



WHY FLEXSHARES®?

Based on Understanding. Built on Experience.



Managed by
Northern Trust

BASED ON UNDERSTANDING

Most exchange traded funds (ETFs) are designed to track indexes. You invest for a reason, though – and need to accomplish more than simply tracking a particular asset class. You want to build wealth; manage risk; generate income; retain liquidity – or potentially achieve a combination of these goals.

That's what FlexShares ETFs are all about: seeking to advance the objectives that investors voice. FlexShares are designed to pursue real-world goals, providing the flexibility needed to construct, allocate and manage portfolios for whatever outcomes investors hope to achieve. We believe FlexShares advance the ETF development process, by building strategies more relevant to investors' needs.

BUILT ON EXPERIENCE

FlexShares are sponsored and managed by Northern Trust, one of the world's leading wealth managers and investment firms and a premier index manager. With a history of providing fiduciary investment management centered around the needs of investors, FlexShares leverages Northern Trust's global expertise in asset allocation, portfolio construction and risk management.

TARGETED, COST-EFFICIENT

FlexShares ETFs are designed to help investors pursue specific investment goals, by blending:

- **Intelligent Portfolio Construction** – engineering strategies to pursue targeted outcomes, with
- **Passive Management** – minimizing turnover and containing costs, or
- **Active Management** – combining research and fundamental analysis with quantitative filters.

FlexShares seek to avoid both the challenges of traditional portfolio management (i.e., costs, risk and portfolio turnover) and the limitations of indexing (i.e., allocations not aligned with investors' targeted goals). To help to effectively deliver on each fund's goals, we seek to better understand, analyze and manage both risks and costs.

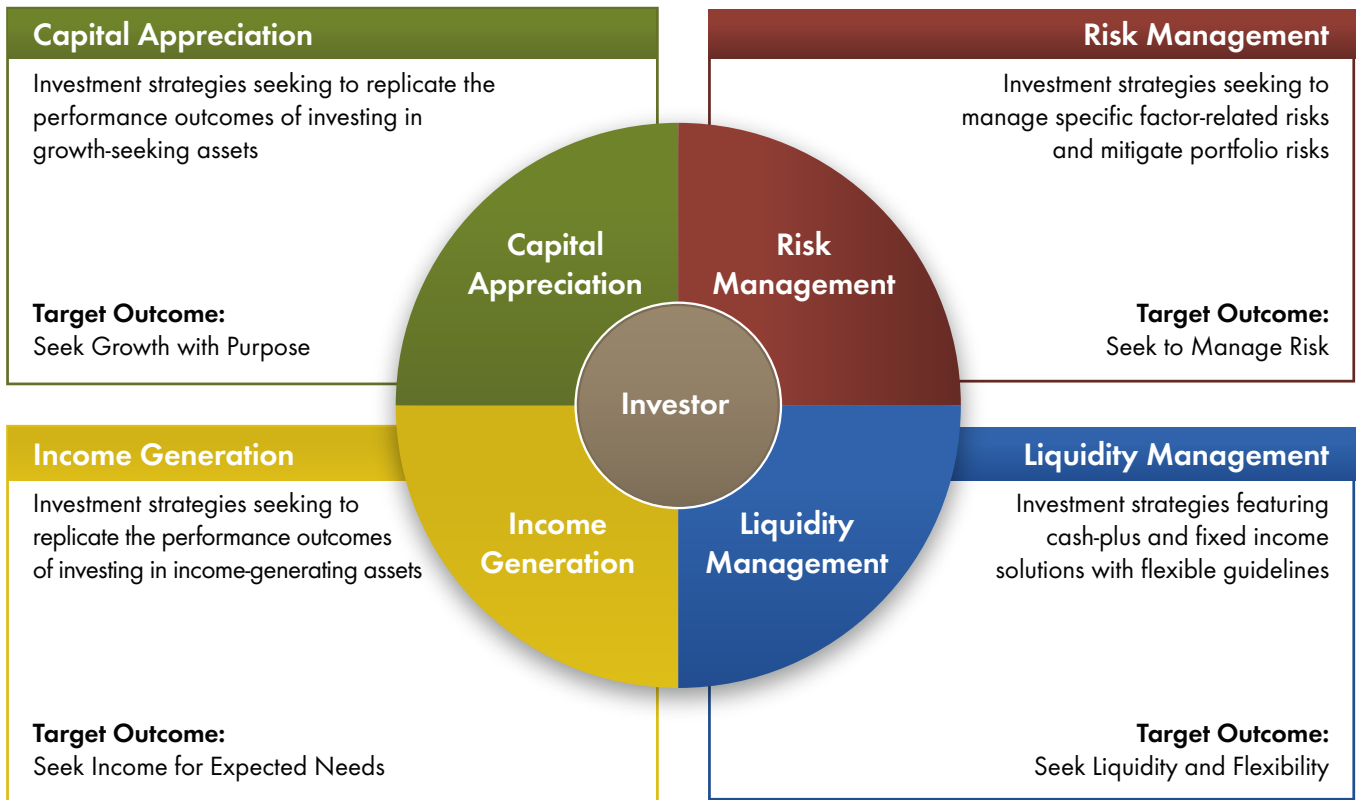
Of course, FlexShares still offer all the benefits of ETFs:

