

FLEXSHARES ICAV

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

FLEXSHARES ICAV

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*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

FLEXSHARES ICAV

MANAGEMENT AND OTHER INFORMATION

Manager:	Northern Trust Fund Managers (Ireland) Limited ² Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland	
Directors:	Ms. Claire Cawley ¹ (Chairperson) Mr. Ton Daniels ¹ Ms. Marie Dzanis* (Retired 15 September 2023) Ms. Martha Fee* (Resigned 18 December 2023) Mr. Bimal Shah* Mr. Feargal Dempsey ¹ Mr. Cian Farrell* (Resigned 16 November 2023) Mr. Alan Keating*	Irish Resident Dutch Resident UK Resident UK Resident UK Resident Irish Resident Irish Resident Irish Resident
Investment Manager, UK Facilities Agent and Distributor:	Northern Trust Global Investments Limited 50 Bank Street Canary Wharf London, E14 5NT United Kingdom	
Depository:	Northern Trust Fiduciary Services (Ireland) Limited Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland	
Registered Office:	Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland	
Administrator and Registrar:	Northern Trust International Fund Administration Services (Ireland) Limited Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland	
Independent Auditor:	KPMG Chartered Accountants and Statutory Audit Firm 1 Harbourmaster Place International Financial Services Centre Dublin 1, D01 F6F5 Ireland	
Legal Advisor:	Maples and Calder (until 13 December 2023) 75 St. Stephen's Green Dublin 2, D02 PR50 Ireland Matheson LLP Solicitors (from 14 December 2023) 70 Sir John Rogerson's Quay Dublin 2, D02 PR50 Ireland	
German Agent:	Acolin Europe AG Line-Eid-Strasse 6 78467, Konstanz Germany	

*Non-Executive Director

¹Independent Non-Executive Directors

²Holders of Authorised non-participating voting shares

FLEXSHARES ICAV

MANAGEMENT AND OTHER INFORMATION (continued)

Swedish Agent:	Skandinaviska Enskilda Banken AB Rissneleden 110 SE-106 40 Stockholm Sweden
Secretary of the ICAV:	Northern Trust International Fund Administration Services (Ireland) Limited (Until 31 December 2023) Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland Matsack Trust Limited (From 1 January 2024) 70 Sir John Rogerson's Quay Dublin 2, D02 R296 Ireland
Swiss Representative:	REYL & Cie Ltd Rue du Rhône 4 CH-1204 Geneva
Swiss Paying Agent:	Banque Cantonale de Genève 17, quai de l'Île CH-1204 Geneva
Manager and EEA Facilities Agent:	Northern Trust Fund Managers (Ireland) Limited Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland
Authorised Participants:	BNP Paribas Arbitrage SNC 1 Rue Laffitte 75009 Paris FR-75C France Jane Street Financial Limited 2 & A Half Devonshire Square EC2M 4UJ London United Kingdom Flow Traders B.V. Jacob Bontiusplaats 9 1018 LL Amsterdam Netherlands DRW Europe B.V Locatellikade 1 Floor 7 1076 AZ Amsterdam Netherlands Societe Generale 29 BD Haussmann 75009 Paris 9 France

FLEXSHARES ICAV

MANAGEMENT AND OTHER INFORMATION (continued)

Authorised Participants: Virtu Financial Ireland Limited
North Dock One
Floor 5
91-92 North Wall Quay
Dublin 1, D01 H7V7
Ireland

FLEXSHARES ICAV

GENERAL INFORMATION

For the year ended 31 March 2024

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus.

FlexShares® ICAV (the “ICAV”) was authorised in Ireland by the Central Bank of Ireland (the “Central Bank”) on 1 December 2020 and commenced operations on 24 February 2021 as an open-ended umbrella Irish collective asset-management vehicle with segregated liability between Funds pursuant to the Irish Collective Asset-management Vehicle Acts 2015 & 2020 (the “ICAV Act”). It is authorised by the Central Bank pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended, (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as amended) (the “Central Bank UCITS Regulations”).

