharesSM Morningstar Global Upstream Natural Resources Index Fund invests in publicly-traded common stocks of issuers in countries other than the United States of America (“U.S.”). Such investment includes direct investments in non-U.S. dollar denominated securities traded outside the U.S. The Fund’s investment also may be in the form of American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”) (collectively, “Depositary Receipts”) based on securities in its Underlying Index. ADRs are receipts that are traded in the United States evidencing ownership of the underlying foreign securities and are denominated in U.S. dollars. GDRs are receipts issued by a non-U.S. financial institution evidencing ownership of underlying foreign or U.S. securities and usually are denominated in foreign currencies. GDRs may not be denominated in the same currency as the securities

they represent. Generally, GDRs are designed for use in the foreign securities markets.

To the extent the Fund invests in ADRs, such ADRs will be listed on a national securities exchange. To the extent the Fund invests in GDRs, such GDRs will be listed on a foreign exchange. The Fund will not invest in any unlisted Depositary Receipt, any Depositary Receipt that NTI deems to be illiquid or any Depositary Receipt for which pricing information is not readily available. Generally, all depositary receipts must be sponsored.

Depositary Receipts do not eliminate all the risk inherent in investing in the securities of foreign issuers. 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,

Notes to the Financial Statements (cont.)

diplomatic, financial, and regulatory factors. Foreign governments also may impose limits on investment and repatriation and impose taxes. Any of these events could cause the value of the Fund's investments to decline. The risks of foreign investment are heightened when the issuer is located in an emerging country. Emerging countries are generally located in the Asia and Pacific regions, the Middle East, Eastern Europe, Latin, Central and South America and Africa.

Inflation-Indexed Securities

FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund and FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Fund invest in U.S. Treasury Inflation-Protected Securities ("TIPS"). The value of inflation-indexed debt securities are subject to the effects of changes in real interest rates that may change as a result of different factors. In general, the value of an inflation-indexed security, including TIPS, tends to decrease when real interest rates increase and increase when real interest rates decrease. Interest payments on inflation-indexed securities will vary along with changes in the Consumer Price Index for All Urban Consumers (CPI-U) before seasonal adjustment (calculated by the Bureau of Labor Statistics). Thus generally, during periods of rising inflation, the value of inflation-indexed securities will tend to increase and during periods of deflation, their value will tend to decrease. There can be no assurance that the inflation index used (i.e. CPI-U) will accurately measure the price increase of a certain good or service. Increases in the principal value of TIPS due to inflation are considered taxable ordinary income for the amount of the increase in a calendar year.

Derivative Contracts

Futures Contracts

FlexSharesSM Morningstar US Market Factor Tilt Index Fund and FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund invested in futures contracts to help track the price and yield performance of their underlying indexes. Risk may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. A Fund also bears the market risk arising from changes in the value of these financial instruments. At the

time a Fund enters into a futures contract it is generally required to make a margin deposit with the custodian of a specified amount of liquid assets. Subsequent payments are made or received by the Funds equal to the daily change in the contract value and are recorded as variation margin receivable or payable and offset in unrealized gains or losses. Futures are marked to market each day with the change in value reflected in the unrealized gains or losses. A Fund recognizes a realized gain or loss when a contract is closed or expires. The Statements of Operations reflect gains or losses, if any, as realized gain (loss) on futures contracts and as unrealized appreciation (depreciation) on futures contracts. As of October 31, 2011, the FlexSharesSM Morningstar US Market Factor Tilt Index and FlexSharesSM Morningstar Global Upstream Natural Resources Index Funds had open futures contracts.

The use of futures contracts involves, to varying degrees, elements of market and counterparty risk which may exceed the amounts recognized in the Statements of Assets and Liabilities. Futures contracts may be illiquid, and exchanges may limit fluctuations in futures contract prices during a single day. Changes in the value of a futures contract may not directly correlate with changes in the value of the underlying securities. These risks may decrease the effectiveness of the Funds' strategies and potentially result in a loss.

Foreign Currency Translations

Values of investments denominated in foreign currencies are converted into U.S. dollars using the prevailing market rates on the date of valuation as quoted by one or more banks or dealers that make a two-way market in such currencies (or a data service provider based on quotations received from such banks or dealers). Any use of a rate different from the rates used by an Index Provider may affect a Fund's ability to track its Underlying Index. The cost of purchases and proceeds from sales of investments, interest and dividend income are translated into U.S. dollars using the spot market rate of exchange prevailing on the respective dates of such transactions. The gains or losses, if any, on investments resulting from changes in foreign exchange rates are included in the Statements of Operations as realized gain (loss) on foreign currency transactions and unrealized appreciation (depreciation) on translation of other assets and liabilities denominated in foreign currencies.

Notes to the Financial Statements (cont.)

Forward Foreign Currency Exchange Contracts

The FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund entered into forward foreign currency exchange contracts to facilitate local settlements or to protect against currency exposure in connection with its distributions to shareholders. Forward foreign currency exchange contracts are privately negotiated transactions and can have substantial price volatility. As a result, they offer less protection against default by the other party than is available for instruments traded on an exchange. The institutions that deal in forward foreign currency exchange contracts are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity. All forward foreign currency exchange contracts are “marked-to-market” daily at the applicable exchange rates and any resulting unrealized gains or losses are recorded in the financial statements. The Fund records realized gains or losses at the time the forward foreign cur-

rency exchange contract is offset by entering into a closing transaction or extinguished by delivery of the currency.

Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The contractual amounts of forward foreign currency exchange contracts do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. The Statements of Operations reflect realized gains or losses, if any, in realized gain (loss) on foreign currency transactions and unrealized gains or losses in unrealized appreciation (depreciation) on forward foreign currency contracts. As of October 31, 2011, the FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund had forward foreign currency contracts.

The following tables indicate the location of derivative-related items on the Statements of Assets and Liabilities as well as the effect of derivative instruments on the Statements of Operations during the reporting period.

| Fair Value of Derivative Instruments as of October 31, 2011 | | | | |
|--|--------------|--|---|-----------|
| Derivatives not accounted for as hedging instruments under ASC 815 | Counterparty | Statement of Assets and Liabilities Location | Fund | Value |
| Equity Index Futures Contracts | UBS AG | Net Assets –Unrealized Appreciation on futures contracts | FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$17,866* |
| Equity Index Futures Contracts | UBS AG | Net Assets – Unrealized appreciation on futures contracts | FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 20,283 |
| Foreign Currency Contracts | UBS AG | Net Assets – Unrealized depreciation on forward foreign currency contracts | FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | (6,410) |

* Includes cumulative appreciation/depreciation on futures contracts as reported in the Schedule of Investments. Only the current day's variation margin is reported within the assets or liabilities shown on the Statement of Assets and Liabilities.

| The Effect of Derivative Instruments on the Statement of Operations for the Period Ended October 31, 2011 | | | | |
|---|--|---|--|--|
| Derivatives not accounted for as hedging instruments under ASC 815 | Location of Gain or (Loss) on Derivatives on the Statements of Operations | Fund | Realized Gain or (Loss) on Derivatives | Change in Unrealized Appreciation or (Depreciation) on Derivatives |
| Equity Index Futures Contracts | Net realized gain (loss) on Futures contracts, Net change in unrealized appreciation (depreciation) on Futures contracts | FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$(2,767) | \$17,866 |

Notes to the Financial Statements (cont.)

The Effect of Derivative Instruments on the Statement of Operations for the Period Ended October 31, 2011 (cont.)

| Derivatives not accounted for as hedging instruments under ASC 815 | Location of Gain or (Loss) on Derivatives on the Statements of Operations | Fund | Realized Gain or (Loss) on Derivatives | Change in Unrealized Appreciation or (Depreciation) on Derivatives |
|--|---|---|--|--|
| Equity Index Futures Contracts | Net realized gain (loss) on Futures contracts, Net change in unrealized appreciation (depreciation) on Futures contracts | FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | \$ 4,092 | \$20,283 |
| Foreign Currency Contracts | Net realized gain (loss) on Forward foreign currency contracts, Net change in unrealized appreciation (depreciation) on Forward foreign currency transactions | FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | (2,000) | (6,410) |

As of October 31, 2011, the volume of derivative activities for the period was as follows:

| Fund | Foreign Exchange Contracts | | Equity Contracts | |
|---|----------------------------|-------------------------|------------------|-------------------------|
| | Number of Trades | Average Notional Amount | Number of Trades | Average Notional Amount |
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | – | \$ – | 3 | \$66,287 |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 1 | 300,000 | 6 | 92,940 |

Taxes and Distributions

Each Fund has qualified and intends to continue to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986 (the “Code”), as amended, which includes distributing substantially all of its net investment income and net capital gains to shareholders. Accordingly, no provision for federal and state income taxes is required in the financial statements.

As of October 31, 2011, management of the Funds has reviewed all open tax years and major jurisdictions and concluded that there is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future tax returns. The Funds are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the

next 12 months. On an ongoing basis management will monitor the tax positions taken to determine if adjustment to conclusions are necessary based on factors including but not limited to further implementation on guidance expected from Financial Accounting Standards Board (“FASB”) and on-going analysis of tax law, regulation, and interpretations thereof.

Dividends from net investment income, including any net foreign currency gains, are declared and paid at least annually (except for the FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund and FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Fund, which generally declare and pay any dividends monthly) and any net realized securities gains, if any, generally are distributed at least annually. As of October 31, 2011, no distributions have been declared. The Trust reserves the right to declare special distributions if, in its reasonable discretion, such action is

Notes to the Financial Statements (cont.)

necessary or advisable to improve tracking error, to preserve its status as a regulated investment company or to avoid imposition of income or excise taxes on undistributed income or realized gains. Tracking error is a measurement of how much the return on a portfolio deviates from the return on its benchmark index. Dividends and securities gains distributions are distributed in U.S. dollars and cannot be automatically reinvested in additional shares of the Funds. The amount of distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash sales) do not require a reclassification. The

Permanent differences, primarily due to designation of distributions as a return of capital, equalization and nondeductible expenses resulted in the following reclassifications, as of October 31, 2011, among the Funds’ components of net assets:

| Fund | Year Ended October 31, 2011 | | |
|---|--|---|-----------------|
| | Accumulated undistributed net investment income (loss) | Accumulated net realized gain (loss) on investments | Paid in Capital |
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$ (45) | \$ 45 | \$— |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | (2,000) | 2,000 | — |

As of October 31, 2011, the components of accumulated earnings (deficit) on a tax basis were as follows:

| Fund | Year Ended October 31, 2011 | | | |
|---|-------------------------------|--|---|---------------------------------------|
| | Undistributed Ordinary Income | Undistributed Short-Term Capital Gains | Accumulated Capital Losses and Other Losses | Unrealized Appreciated/ (Depreciated) |
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$ 8,898 | \$ — | \$— | \$ 462,840 |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 95,893 | — | — | 9,291,980 |
| FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | 197,712 | 198,118 | — | 1,080,195 |
| FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund | 238,042 | 56,243 | — | 820,639 |

On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 (the “Act”) was enacted, which changed various technical rules governing the tax treatment of regulated investment companies. The changes

Funds may utilize equalization accounting for tax purposes and designate earnings and profits, including net realized gains distributed to shareholders on redemption of shares, as a part of the dividends paid deduction for income tax purposes.