- **Portfolio Transparency** – investments are made public every day, so you know what you are buying.
- **Trading Flexibility** – you can easily trade FlexShares throughout the day from your own investment account.
- **Tax Efficiency** – traditional mutual funds can generate taxable capital gains when securities must be sold to raise cash; ETFs limit this impact on fund assets by trading in the secondary market.
- **Generally Lower Costs** – in comparison with mutual funds, ETFs typically are more cost-efficient. ETFs are subject to commission costs each time a buy or a sell is executed. Depending on the amount of trading activity, the low costs of ETFs may be outweighed by commissions and related trading costs.



FOCUS AND FLEXIBILITY

It's an effective combination – ETFs that pursue distinct objectives, yet can be tailored to individual requirements. FlexShares understand that financial markets and asset classes are dynamic and evolve over time. To help investors adapt to changing market conditions, FlexShares leverage research and investment expertise across disciplines – equity, fixed income, tactical, strategic – to offer new, insightful solutions that seek to address issues that investors face.



There is no guarantee FlexShares ETFs will meet the stated outcome.

CAPITAL APPRECIATION SOLUTIONS

Target Outcome: Seek Growth with Purpose

You have specific goals in mind when you consider the long-term growth of your investment portfolio. Common goals include retirement savings, education plans, capital purchases, bequests and/or charitable intentions.

Capital appreciation emphasizes the components of an investment portfolio dedicated to achieving long-term goals. It goes beyond wealth preservation and focuses on return on principal.

RISK MANAGEMENT SOLUTIONS

Target Outcome: Seek to Manage Risk

Investment involves compensation for risk in the form of return.

As an investor, you must:

- Identify, measure and understand investment risks
- Receive compensation for risk commensurate with your investment goals
- Seek to mitigate exposure to levels of risk that exceed your tolerance while hedging factor-specific risks

This is particularly important in today's environment, in which global markets are highly interconnected and experience more volatility in the form of price movements. Unexpected market shocks (tail risks) are more common and change the view of normal investment distributions.

FLEXSHARES CAPITAL APPRECIATION SOLUTIONS MAY COMPLEMENT YOUR PORTFOLIO BY:

Offering targeted solutions that meet specific goals over defined time horizons.

FLEXSHARES RISK MANAGEMENT SOLUTIONS MAY COMPLEMENT YOUR PORTFOLIO BY:

Helping limit or hedge certain risks – namely inflation (purchasing power over time), concentration (diversification), liquidity and tail risk.





INCOME GENERATION SOLUTIONS

Target Outcome: Seek Income for Expected Needs

Predictable income generation is essential as you seek to meet financial obligations and achieve long-term goals. Your outcomes can be affected by the stage of your lifecycle (i.e., accumulation versus retirement) as well as broader factors like the rate of inflation or disinflation.

Traditionally, income has been generated from variable sources including interest payments, dividends and capital gains or guaranteed sources such as annuities. But as financial markets have become more global and dynamic, traditional sources have become less predictable.

LIQUIDITY MANAGEMENT SOLUTIONS

Target Outcome: Seek Liquidity and Flexibility

Many investors fail to appropriately consider liquidity when constructing investment portfolios. Liquidity refers to accessibility to cash, or how easy it is to turn an investment into cash.

This is of particular concern during volatile markets. When unexpected losses or disruptions in securities markets impair asset values, investors may find that their portfolios are not sufficiently flexible to meet short-term liquidity needs.

FLEXSHARES INCOME GENERATION SOLUTIONS MAY COMPLEMENT YOUR PORTFOLIO BY:

Providing targeted and innovative sources of income to respond to dynamic market factors.

FLEXSHARES LIQUIDITY MANAGEMENT SOLUTIONS MAY COMPLEMENT YOUR PORTFOLIO BY:

Providing targeted sources of liquidity in varied market environments and with various levels of sensitivity.

FOR MORE INFORMATION

Your financial professional can help you determine how FlexShares may help you pursue your investment objectives. Ask for information on the FlexShares ETFs best suited to your needs.

IMPORTANT RISK DISCLOSURE

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, 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.

Before investing carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting www.flexshares.com. Read the prospectus carefully before you invest. FlexShares ETFs are distributed by Foreside Fund Services, LLC, not affiliated with Northern Trust.



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