The Shares of the Flexshares Listed Private Equity Fund are listed on the following stock exchanges markets (“exchanges”): Xetra, Euronext Amsterdam, and London Stock Exchange (“LSE”). Prior to being delisted at termination, the Shares of the FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF were listed on the following exchanges: Xetra, Euronext Amsterdam and LSE. Prior to being delisted at termination, the Shares of the FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF were listed on the following exchanges: Xetra and Euronext Amsterdam.

The ICAV was registered on 25 June 2020, with registration number C432491.

The ICAV’s registered office address is Georges Court, 54-62 Townsend Street, Dublin 2, D02 R156, Ireland.

The ICAV has no employees.

As at 31 March 2024, the ICAV comprised one (31 March 2023: five) active Fund. Four Funds terminated during the year.

FlexShares ICAV - Fund Name	Central Bank Authorisation Date	Launch Date	Investment Objective
			To closely match the risks and returns of the following:
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*	1 December 2020	24 February 2021	iSTOXX Northern Trust Developed Markets Low Volatility Climate ESG Index
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*	1 December 2020	24 February 2021	iSTOXX Northern Trust Developed Markets High Dividend Climate ESG Index
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**	5 January 2021	23 September 2021	iSTOXX Northern Trust Emerging Markets Low Volatility Climate ESG Index
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**	5 January 2021	23 September 2021	iSTOXX Northern Trust Emerging Markets High Dividend Climate ESG Index
FlexShares® Listed Private Equity UCITS ETF	5 November 2021	9 December 2021	Foxberry Listed Private Equity SDG Screened USD Net Total Return Index

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

In accordance with the Prospectus, additional Funds may be established from time to time by the Manager.

Northern Trust International Fund Administration Services (Ireland) Limited (the “Administrator”) has been appointed by the Manager to act as administrator, registrar and transfer agent under the terms of an administration agreement which has been entered into on an arm’s length basis. Northern Trust Fiduciary Services (Ireland) Limited (the “Depositary”) has been appointed by the Manager to act as depositary responsible for the safekeeping (amongst other responsibilities) of all of the assets of each Fund under the terms of a depositary agreement which has been entered into on an arm’s length basis. The Manager has appointed Northern Trust Global Investments Limited (the “Investment Manager”) to provide discretionary investment management services to the Funds.

The Instrument of Incorporation, Prospectus, the Key Information Documents, the annual and semi-annual reports, as well as the issue and redemption prices are available free of charge pursuant to Sec. 297 (1) of the German Capital Investment Code from the office of the German Information and Paying Agent. For investors in Germany, the following Fund is available:

FlexShares® Listed Private Equity UCITS ETF

FLEXSHARES ICAV

GENERAL INFORMATION (continued)

For the year ended 31 March 2024

No notification pursuant to Section 310 of the German Capital Investment Code (Kapitalanlagegesetzbuch) has been filed for the following Funds and the units/shares in these Funds may not be marketed to investors in the Federal Republic of Germany:

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF

Dealing

Any application received by the Administrator after the relevant deadline on the relevant Dealing Day, where the relevant Dealing Day is defined as each Business Day where the Net Asset Value is determined, shall be deferred until the next succeeding Dealing Day.

Shares

Each Fund may issue one or more classes of Shares. Shares may be issued as Accumulating Shares or Distributing Shares. It is the present intention that only Accumulating Shares will be issued for FlexShares® Listed Private Equity UCITS ETF.

Dividends

Dividends were declared and paid during the year ended 31 March 2024, see Note 7 for further details.

Distributions have been declared and paid on Distributing Shares of FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF up to four times per annum or at any intervals to be specified by the Board of Directors with such dates to be set out on www.flexshares.com. No dividends will be declared in respect of the Accumulating Shares of FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF, FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Listed Private Equity UCITS ETF. The net income attributable to the Class USD Accumulating Shares shall be retained within the Fund and the value of the Class USD Accumulating Shares shall rise accordingly.

FLEXSHARES ICAV

DIRECTORS' REPORT

For the year ended 31 March 2024

The Directors have the pleasure in submitting the Annual Report to the Shareholders together with the audited financial statements for the year ended 31 March 2024.