The Funds’ tax year end is October 31st and the tax character of current year distributions and current components of accumulated earnings (deficit) will be determined at the end of the current tax year.

There were no distributions paid for the tax year ended October 31, 2011.

Temporary differences are generally due to differing book and tax treatments for the timing of the recognition of gains and losses on certain investment transaction and the timing and the deductibility of certain expenses.

are generally effective for taxable years beginning after the date of enactment. Under the Act, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for an

Notes to the Financial Statements (cont.)

unlimited period. For the tax year ended October 31, 2011, the Funds have no pre-enactment loss carry-forwards since the Funds commenced operations after the effective date of the Act. Post-enactment capital loss carry forwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under previous law.

For the tax year ended October 31, 2011, the following Funds had available post-enactment capital loss carryforwards to offset future net capital gains to the extent provided by regulations:

| Fund | Year Ended October 31, 2011 | | |
|--|--------------------------------|-----------|------------|
| | Short-Term | Long-Term | Total |
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$ (2,297) | \$— | \$ (2,297) |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | (30,781) | — | (30,781) |

The FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund may be subject to foreign withholding taxes with respect to dividends or interest received from sources in foreign countries. If, at the close of the taxable year, more than 50% in value of the Fund's assets consists of stock or securities in foreign corporations the Fund will be eligible to make an election to treat a proportionate amount of those taxes as constituting a distribution to each shareholder, which would allow shareholders to either (1) credit that proportionate amount of taxes against U.S. Federal income tax liability as a foreign tax credit or (2) take that amount as an itemized deduction. If the Fund is not eligible to make this election or is eligible but does not make the election, it will be entitled to deduct such taxes in computing the amounts it is required to distribute. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign markets in which the Fund invests. These foreign taxes, if any, are paid by the Fund and disclosed in the Statement of Operations. Foreign taxes payable, if any, are reflected in the Fund's Statements of Assets and Liabilities.

3. Investment Transactions and Related Income and Expense

Throughout the reporting period, investment transactions are accounted for no later than one business day following the trade date. For financial reporting purposes, investment transactions are accounted for on trade date on the last business day of the reporting period.

Interest income is recognized on an accrual basis. Bond discount is accreted and premium is amortized over the expected life of each applicable security using the yield to maturity method. Dividend income is recorded on the ex-dividend date. Gains or losses realized on sales of securities are determined using the specific identification method by comparing the identified cost of the security lot sold with the net sales proceeds.

Expenses directly attributable to a Fund are charged to that Fund, while expenses which are attributable to more than one Fund are allocated among the respective Funds based upon relative net assets or another reasonable basis.

4. Investment Advisory Fees

NTI serves as the Investment Adviser of the Funds pursuant to the Investment Advisory Agreement. The Investment Adviser is responsible for making investment decisions for the Funds and for placing purchase and sale orders for portfolio securities, subject to the general supervision of the Trust's Board of Trustees.

As compensation for its advisory services and assumption of Fund expenses, NTI is entitled to a unitary management fee, computed daily and payable monthly, at the annual rates set forth in the table below (expressed as a percentage of each Fund's respective average daily net assets).

From the unitary management fee, NTI pays most of the expenses of the Fund, including the cost of transfer agency, custody, fund administration, legal, audit and other services ("Covered Expenses"). Covered Expenses do not include the fee payments under the Investment Advisory Agreement, interest expenses, brokerage commissions and other trading expenses, fees and expenses of the independent trustees and their independent legal counsel, taxes and other extraordinary costs such as litigation and other expenses not incurred in the ordinary course of business.

Notes to the Financial Statements (cont.)

The unitary management fee rate payable by each Fund is set forth in the following table:

| Fund | Unitary Management Fee |
|---|------------------------|
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | 0.27% |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 0.48% |
| FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | 0.20% |
| FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund | 0.20% |

The Investment Adviser may voluntarily waive any portion of its advisory fee from time to time, and may discontinue or modify any such voluntary waiver in the future at its discretion.

Amounts voluntarily waived by the Investment Adviser may not be recouped by the Investment Adviser. As of October 31, 2011, no advisory fees had been waived.

5. Administration Fees

J.P. Morgan Chase Bank, N.A. (the “Administrator”) serves as administrator of the Funds. The Administrator provides certain administrative services to the Funds. For these services, the Administrator is entitled to certain fees and reasonable out-of-pocket expenses. These fees and expenses are Covered Expenses as defined above.

6. Custodian Fees

J.P. Morgan Chase Bank, N.A. (the “Custodian”) acts as custodian for the Funds in accordance with a Global Custody Agreement. The custodian holds cash, securities and other assets of the Funds as required by the 1940 Act. As compensation for the services rendered under the agreement, the Custodian is entitled to fees and reasonable out-of-pocket expenses. These fees and expenses are Covered Expenses as defined above.

7. Trustees Fees

The Trust compensates each Trustee who is not an officer, director or employee of Northern Trust Corporation, or its subsidiaries, for his or her services as a Trustee of the Trust and as a member of Board committees.

