



FLEXSHARES® EXCHANGE TRADED FUNDS

As of April 2013

FlexShares ETFs – Different, By Design

FlexShares offers differentiated ETF strategies that seek to improve and simplify the investment decision process for long-term investors as they construct, allocate and manage portfolios.

INCOME GENERATION STRATEGIES					
Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares International Quality Dividend Index Fund	NYSE Arca, Inc.	IQDF	IQDF.IV	33939L837	0.47%

IQDF pursues a strategy that, in line with its stated investment objective, provides exposure to the long-term growth potential of international securities while providing dividend payments. It is intended as a international large cap stock market option that also helps investors try to meet their income needs. The strategy applies a proprietary scoring model approach that determines a “quality factor” and an optimization process that attempts to: maximize this factor, match the beta of the Parent Index (Northern Trust International Large Cap IndexSM) and improve on the Parent Index’s dividend yield.

Realized capital gains are anticipated to be declared and paid at least annually. Income dividends are anticipated to be declared and paid at least quarterly.

FlexShares International Quality Dividend Index Fund is subject to numerous risks including possible loss of principal. Highlighted risks: dividend risk (dividend may be reduced from current levels or discontinued), industry concentration (more than 25% of assets in a single industry), currency (foreign currencies may fluctuate in value relative to the US dollar); emerging markets (countries potentially less liquid and subject to greater volatility); foreign securities (the Fund typically invests at least 80% of assets in ADRs and GDRs); and volatility risk (volatility may not equal the target of the Underlying Index). See prospectus for full description of risks.

INCOME GENERATION STRATEGIES					
Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares International Quality Dividend Defensive Index Fund	NYSE Arca, Inc.	IQDE	IQDE.IV	33939L811	0.47%

IQDE pursues a strategy that, in line with its stated investment objective, provides exposure to the long-term growth potential of international securities while providing dividend payments. It is intended as a international large cap stock market option that also helps investors try to meet their income needs. The strategy applies a proprietary scoring model approach that determines a “quality factor” and an optimization process that attempts to: maximize this factor, target a beta lower than the Parent Index (Northern Trust International Large Cap IndexSM) and improve on the Parent Index’s dividend yield.

Realized capital gains are anticipated to be declared and paid at least annually. Income dividends are anticipated to be declared and paid at least quarterly.

FlexShares International Quality Dividend Defensive Index Fund is subject to numerous risks including possible loss of principal. Highlighted risks: dividend risk (dividend may be reduced from current levels or discontinued), industry concentration (more than 25% of assets in a single industry), currency (foreign currencies may fluctuate in value relative to the US dollar); emerging markets (countries potentially less liquid and subject to greater volatility); foreign securities (the Fund typically invests at least 80% of assets in ADRs and GDRs); and volatility risk (volatility may not equal the target of the Underlying Index). See prospectus for full description of risks.

INCOME GENERATION STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares International Quality Dividend Dynamic Index Fund	NYSE Arca, Inc.	IQDY	IQDY.IV	33939L829	0.47%

IQDY pursues a strategy that, in line with its stated investment objective, provides exposure to the long-term growth potential of international securities while providing dividend payments. It is intended as a international large cap stock market option that also helps investors try to meet their income needs. The strategy applies a proprietary scoring model approach that determines a “quality factor” and an optimization process that attempts to: maximize this factor, target a beta higher than the Parent Index (Northern Trust International Large Cap IndexSM) and improve on the Parent Index’s dividend yield.

Realized capital gains are anticipated to be declared and paid at least annually. Income dividends are anticipated to be declared and paid at least quarterly.

FlexShares International Quality Dividend Dynamic Index Fund is subject to numerous risks including possible loss of principal. Highlighted risks: dividend risk (dividend may be reduced from current levels or discontinued), industry concentration (more than 25% of assets in a single industry), currency (foreign currencies may fluctuate in value relative to the US dollar); emerging markets (countries potentially less liquid and subject to greater volatility); foreign securities (the Fund typically invests at least 80% of assets in ADRs and GDRs); and volatility risk (volatility may not equal the target of the Underlying Index). See prospectus for full description of risks.