Review of Business Activities and Future Developments

A detailed business review is outlined in the Investment Manager's ("Northern Trust Global Investments Limited") Reports on pages 10 to 14 and are included in this report by cross reference. Significant events during the year are included at the bottom of the page.

Results for the Year and State of Affairs as at 31 March 2024

The results of operations are set out on pages 21 to 33.

Distributions

Distributions were declared and paid during the year ended 31 March 2024, see Note 7 for further details.

Directors

The Directors of the ICAV during the year ended 31 March 2024 were:

<u>Director</u>	<u>Country of Residence</u>	<u>Date of Appointment</u>
Ms. Claire Cawley (Chairperson)	Irish Resident	20 November 2020
Mr. Ton Daniels	Dutch Resident	20 November 2020
Ms. Marie Dzanis (Retired 15 September 2023)	UK Resident	20 November 2020
Ms. Martha Fee (Resigned 18 December 2023)	UK Resident	25 June 2020
Mr. Bimal Shah	UK Resident	20 November 2020
Mr. Feargal Dempsey	Irish Resident	15 November 2021
Mr. Cian Farrell (Resigned 16 November 2023)	Irish Resident	10 January 2022
Mr. Alan Keating	Irish Resident	6 December 2021

Soft Commission Arrangements and Directed Brokerage Services

There were no soft commission arrangements, directed brokerage services or similar arrangements affecting the ICAV during the year ended 31 March 2024, nor were there any during the year ended 31 March 2023.

Directors' Interests

None of the Directors held any interest in the shares of the ICAV at any time during the year or at 31 March 2024 (31 March 2023: Nil).

Transactions involving Directors

Other than as stated in Related Party Disclosures in Note 12, there were no contracts or arrangements of any significance in relation to the business of the ICAV in which the Directors had any interest, as defined in the ICAV Act, at any time during the year.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the ICAV are market risk (including price risk, interest rate risk and foreign currency risk), liquidity risk and counterparty credit risk which are outlined in Note 13 and is included in this report by cross reference.

Political Contributions

There were no political contributions made by the ICAV during the year ended 31 March 2024 (31 March 2023: Nil).

Significant Events During the Year

FlexShares® Listed Private Equity UCITS ETF was marketed to institutional investors in Switzerland on 17 April 2023.

Marie Dzanis retired from the ICAV board at 15 September 2023.

Cian Farrell resigned as a Director of the ICAV on 16 November 2023.

Effective 14 December 2023, the Legal Advisor changed to Matheson LLP Solicitors.

Martha Fee resigned as a Director of the ICAV on 18 December 2023.

The Secretary of the ICAV changed from Northern Trust International Fund Administration Services (Ireland) Limited to Matsack Trust Limited effective 1 January 2024.

FLEXSHARES ICAV

DIRECTORS' REPORT (continued)

For the year ended 31 March 2024

Significant Events During the Year (continued)

Funds terminations during the year:

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF terminated on 26 October 2023.
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF terminated on 26 October 2023.
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF terminated on 26 January 2024.
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF terminated on 26 January 2024.

There were no other material events during the year.

Subsequent Events

On 27 June 2024, a notice was issued to shareholders outlining that, subject to the conclusion of all necessary formalities and the approval of the Central Bank, the existing Manager of the ICAV (Northern Trust Fund Managers (Ireland) Ltd (“NTAM”)), would be replaced by Waystone Management Company (IE) Limited (“Waystone”) as the Manager of the ICAV effective 12 July 2024. Waystone is authorised and regulated by the Central Bank as a UCITS management company, alternative investment fund manager and service provider to funds. As part of this change of service provider, the ICAV is to terminate the Management Agreement between NTAM and the ICAV, and the ICAV will enter into a new Management Agreement with Waystone. Other existing contractual relationships to which the ICAV and NTAM are parties will either be novated to Waystone, or new agreements will be put in place with Waystone, and there will be no increase in the fees payable by Shareholders, as set out in the “Fees and Expenses” section of the Prospectus. In connection with, and subject to the conclusion of all necessary formalities and approval of the Central Bank, it is also proposed, for commercial reasons, that: (i) the current Company Secretary, Matsack Trust Limited will change to Waystone Management Company (IE) Limited; (ii) the registered address of the ICAV will be changed from George’s Court, 54-62 Townsend Street, Dublin 2, Ireland to 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland; and (iii) subject to Central Bank approval, the name of the ICAV will be changed from FlexShares ICAV to Waystone ETF ICAV. Shareholders will not bear the costs of this change and revised Offering Documents will be available on www.flexshares.com once Central Bank approval for the change in service provider and name change have been received.