NTI has contractually agreed with each Fund to reimburse the Fund the fees and expenses of the Trust’s independent trustees and their independent legal counsel paid by the Fund until at least September 6, 2012. After this date, NTI and the Fund may mutually agree to extend the contractual arrangement. The Board may terminate the contractual arrangement at any time if it determines that it is in the best interest of the Fund and its shareholders.

8. Distribution and Service Plan

Foreside Fund Services, LLC (“Foreside”) serves as the Funds’ distributor and distributes Creation Units (as defined in Note 9) for each Fund on an agency basis. The Distributor does not maintain a secondary market in shares of any Fund. The Distributor does not receive a fee from the Funds for its distribution services. However, it receives compensation from NTI for its services as distributor pursuant to a separate letter agreement between it and NTI.

The Trust has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the Investment Company Act of 1940. Payments to financial intermediaries under the Plan are tied directly to their own out-of-pocket expenses. As of this date, the Plan has not been implemented with respect to the Funds. The Plan may not be implemented without further Board of Trustees approval. The maximum distribution fee is 0.25% of each Fund’s respective average daily net assets under the Plan. NTI did not pay any 12b-1 fees during the current fiscal year.

9. Issuance and Redemption of Fund Shares

The Fund issues and redeems shares only to Authorized Participants (typically market makers, large investors and institutions) in exchange for the deposit or delivery of a basket of assets (securities and/or cash), in large blocks known as Creation Units, each of which is comprised of a specified number of shares.

Notes to the Financial Statements (cont.)

Retail investors may only purchase and sell fund shares on a national securities exchange through a broker-dealer and such transactions may be subject to customary commission rates imposed by the broker-dealer.

Authorized Participants may pay transaction fees to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units. Transaction fees were as follows:

| Fund | Period Ended October 31, 2011 |
|---|-------------------------------------|
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$ 3,000 |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 13,500 |

10. Investment Transactions

For the periods ended October 31, 2011, FlexSharesSM iBoxx 3-Year Target Duration TIPS Index and FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Funds invested solely in U.S. Government Securities. The cost of securities purchased and proceeds from sales of securities, excluding short-term securities, derivatives and in-kind transactions for the period ended October 31, 2011, were as follows:

| Fund | Purchases | Sales |
|---|------------|------------|
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$ 49,886 | \$ 67,628 |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 3,207,090 | 522,134 |
| FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | 28,411,764 | 26,763,368 |
| FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund | 13,427,483 | 12,606,796 |

11. In-Kind Transactions

During the period, the Funds received securities in exchange for subscriptions of shares (subscriptions-in-kind). For the period ended October 31, 2011, the fair value of the securities received for subscriptions were as follows:

| Fund | Fair Value |
|---|--------------|
| FlexShares SM Morningstar US Market Factor Tilt Index Fund | \$ 2,221,755 |
| FlexShares SM Morningstar Global Upstream Natural Resources Index Fund | 90,743,552 |
| FlexShares SM iBoxx 3-Year Target Duration TIPS Index Fund | 137,096,388 |
| FlexShares SM iBoxx 5-Year Target Duration TIPS Index Fund | 142,617,124 |

For the period ended October 31, 2011, no securities were transferred for redemptions.

12. Risk

As with any investment, you could lose all or part of your investment in a Fund, and the Fund's performance could trail that of other investments. In addition to the discussion of the risks of certain of the Funds' investments included in Note 2, some of the principal risks of investment in the Funds are summarized below. A more complete description of principal risks is included in each Fund's Prospectus.

Derivatives Risk

Changes in the value of a derivative instrument may not correlate perfectly with the underlying asset, rate or index, and the Funds could lose more than the principal amount invested.

Market Trading Risk

The Funds' shares are listed on a securities exchange, which presents risks including the potential lack of an active market for Fund shares, losses from trading in secondary markets, and disruption in the creation/redemption process of the Funds. Any of these factors may lead to the Funds' shares trading at a premium or discount to NAV.

Non-diversification Risk

Fund performance may depend on the performance of a small number of issuers because the Funds may invest a large percentage of its assets in securities issued by or representing a small number of issuers.

Notes to the Financial Statements (cont.)

Concentration Risk

To the extent that the investments of the FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund and FlexSharesSM Morningstar US Market Factor Tilt Index Fund are concentrated in the securities of issuers of one or more particular industries, the Funds may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting those industries.

Small Cap Stock Risk

FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund and FlexSharesSM Morningstar US Market Factor Tilt Index Fund may invest in stocks of smaller companies which may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally the smaller the company size, the greater the risk.

Value Investing Risk

FlexSharesSM Morningstar US Market Factor Tilt Index Fund's investment in companies whose securities are believed to be undervalued, relative to their underlying profitability, may not appreciate in value as anticipated.

Global Natural Resource Industry Risk

The FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund is subject to the risks associated with investment in the global natural resources sector in addition to the general risk of the stock market. These risks include, but are not limited to, commodity price volatility, world economic growth, depletion of natural resources, technological progress, and government regulations and special risks associated with natural or man-made disasters. As the demand for, or prices of, natural resources increase, the value of the Fund's equity investments generally would be expected to also increase. Conversely, declines in the

demand for, or prices of, natural resources generally would be expected to contribute to declines in the value of such equity securities. Such declines may occur quickly and without warning and may negatively impact the value of the Fund and your investment.

13. Guarantees and Indemnifications

In the normal course of business the Fund enters into contracts with third-party service providers that contain a variety of representations and warranties and that provide general indemnifications. Additionally, under the Funds' organizational documents, the officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. The Funds' maximum exposure under these arrangements is unknown, as it involves possible future claims that may or may not be made against the Funds.