INCOME GENERATION STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares Quality Dividend Index Fund	NYSE Arca, Inc.	QDF	QDF.IV	33939L860	0.37%

QDF pursues a strategy that, in line with its stated investment objective, provides exposure to the long-term growth potential of U.S. securities while providing dividend payments. It is intended as a core stock market option that also helps investors try to meet their income needs. The strategy applies a proprietary scoring model approach that determines a “quality factor” and an optimization process that attempts to: maximize this factor, match the beta of the Parent Index (Northern Trust 1250) and improve on the Parent Index’s dividend yield.

Realized capital gains are anticipated to be declared and paid at least annually. Income dividends are anticipated to be declared and paid at least quarterly.

FlexShares Quality Dividend Index Fund is subject to numerous risks including possible loss of principal. Highlighted risks: dividend risk (dividend may be reduced from current levels or discontinued), industry concentration (more than 25% of assets in a single industry), volatility risk (volatility may not equal the target of the Underlying Index). See prospectus for full description of risks.

INCOME GENERATION STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares Quality Dividend Defensive Index Fund	NYSE Arca, Inc.	QDEF	QDEF.IV	33939L845	0.37%

QDEF pursues a strategy that, in line with its stated investment objective, provides exposure to the long-term growth potential of U.S. securities while providing dividend payments. It is intended as a core stock market option that also helps investors try to meet their income needs. The strategy applies a proprietary scoring model approach that determines a “quality factor” and an optimization process that attempts to: maximize this factor, target a beta lower than the Parent Index (Northern Trust 1250) and improve on the Parent Index’s dividend yield.

Realized capital gains are anticipated to be declared and paid at least annually. Income dividends are anticipated to be declared and paid at least quarterly.

FlexShares Quality Dividend Defensive Index Fund is subject to numerous risks including possible loss of principal. Highlighted risks: dividend risk (dividend may be reduced from current levels or discontinued), industry concentration (more than 25% of assets in a single industry), volatility risk (volatility may not equal the target of the Underlying Index). See prospectus for full description of risks.

INCOME GENERATION STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares Quality Dividend Dynamic Index Fund	NYSE Arca, Inc.	QDYN	QDYN.IV	33939L852	0.37%

QDYN pursues a strategy that, in line with its stated investment objective, provides exposure to the long-term growth potential of U.S. securities while providing dividend payments. It is intended as a core stock market option that also helps investors try to meet their income needs. The strategy applies a proprietary scoring model approach that determines a “quality factor” and an optimization process that attempts to: maximize this factor, target a beta higher than the Parent Index (Northern Trust 1250) and improve on the Parent Index’s dividend yield.

Realized capital gains are anticipated to be declared and paid at least annually. Income dividends are anticipated to be declared and paid at least quarterly.

FlexShares Quality Dividend Dynamic Index Fund is subject to numerous risks including possible loss of principal. Highlighted risks: dividend risk (dividend may be reduced from current levels or discontinued), industry concentration (more than 25% of assets in a single industry), volatility risk (volatility may not equal the target of the Underlying Index). See prospectus for full description of risks.

LIQUIDITY MANAGEMENT STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
Ready Access Variable Income Fund	NYSE Arca, Inc.	RAVI	RAVI.IV	33939L886	0.25%

RAVI is an actively managed ETF that attempts to help short maturity fixed income investors try to maintain liquidity and reach for higher potential return, without undue volatility. The RAVI ETF has an average effective duration of one year or less and invests in investment grade debt securities from around the world, including U.S. and non-U.S. public and private sector securities.

Realized capital gains are anticipated to be declared and paid at least annually. Income dividends are anticipated to be declared and paid at least monthly.