There were no other significant events subsequent to the year end which require amendment to the financial statements.

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Directors’ Report and financial statements, in accordance with applicable law and regulations.

The ICAV Act requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”) and applicable law.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the year and of the changes in net assets attributable to holders of redeemable participating shares in the ICAV for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the ICAV’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the ICAV or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and change in net assets attributable to holders of redeemable participating shares in the ICAV and enable them to ensure that the financial statements comply with the ICAV Act and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard they have entrusted the assets of the ICAV to a depositary for safe-keeping. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors’ Report that complies with the requirements of the ICAV Act.

Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Accounting Records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Section 109 to 115 of the ICAV Act, are kept by the ICAV. To achieve this, the Directors have appointed experienced administrators and service providers in order to ensure that those requirements are complied with. Those accounting records are maintained at the ICAV’s registered office at George’s Court, 54-62 Townsend Street, Dublin 2, D02 R156, Ireland.

FLEXSHARES ICAV

DIRECTORS' REPORT (continued)

For the year ended 31 March 2024

Independent Auditor

KPMG, Chartered Accountants first appointed statutory auditor on 14 July 2021, have been reappointed during the year in accordance with Section 125 of the ICAV Act and have expressed their willingness to continue in office in accordance with Section 125 of the ICAV Act.

Connected Persons

The Central Bank UCITS Regulations require in effect that any transaction carried out with an ICAV by a management company or depositary to the ICAV, the delegates or sub-delegates of the management company or depositary, and any associated or group of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Shareholders.

The Directors of the Manager are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the year complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

Audit Committee

The ICAV does not currently have an Audit Committee. As the responsibilities of the Audit Committee, including the review, approval and monitoring of the statutory audit, financial statements and controls, are already carried out by the Board of Directors, hence the establishment of an Audit Committee was not deemed to be currently required by the Directors.

Corporate Governance

The ICAV is subject to compliance with the requirements of the ICAV Act and the Central Bank UCITS Regulations. During the year, under review, the ICAV was subject to corporate governance imposed by:


- i. The ICAV Act which can be obtained at <https://www.irishstatutebook.ie/eli/2015/act/2/enacted/en/html>;
- ii. The Instrument of Incorporation of the ICAV which is available for inspection at the registered office of the ICAV at George's Court, 54-62 Townsend Street, Dublin 2, D02 R156, Ireland;
- iii. The Central Bank UCITS Regulations which can be obtained from the Central Bank's website at: <http://www.centralbank.ie/regulation/industrysectors/funds/ucits/Pages/default.aspx> and is available for inspection at the registered office of the ICAV;
- iv. The Euronext Dublin through the Euronext Dublin Code of Listing Requirements and Procedures which can be obtained from the Euronext Dublin's website at <http://www.ise.ie/>;
- v. The Euronext Amsterdam through the Euronext Amsterdam Code of Listing Requirements and Procedures which can be obtained from the Euronext Amsterdam's website at <http://www.euronext.com/>;
- vi. The London Stock Exchange through the London Stock Exchange Rule book which can be obtained from the London Stock Exchange's website at <http://www.londonstockexchange.com/>;
- vii. The Deutsche Boerse through the Deutsche Boerse Code of Listing Requirements and Procedures which can be obtained from the Deutsche Boerse's website at <https://www.deutsche-boerse.com/dbg-en/>; and
- viii. Irish Funds, formally Irish Funds Industry Association, Corporate Governance Code for Collective Investment Schemes and Management Companies (December 2011) which can be found at <http://www.irishfunds.ie/regulatory-technical/corporate-governance>

Compliance with the Irish Corporate Governance Code

The Directors have adopted the voluntary Irish Funds (formerly Irish Funds Industry Association) ("IFIA") Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies, issued 14 December 2011 (the "Code"). The Directors have reviewed and assessed the measures included in the Code and consider its corporate governance practices and procedures since the adoption of the Code as consistent therewith. The Code provides a framework for the organisation and operation of funds to ensure that funds operate efficiently and in the interests of shareholders. The Board considers that the ICAV has complied with the main provisions contained in the Code throughout this accounting period and that it complies with the various other corporate governance requirements prescribed by the legislation noted above.