14. New Accounting Pronouncements

On May 12, 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* ("ASU 2011-04"), modifying Accounting Standards Codification ("ASC") 820. At the same time, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standard ("IFRS") 13, *Fair Value Measurement*. The objective of the FASB and IASB is convergence of their guidance on fair value measurements and disclosures. Specifically, ASU 2011-04 requires reporting entities to disclose 1) the amounts of and reasons for any transfers between Level 1 and Level 2, and 2) for Level 3 fair value measurements: a) quantitative information about significant unobservable inputs used, b) a description of the valuation procedures used by the reporting entity, and c) a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower fair value measurement. The effective date of ASU 2011-04 is for annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 is not expected to have a material impact on the Funds' financial statement disclosures.

Notes to the Financial Statements (cont.)

15. Subsequent Events

The FlexSharesSM iBoxx 3-Year Target Duration TIPS Index and FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Funds declared and paid dividends on November 1, 2011 and December 1, 2011. Management has evaluated subsequent events for the Funds through the date the financial statements were issued, and has concluded that there are no additional recognized or non-recognized subsequent events relevant for financial statement disclosure other than the event mentioned previously.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of FlexSharesSM Trust

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of FlexShares Trust (the “Trust”), consisting of FlexSharesSM Morningstar US Market Factor Tilt Index Fund, FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund, FlexSharesSM iBoxx 3-Year Target Duration TIPS Index Fund, and FlexSharesSM iBoxx 5-Year Target Duration TIPS Index Fund (collectively, the “Funds”), as of October 31, 2011, and the related statements of operations, statements of changes in net assets and the financial highlights for the periods presented. These financial statements and financial highlights are the responsibility of the Trust’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2011, by correspondence with the custodian and brokers; where replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the Funds referred to above as of October 31, 2011, and the results of their operations, the changes in their net assets, and the financial highlights for the periods presented, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Chicago, Illinois
December 23, 2011

Fund Expenses (Unaudited)

As a shareholder, you incur two types of costs:

(1) transaction costs for purchasing and selling shares and
 (2) ongoing costs, including advisory and trustee fees. The expense examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other funds.

Actual Expenses

The actual expense examples are based on an investment of \$1,000 invested at the commencement of investment operations and held through the period ended, October 31, 2011.

The first line in the following tables provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number for your Fund in the first line for your Fund under the heading “Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The hypothetical expense examples are based on an investment of \$1,000 invested at the beginning of a six month period and held through the period ended, October 31, 2011.

The second line under each Fund in the following table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as brokerage commissions on purchases or sales of Fund shares. Therefore, the second line for each Fund in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

| | Beginning Account Value | Ending Account Value 10/31/11 | Expenses Paid During the Period* | Annualized Expense Ratio During Period |
|--|-------------------------|-------------------------------|----------------------------------|--|
| FlexSharesSM Morningstar US Market Factor Tilt Index^(a) | | | | |
| Actual | \$1,000.00 | \$1,034.80 | \$0.33 | 0.26% |
| Hypothetical | \$1,000.00 | \$1,023.89 | \$1.33 | 0.26% |
| FlexSharesSM Morningstar Global Upstream Natural Resources Index^(a) | | | | |
| Actual | \$1,000.00 | \$1,000.30 | \$0.57 | 0.46% |
| Hypothetical | \$1,000.00 | \$1,022.89 | \$2.35 | 0.46% |
| FlexSharesSM Morningstar 3-Year Target Duration TIPS Index^(b) | | | | |
| Actual | \$1,000.00 | \$1,006.00 | \$0.23 | 0.20% |
| Hypothetical | \$1,000.00 | \$1,024.20 | \$1.02 | 0.20% |

Fund Expenses (cont.)

| | Beginning Account Value | Ending Account Value 10/31/11 | Expenses Paid During the Period* | Annualized Expense Ratio During Period |
|--|-------------------------|-------------------------------|----------------------------------|--|
| FlexSharesSM Morningstar 5-Year Target Duration TIPS Index^(b) | | | | |
| Actual | \$1,000.00 | \$1,002.00 | \$0.23 | 0.20% |
| Hypothetical | \$1,000.00 | \$1,024.20 | \$1.02 | 0.20% |

Please note that while the Funds commenced operations in September 2011, the "Hypothetical Expenses Paid during the Period" reflect projected activity for the full six-month period as opposed to the shorter inception period.

* Expenses are equal to the average account value over the period multiplied by the Fund's annualized expense ratio, multiplied by the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year (to reflect the one half year period).

(a) The Funds commenced operations on September 16, 2011. Actual expenses paid during the Period with respect to each Fund are equal to the Fund's annualized net expense ratio, multiplied by the average account value over the period, multiplied by 45 divided by 365 (to reflect the actual days in the period). Hypothetical Expenses Paid During the Period are equal to the Fund's annualized net expense ratio, multiplied by the average account value over the period, multiplied by 184 divided by 365 (to reflect the one half year period).

(b) The Funds commenced operations on September 19, 2011. Actual expenses paid during the Period with respect to each Fund are equal to the Fund's annualized net expense ratio, multiplied by the average account value over the period, multiplied by 42 divided by 365 (to reflect the actual days in the period). Hypothetical Expenses Paid During the Period are equal to the Fund's annualized net expense ratio, multiplied by the average account value over the period, multiplied by 184 divided by 365 (to reflect the one half year period).