FlexShares Ready Access Variable Income Fund is subject to the following highlighted risks: active management, interest rate/maturity (value of underlying assets may fall due to changing interest rates), debt extension & prepayment (an issuer may exercise its right to pay principal on an obligation later, or sooner than expected), concentration (may invest more than 25% of its assets into the securities of a single developed market). See prospectus for full description of risks.

CAPITAL APPRECIATION STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares Morningstar U.S. Market Factor Tilt Index Fund	NYSE Arca, Inc.	TILT	TILT.IV	33939L100	0.27%

TILT pursues a strategy that, in line with its stated investment objective, provides enhanced exposure to the broad U.S. stock market by tilting the portfolio toward the long-term growth potential of the value and smaller-capitalization segments. It is intended as a total stock market option that meets longer-term capital appreciation needs and is designed to replace traditional market-weighted equity products. The Fund’s tilt is accomplished using a multi-factor approach.

Realized capital gains and income dividends are anticipated to be declared and paid at least annually.

FlexShares Morningstar U.S. Market Factor Tilt Index Fund is subject to the following highlighted risks: concentration (the Fund may invest 25% or more of total assets in a single industry or sector), small cap stock (stocks of smaller companies may be subject to more abrupt or erratic market movements than larger companies), value investing (possibility that an investment in companies whose securities are believed to be undervalued may not appreciate in value as anticipated). See prospectus for full description of risks.

CAPITAL APPRECIATION STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares Morningstar Developed Markets ex-U.S. Market Factor Tilt Index Fund	NYSE Arca, Inc.	TLTD	TLTD.IV	33939L803	0.42%

TLTD pursues a strategy that, in line with its stated investment objective, provides enhanced exposure to developed market stocks from outside the U.S. by tilting the portfolio toward the long-term growth potential of the value and smaller-capitalization segments. It is intended as a total stock market option that meets longer-term capital appreciation needs and is designed to replace traditional market-weighted equity products. The Fund's tilt is accomplished using a multi-factor approach.

Realized capital gains and income dividends are anticipated to be declared and paid at least annually.

FlexShares Morningstar Developed Markets ex-U.S. Market Factor Tilt Index Fund is subject to the following highlighted risks: concentration (the Fund may invest 25% or more of total assets in a single industry or sector), foreign securities (fund will typically invest at least 80% of assets in ADRs and GDRs), small cap stock (stocks of smaller companies may be subject to more abrupt or erratic market movements than larger companies), value investing (possibility that an investment in companies whose securities are believed to be undervalued may not appreciate in value as anticipated). See prospectus for full description of risks.

CAPITAL APPRECIATION STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares Morningstar Emerging Markets Factor Tilt Index Fund	NYSE Arca, Inc.	TLTE	TLTE.IV	33939L308	0.65%

TLTE pursues a strategy that, in line with its stated investment objective, provides enhanced exposure to developing market stocks by tilting the portfolio toward the long-term growth potential of the value and smaller-capitalization segments. It is intended as a total stock market option that meets longer-term capital appreciation needs and is designed to replace traditional market-weighted equity products. The Fund's tilt is accomplished using a multi-factor approach.

Realized capital gains and income dividends are anticipated to be declared and paid at least annually.

FlexShares Morningstar Emerging Markets Factor Tilt Index Fund is subject to the following highlighted risks: concentration (the Fund may invest 25% or more of total assets in a single industry or sector), emerging markets (countries potentially less liquid and subject to greater volatility), foreign securities (fund will typically invest at least 80% of assets in ADRs and GDRs), small cap stock (stocks of smaller companies may be subject to more abrupt or erratic market movements than larger companies), value investing (possibility that an investment in companies whose securities are believed to be undervalued may not appreciate in value as anticipated). See prospectus for full description of risks.

