

**2017 CAPITAL GAINS DISTRIBUTIONS** FlexShares ETFs paid 2017 capital gains, if applicable, on December 28, 2017 and January 3, 2018 for shareholders of record as of December 22, 2017 and December 28, 2017, respectively. The capital gains information presented below was for the fiscal year ending October 31, 2017. Final distributions amounts were made available on Thursday, December 21, 2017 and Wednesday, December 27, 2017 depending on the ex-date of each specific fund and can be found on FlexShares.com.

Fund	Ticker	Short-Term Gain	Long-Term Gain	Total Estimated Distributions
<b>CAPITAL APPRECIATION STRATEGIES</b>				
FlexShares Morningstar U.S. Market Factor Tilt Index Fund	TILT	\$0.00	\$0.00	\$0.00
FlexShares Morningstar Developed Markets ex-U.S. Market Factor Tilt Index Fund	TLTD	\$0.00	\$0.00	\$0.00
FlexShares Currency Hedged Morningstar DM ex-U.S. Factor Tilt Index Fund	TLDH	\$0.00	\$0.00	\$0.00
FlexShares Morningstar Emerging Markets Factor Tilt Index Fund	TLTE	\$0.00	\$0.00	\$0.00
FlexShares Currency Hedged Morningstar EM Factor Tilt Index Fund	TLEH	\$0.00	\$0.00	\$0.00
FlexShares U.S. Quality Large Cap Index Fund	QLC	\$0.00	\$0.00	\$0.00
FlexShares STOXX US ESG Impact Index Fund	ESG	\$0.00	\$0.00	\$0.00
FlexShares STOXX Global ESG Impact Index Fund	ESGG	\$0.00	\$0.00	\$0.00
<b>RISK MANAGEMENT STRATEGIES</b>				
FlexShares Morningstar Global Upstream Natural Resources Index Fund	GUNR	\$0.00	\$0.00	\$0.00
FlexShares STOXX Global Broad Infrastructure Index Fund	NFRA	\$0.00	\$0.00	\$0.00
FlexShares Global Quality Real Estate Index Fund	GQRE	\$0.00	\$0.00	\$0.00
FlexShares Real Assets Allocation Index Fund	ASET	\$0.01	\$0.00	\$0.01
FlexShares iBoxx 3-Year Target Duration TIPS Index Fund	TDTT	\$0.00	\$0.00	\$0.00
FlexShares iBoxx 5-Year Target Duration TIPS Index Fund	TDTF	\$0.00	\$0.00	\$0.00
<b>INCOME GENERATION STRATEGIES</b>				
FlexShares Quality Dividend Index Fund	QDF	\$0.00	\$0.00	\$0.00
FlexShares Quality Dividend Defensive Index Fund	QDEF	\$0.00	\$0.00	\$0.00
FlexShares Quality Dividend Dynamic Index Fund	QDYN	\$0.00	\$0.00	\$0.00
FlexShares International Quality Dividend Index Fund	IQDF	\$0.00	\$0.00	\$0.00
FlexShares International Quality Dividend Defensive Index Fund	IQDE	\$0.00	\$0.00	\$0.00
FlexShares International Quality Dividend Dynamic Index Fund	IQDY	\$0.00	\$0.00	\$0.00
FlexShares Disciplined Duration MBS Index Fund	MBSD	\$0.00	\$0.00	\$0.00
FlexShares Credit-Scored US Corporate Bond Index Fund	SKOR	\$0.00	\$0.00	\$0.00
FlexShares Credit-Scored US Long Corporate Bond Index Fund	LKOR	\$0.00	\$0.00	\$0.00
FlexShares Core Select Bond Fund	BNDC	\$0.00	\$0.00	\$0.00
<b>LIQUIDITY MANAGEMENT STRATEGIES</b>				
FlexShares Ready Access Variable Income Fund	RAVI	\$0.00	\$0.00	\$0.00

**Contact your financial advisors for more information on year-end capital gain distributions.**

#### IMPORTANT INFORMATION

Before investing, carefully consider the FlexShares<sup>SM</sup> 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](http://www.flexshares.com). Read the prospectus carefully before you invest. Investing involves numerous risks, including possible loss of principal.

Foreside Fund Services, LLC, distributor.

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