Trustees and Officers

NON-INTERESTED TRUSTEES

| Name, Address ⁽¹⁾ and Age | Position(s) Held with the Trust | Term of Office and Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Funds in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee |
|--------------------------------------|---------------------------------|--|---|---|-------------------------------------|
| Sarah N. Garvey Age: 59 | Trustee | Indefinite; July 2011 to present | <ul style="list-style-type: none"> • Vice President of Corporate Relations of The Boeing Company from 2007 to 2008 and Vice President of State and Local Government Relations from 2004 to 2007; • Chairman of the Board of John G. Shedd Aquarium since 2009; • Chairman of the Board of Navy Pier since 2011; • Member of the Board of Directors of the Metropolitan Pier and Exposition Authority since 2010; • Member of the Board of Directors of The Civic Federation since 2004. | 5 | None |
| Philip G. Hubbard Age: 60 | Trustee | Indefinite; July 2011 to present | <ul style="list-style-type: none"> • Managing Partner of Solidian Fund, LP and Solidian Management, LLC since 2001; • President of Hubbard Management Group, LLC since 2001; • Chairman of the Board of Trustees of the Wheaton College Trust Company, N.A. since 2004; • Member since 1998 of the Board of Trustees of Wheaton College; Vice Chairman since 2009 • Chairman of the Board of Directors of the English Language Institute/China (a nonprofit educational organization) since 1993; • Member of the Board of Directors of The Film Department, LLC from 2008 to 2010; • Member of the Board of Directors of BMO Harris Bank Winnetka N.A. from 1996 to 2009. | 5 | None |

Trustees and Officers (cont.)

| Name, Address ⁽¹⁾ and Age | Position(s) Held with the Trust | Term of Office and Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Funds in Fund Complex Overseen by Trustee | Other Directorships Held by Trustee |
|--------------------------------------|---------------------------------|--|--|---|-------------------------------------|
| Eric T. McKissack Age: 57 | Trustee and Chairman | Indefinite; July 2011 to present | <ul style="list-style-type: none"> • CEO and Chief Investment Officer of Channing Capital Management, LLC since 2004; • Member of the Board of Directors of ICMA Retirement Corporation since 2005; • Member of the Board of Trustees, the Investment Committee, and the Finance Committee of the Art Institute of Chicago since 2002; • Member of the RIC Tree of Life Board of the Rehabilitation Institute of Chicago since 2001. | 5 | None |

INTERESTED TRUSTEE

| | | | | | |
|---|-----------------------|----------------------------------|--|---|------|
| Shundrawn A. Thomas⁽²⁾ Age: 37 | Trustee and President | Indefinite; July 2011 to present | <ul style="list-style-type: none"> • Managing Director and Global Business Head of the Exchange-Traded Funds Group at Northern Trust Global Investments since 2010; • President of Northern Trust Securities, Inc. from 2008 to 2010; • Head of Corporate Strategy at the Northern Trust Corporation from 2005 to 2008; • Member of the Board of Trustees of Wheaton College and Secretary of the Finance Committee, Investment Committee and Compensation Committee since May 2009; • Member of the Board of Trustees of the Wheaton College Trust Company since 2009; • Member of the Board of Directors of Urban Ministries, Inc. since 2006; • Partner at Tree of Life Resources, LLP since 2005. | 5 | None |
|---|-----------------------|----------------------------------|--|---|------|

⁽¹⁾ Each Non-Interested Trustee may be contacted by writing to the Trustee, c/o Paul Dykstra, K&L Gates LLP, 70 West Madison Street, Suite 3100, Chicago, IL 60602. Mr. Thomas may be contacted by writing to him at 50 S. LaSalle St., Chicago, IL 60603.

⁽²⁾ An "interested person," as defined by the 1940 Act. Mr. Thomas is deemed to be an "interested" Trustee because he is an officer of NTI and its parent company.

The Statement of Additional Information ("SAI") includes additional information about the Trust's Trustees and is available, without charge, upon request by contacting the Fund directly at (855) 933-6287.

Trustees and Officers (cont.)