RISK MANAGEMENT STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares Morningstar Global Upstream Natural Resources Index Fund	NYSE Arca, Inc.	GUNR	GUNR.IV	33939L407	0.48%

GUNR pursues a strategy that, in line with its stated investment objective, provides 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 the timberlands and water resources sectors. An equity strategy, GUNR is designed to help mitigate contango pricing risks, tax inefficiencies or regulatory ambiguities common to futures-based commodity investment vehicles.

Realized capital gains and income dividends are anticipated to be declared and paid at least annually.

FlexShares Morningstar Global Upstream Natural Resources Index Fund is subject to the following highlighted risks: concentration (more than 25% of assets in a single industry); global natural resources (risk associated with global natural resources); foreign securities (fund typically invests at least 80% of assets in ADRs and GDRs); emerging markets (countries potentially less liquid and subject to greater volatility). See prospectus for full description of risks.

RISK MANAGEMENT STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares iBoxx 3-Year Target Duration TIPS Index Fund	NYSE Arca, Inc.	TDTT	TDTT.IV	33939L506	0.20%

TDTT pursues a strategy that, in line with its stated investment objective, provides access to the inflation-hedging qualities of TIPS while maintaining a stable duration through changing interest rate and economic cycles. The Fund reflects a target average duration of approximately three years and includes TIPS securities with maturity dates of at least one year but not more than 10 years. TDTT helps enable investors to more precisely manage the risks associated with their specific interest rate and inflation outlooks.

Realized capital gains and income dividends are anticipated to be declared and paid at least annually.

FlexShares iBoxx 3-Year Target Duration TIPS Index Fund is subject to the following highlighted risks: interest rate/maturity (value of underlying assets may fall due to changing interest rates); income (may decline due to a change in inflation expectations); derivatives (change in derivative value may not correlate with underlying asset). See prospectus for full description of risks.

RISK MANAGEMENT STRATEGIES

Fund	Exchange	Ticker	Indicative Optimized Portfolio Value	CUSIP	Net Expense Ratio
FlexShares iBoxx 5-Year Target Duration TIPS Index Fund	NYSE Arca, Inc.	TDTF	TDTF.IV	33939L605	0.20%

TDTF pursues a strategy that, in line with its stated investment objective, provides access to the inflation-hedging qualities of TIPS while maintaining a stable duration through changing interest rate and economic cycles. The Fund reflects a target average duration of approximately five years and includes TIPS securities with maturity dates of at least three years but not more than 20 years. TDTF helps enable investors to more precisely manage the risks associated with their specific interest rate and inflation outlooks.

Realized capital gains and income dividends are anticipated to be declared and paid at least annually.

FlexShares iBoxx 5-Year Target Duration TIPS Index Fund is subject to the following highlighted risks: interest rate/maturity (value of underlying assets may fall due to changing interest rates); income (may decline due to a change in inflation expectations); derivatives (change in derivative value may not correlate with underlying asset). See prospectus for full description of risks.

IMPORTANT RISK DISCLOSURE

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. Foreside Fund Services, LLC, distributor.

An investment in FlexShares is subject to numerous risks, including possible loss of principal. Fund returns may not match the return of the respective indexes. The Funds are subject to the following principal risks: asset class; commodity; concentration; counterparty; currency; derivatives; dividend; emerging markets; equity securities; fluctuation of yield; foreign securities; geographic; income; industry concentration; inflation-protected securities; interest rate / maturity risk; issuer; management; market; market trading; mid cap stock; natural resources; new funds; non-diversification; passive investment; privatization; small cap stock; tracking error; value investing; and volatility risk. A full description of risks is in the prospectus.

Beta is a statistical measure of the volatility, or sensitivity, of rates of return on a portfolio or security compared to a market index. The beta for an ETF measures the expected change in return of the ETF relative to the return of a designated index. By definition, the beta of the Standard & Poor's (S&P) 500 Index is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the S&P 500 Index in rising markets and 10% worse in falling markets.

Liquidity is the degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Assets that can be easily bought or sold are known as liquid assets.