On behalf of the Board of Directors

DocuSigned by:

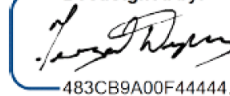


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Director

12 July 2024

DocuSigned by:



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Director

FLEXSHARES ICAV

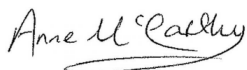
REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to FlexShares® ICAV (the “ICAV”) provide this report solely in favour of the Shareholders of the ICAV for the year ended 31 March 2024 (the “Annual Accounting Period”). This report is provided in accordance with current Depositary obligation with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law (“the Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation under the Regulations, we have enquired into the conduct of the ICAV for this Annual Accounting Period and we hereby report thereon to the Shareholders of the ICAV as follows;

We are of the opinion that the ICAV has been managed during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional document and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the Regulations.



**For and on behalf of:
Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court
54-62 Townsend Street
Dublin 2, D02 R156
Ireland

12 July 2024

FLEXSHARES ICAV

FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

INVESTMENT REVIEW

For the period from 1 April 2023 to 26 January 2024*

Launch Date

24 February 2021

Fund Size

US\$– million

Benchmark

iSTOXX Northern Trust Developed Markets Low Volatility Climate ESG Index

Performance Data

	Since Inception (Annualised)	6 Month	1 Year
Fund	5.16%	5.26%	14.37%
Benchmark	4.95%	5.18%	14.13%

Fund Review

Portfolio Summary**

United States	66.00
Japan	7.00
United Kingdom	5.20
Canada	3.30
France	3.20
Australia	3.00
Sweden	2.90
Denmark	1.80
Switzerland	1.60
Netherlands	1.40
Other	4.60

**Source FactSet as at 31 December 2023. Country breakdown may not sum to 100% as the Fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

For the period under review, the FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF outperformed the benchmark by 24 bps. The Fund posted a net total return of 14.37% while the benchmark returned 14.13%. Ex-post tracking error for 1 year is 0.14%. The Fund has tracked its benchmark index within its anticipated tracking error.

Sustainable Finance Disclosure Regulation (“SFDR”)

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF is classified as an Article 8 Fund under EU SFDR and promotes environmental and/or social characteristics and is therefore subject to the sustainability-related disclosure rules set out in Article 8 of the SFDR. In accordance with Article 11 of the SFDR, further information about the environmental and/or social characteristics of the Funds of FlexShares® ICAV are set out from page 83 of the financial statements where completed template periodic disclosure annex, as prescribed under Commission Delegated Regulation (EU) 2022/1288 (as amended), in respect of each Article 8 Fund is included.

*Fund terminated on 26 January 2024. The proceeds were distributed in cash form to those persons listed as shareholders in the Fund as at the Record Date of 26 January 2024.

Northern Trust Global Investments Limited, London

Investment Manager

May 2024

FLEXSHARES ICAV

FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

INVESTMENT REVIEW

For the period from 1 April 2023 to 26 January 2024*

Launch Date

24 February 2021

Fund Size

US\$– million

Benchmark

iSTOXX Northern Trust Developed Markets High Dividend Climate ESG Index

Performance Data

	Since Inception (Annualised)	6 Month	1 Year
Fund	7.11%	8.82%	20.30%
Benchmark	6.85%	8.73%	19.91%

Fund Review

Portfolio Summary**

United States	67.50
Japan	8.50
United Kingdom	3.50
Switzerland	3.30
Germany	3.00
France	2.70
Netherlands	2.10
Canada	1.90
Singapore	1.40
Hong Kong	1.20
Other	4.90

**Source FactSet as at 31 December 2023. Country breakdown may not sum to 100% as the Fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

For the period under review, the FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF outperformed the benchmark by 39 bps. The Fund posted a net total return of 20.30% while the benchmark returned 19.91%. Ex-post tracking error for 1 year is 0.12%. The Fund has tracked its benchmark index within its anticipated tracking error.