OFFICERS

| Name, Address and Age | Position(s) Held with the Trust | Term of Office ⁽¹⁾ and Length of Time Served | Principal Occupation(s) During Past 5 Years |
|---|---|---|--|
| Craig R. Carberry, Esq. Age: 51 50 South LaSalle Street Chicago, IL 60603 | Secretary | Indefinite; July 2011 to present | Senior Counsel at The Northern Trust Company since May 2000; Secretary of Northern Trust Investments, Inc. since 2000; Secretary of NT Alpha Strategies Fund since 2004; Secretary of Northern Trust Global Advisers, Inc. since 2007; Secretary of The Northern Trust Company of Connecticut since 2009; Secretary of NETS Trust from 2008 to 2009; Secretary of Northern Institutional Funds since 2010; Secretary of Northern Funds since 2010; Secretary of Northern Trust Equity Long/Short Strategies Fund since 2011. |
| Joseph H. Costello Age: 37 50 South LaSalle Street Chicago, IL 60603 | Chief Compliance Officer | Indefinite; July 2011 to present | Vice President, The Northern Trust Company and Compliance Manager for Northern Trust Global Investments, since 2003. |
| Randal Rein Age: 40 50 South LaSalle Street Chicago, IL 60603 | Treasurer and Principal Financial Officer | Indefinite; July 2011 to present | Senior Vice President of Northern Trust Investments, Inc. since 2010 and Senior Vice President of Fund Administration of the Northern Trust Company through 2010; Vice President of Fund Administration of The Northern Trust Company from 2007 to 2010; Second Vice President of Fund Administration of The Northern Trust Company from 2002 to 2007. |
| Peter K. Ewing Age: 52 50 South LaSalle Street Chicago, IL 60603 | Vice President | Indefinite; July 2011 to present | Senior Vice President, Director of ETF Product Management, Northern Trust Investments, Inc. and Senior Vice President, The Northern Trust Company, since September 2010; Chief Operating Officer of Guggenheim Transparent Value, from July 2009 to January 2010; Senior Vice President, Managing Director of ETF Group, Northern Trust Investments, N.A., and Senior Vice President, The Northern Trust Company, from November 2006 to June 2009. |
| Marie E. Dzanis Age: 44 50 South LaSalle Street Chicago, IL 60603 | Vice President | Indefinite; July 2011 to present | Director of ETF Sales and Servicing, Northern Trust Investments, Inc. since 2011; Principal and Eastern U.S. Manager for iShares at BlackRock Institutional Trust Company from 2007 to 2010; Vice President and Eastern U.S. Sales Manager, J.P. Morgan Asset Management from 2002 to 2007. |
| Peter J. Flood Age: 54 50 South LaSalle Street Chicago, IL 60603 | Vice President | Indefinite; July 2011 to present | Director of ETF Investment Strategy, Northern Trust Investments, Inc. since 2010; Portfolio Manager, Northern Trust Investments, Inc. since 2007; Director of Fixed Income Strategy, Northern Trust Investments, Inc., from 2004 to 2010; Director of Fixed Income Research, Northern Trust Investments, Inc., from 1998 to 2004. |
| Allison Grant Williams Age: 55 50 South LaSalle Street Chicago, IL 60603 | Vice President | Indefinite; July 2011 to present | Chief Administrative Officer of the Exchange-Traded Funds Group at Northern Trust Investments, Inc. since 2011; President and Manager, Grant Partners, L.L.C. from 2006 to 2010; Managing Director of Client Service and Business Strategy, Holland Capital Management, L.P. from 2004 to 2006. |
| Darlene Chappell Age: 48 50 South LaSalle Street Chicago, IL 60603 | Anti-Money Laundering Officer | Indefinite; July 2011 to present | Anti-Money Laundering Compliance Officer for Northern Trust Investments, Inc., Northern Trust Securities, Inc. and The Northern Trust Company of Connecticut since 2009; Vice President and Compliance Consultant for The Northern Trust Company since 2006; Audit Manager—Compliance Department of National Futures Association from 2000 to 2006. |

Trustees and Officers (cont.)

| Name, Address and Age | Position(s) Held with the Trust | Term of Office ⁽¹⁾ and Length of Time Served | Principal Occupation(s) During Past 5 Years |
|---|---------------------------------|---|--|
| Kunle Ademola Age: 34 70 Fargo Street Boston, MA 02210 | Assistant Treasurer | Indefinite; July 2011 to present | Assistant Vice President, J.P. Morgan Worldwide Securities Services since 2008; Unit Manager, Fund Administration Department, State Street Bank & Trust Company from 2006 to 2008. |
| Charles J. Daly, III Age: 40 70 Fargo Street Boston, MA 02210 | Assistant Secretary | Indefinite; July 2011 to present | Assistant General Counsel, Regulatory Administration Team, J.P. Morgan Chase Bank, N.A.; Chief Compliance Officer and General Counsel, Ironwood Investment Management, LLC from September 2006 to February 2010; Vice President and Secretary, Ironwood Series Trust from 2007 to 2009; Senior Counsel, BISYS Fund Administration from November 2003 to September 2006; Attorney, Goodwin Proctor LLP from 2001 to 2003. |

⁽¹⁾ Officers hold office at the pleasure of the Board of Trustees until their successors are duly elected and qualified, or until they die, resign, are removed or become disqualified

Approval of Advisory Agreement

The Board of Trustees (the “Board”) of the FlexSharesSM Trust (the “Trust”) oversees the management of the Trust and each separate series of the Trust covered in this report (each, a “Fund” and together the “Funds”) and, as required by law, determines whether to approve the Trust’s investment advisory and ancillary services agreement (the “Advisory Agreement”) with Northern Trust Investments, Inc. (“NTI”), an indirect subsidiary of the Northern Trust Corporation. At a meeting on July 14, 2011, the Board, including all of the Trustees who are not parties to the Advisory Agreement or interested persons of any such party (the “Independent Trustees”), considered whether to approve the Advisory Agreement.

In advance of, and in preparation for, the Trustees’ consideration of the Advisory Agreement at the meeting, the Trustees received written materials relating to the Advisory Agreement and had the opportunity to ask questions and request further information in connection with their consideration. At the meeting, the Trustees considered NTI’s oral presentations and discussed all of the information that had been provided. Among other things, the Board considered comparisons with other funds in relevant peer universes and peer groups that had been objectively determined solely by Lipper, Inc. (“Lipper”), an independent provider of fund data.

In considering the Advisory Agreement, the Independent Trustees met with their independent legal counsel separately from the “interested” Trustee of the Trust and officers and employees of NTI. After evaluating all the materials, the Trustees, including the Independent Trustees, concluded that the Advisory Agreement was in the best interest of the Funds and their shareholders and approved the Advisory Agreement.

In approving the Advisory Agreement, the Board, including the Independent Trustees advised by independent legal counsel, considered the factors they deemed relevant, including, but not limited to: (1) the nature, extent and quality of the services that NTI is expected to provide to the Funds; (2) the anticipated fees and projected expenses for the Funds; (3) the projected profits to be realized by NTI and its affiliates from the relationship with the Funds; (4) the extent to which economies of scale would be realized

if the Funds grew and whether the fee levels in the Advisory Agreement reflected these economies of scale; and (5) other benefits that NTI and its affiliates may realize as a result of their relationship with the Funds. The Trustees did not review information about the performance of the Funds as the Funds had no performance history at the time of the meeting. In their deliberations, the Trustees did not identify any single factor which alone was responsible for the Board’s decision to approve the Advisory Agreement.

The material factors and conclusions that formed the basis for the Trustees reaching their determinations to approve the Advisory Agreement are separately discussed below.

The Nature, Quality and Extent of Services

The Board examined the nature, quality and extent of the services proposed to be provided by NTI to each Fund. The Board evaluated information regarding NTI’s organizational structure and the experience and qualifications regarding NTI’s key personnel. The Board also considered NTI’s responsibilities under the Advisory Agreement to perform securities trading services and ancillary services including among other things: (i) filing reports with the SEC, (ii) periodically updating the Trust’s registration statement, (iii) establishing and maintaining the Funds’ website, (iv) monitoring anticipated purchases and redemptions of creation units by shareholders and new investors, (v) providing information and assistance as required by the Trust’s administrator and fund accountant in connection with the Trust’s shares, and (vi) providing assistance in connection with the operations of the Trust generally.

The Board also considered the quality of the services to be provided and the quality of NTI’s resources that would be made available to the Trust. The Board noted NTI’s and its affiliates’ financial position, stability, and commitment to growing the exchange-traded funds business. The Board also considered the strength of NTI’s compliance program.

The Board concluded it was satisfied with the nature, quality and extent of the investment management services proposed to be provided by NTI, and that there was a reasonable basis on which to conclude that the Funds would benefit from the services proposed to be provided by NTI under the Advisory Agreement.

Approval of Advisory Agreement (cont.)

Performance

The Board considered that, because the Funds had not started operations, meaningful data relating to their performance was not available and could not be a factor in the initial approval of the Advisory Agreement.

Fees and Expenses

The Board considered the proposed unitary fee structure and the projected expenses for each Fund. The Board noted that, under the Advisory Agreement, NTI would be responsible for most expenses of the Funds, including the cost of transfer agency, custody, fund administration, legal, audit and other services. The Board considered that NTI would not be responsible under the Advisory Agreement for certain expenses, including the fees and expenses of the Trust's Independent Trustees and their independent legal counsel. The Board also considered the proposed agreement between the Trust and NTI, whereby NTI agreed to reimburse the fees and expenses of the Independent Trustees and their independent legal counsel until at least September 6, 2012. The Board reviewed comparative fee data for each Fund, including fees and expenses paid by comparable exchange-traded funds (the "Lipper peer group") selected by Lipper, as well as comparative information provided by NTI.

In reaching its determinations, the Board considered that the projected management fee and total expenses, after expense reimbursements, for the FlexSharesSM iBoxx 3-Year Target Duration Tips Index Fund and FlexSharesSM iBoxx 5-Year Target Duration Tips Index Fund were equal to their respective Lipper peer group medians, and that the projected management fee and total expenses, after expense reimbursements, for the FlexSharesSM Morningstar Global Upstream Natural Resources Index Fund and FlexSharesSM Morningstar US Market Factor Tilt Index Fund were lower than their respective Lipper peer group medians. The Board also considered information comparing certain of the Funds' fee rates to the fee rates charged to NTI's private accounts with similar investment strategies. With regard to these accounts, the Board noted the difference in services provided by NTI, including regulatory and compliance differences, board and committee support and other differences in operation among the Funds and private accounts.

Projected Profits of NTI

The Board examined NTI's projected profits in serving as each Fund's investment adviser. The Board noted information provided by NTI with respect to the length of time it would take its Funds-related advisory business to become profitable. The Board also considered NTI's projections of assets in the Funds.

Economies of Scale

The Board considered whether NTI may realize economies of scale in managing and supporting the Funds. The Board reviewed each Fund's fee arrangements, and considered that, in light of the unitary fee structure and proposed expense reimbursement agreement, the fact that NTI will not initially make any profit from its services to the Funds (as noted above) and the significant investment that NTI is making in the Trust, breakpoints were not necessary at the present time.

Other Benefits to NTI

The Board also considered information regarding other direct and indirect benefits NTI may receive as a result of its relationship with the Trust, including any compensation to be paid to NTI's affiliates. The Board also considered that some of the Funds' expected shareholders will have other client relationships with NTI's affiliates. The Board also reviewed the extent to which NTI and its other clients, as well as the Funds, will benefit from receipt of the research products and services generated by the equity Funds.

For the foregoing reasons, the Board, including a majority of the Independent Trustees, determined that the Advisory Agreement was fair and reasonable in light of the services to be provided, fees to be charged and such other matters as the Trustees considered relevant in the exercise of their business judgment.

For More Information

Portfolio Holdings

FlexSharesSM Trust files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Funds’ Forms N-Q are available on the SEC’s Web site at sec.gov. You may also review and obtain copies at the SEC’s Public Reference Room in Washington, D.C. Information about the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

FlexSharesSM Trust Proxy Voting Policies and Procedures and each Fund’s portfolio securities voting record for the 12-month period ended June 30 are available upon request and without charge by visiting the Funds’ Web site at info@flexshares.com or the SEC’s Web site at sec.gov or by calling 1-855-FLEXETF (1-855-353-9383).



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