Sustainable Finance Disclosure Regulation (“SFDR”)

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF is classified as an Article 8 Fund under EU SFDR and promotes environmental and/or social characteristics and is therefore subject to the sustainability-related disclosure rules set out in Article 8 of the SFDR. In accordance with Article 11 of the SFDR, further information about the environmental and/or social characteristics of the Funds of FlexShares® ICAV are set out from page 83 of the financial statements where completed template periodic disclosure annex, as prescribed under Commission Delegated Regulation (EU) 2022/1288 (as amended), in respect of each Article 8 Fund is included.

*Fund terminated on 26 January 2024. The proceeds were distributed in cash form to those persons listed as shareholders in the Fund as at the Record Date of 26 January 2024.

Northern Trust Global Investments Limited, London

Investment Manager

May 2024

FLEXSHARES ICAV

FLEXSHARES® EMERGING MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

INVESTMENT REVIEW

For the period from 1 April 2023 to 26 October 2023*

Launch Date

23 September 2021

Fund Size

US\$– million

Benchmark

iSTOXX Northern Trust Emerging Markets Low Volatility Climate ESG Index

Performance Data

	Since Inception (Annualised)	6 Month	1 Year
Fund	-6.73%	2.24%	15.47%
Benchmark	-6.67%	2.56%	16.06%

Fund Review

Portfolio Summary**

India	23.90
China	19.10
Taiwan	17.90
Korea	13.80
Brazil	5.00
Mexico	3.60
Indonesia	3.20
Turkey	2.90
Malaysia	2.70
Thailand	2.40
Other	5.50

**Source FactSet as at 30 September 2023. Country breakdown may not sum to 100% as the Fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

For the period under review, the Flexshares® Emerging Markets Low Volatility Climate ESG UCITS ETF underperformed the benchmark by 59 bps. The Fund posted a net total return of 15.47% while the benchmark returned 16.06%. Ex-post tracking error for 1 year is 0.46%. The Fund has tracked its benchmark index within its anticipated tracking error.

Sustainable Finance Disclosure Regulation (“SFDR”)

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF is classified as an Article 8 Fund under EU SFDR and promotes environmental and/or social characteristics and is therefore subject to the sustainability-related disclosure rules set out in Article 8 of the SFDR. In accordance with Article 11 of the SFDR, further information about the environmental and/or social characteristics of the Funds of FlexShares® ICAV are set out from page 83 of the financial statements where completed template periodic disclosure annex, as prescribed under Commission Delegated Regulation (EU) 2022/1288 (as amended), in respect of each Article 8 Fund is included.

*Fund terminated on 26 October 2023. The proceeds were distributed in cash form to those persons listed as shareholders in the Fund as at the Record Date of 26 October 2023.

Northern Trust Global Investments Limited, London

Investment Manager

May 2024

FLEXSHARES ICAV

FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

INVESTMENT REVIEW

For the period from 1 April 2023 to 26 October 2023*

Launch Date

23 September 2021

Fund Size

US\$– million

Benchmark

iSTOXX Northern Trust Emerging Markets High Dividend Climate ESG Index

Performance Data

	Since Inception (Annualised)	6 Month	1 Year
Fund	-8.87%	1.00%	15.77%
Benchmark	-9.49%	1.35%	16.54%

Fund Review

Portfolio Summary**

India	21.30
China	19.20
Taiwan	18.10
Korea	14.10
Brazil	7.00
South Africa	3.60
Mexico	3.00
Indonesia	2.90
Thailand	2.80
Chile	1.50
Other	6.50

**Source FactSet as at 30 September 2023. Country breakdown may not sum to 100% as the Fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

For the period under review, the FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF underperformed the benchmark by 0.77%. The Fund posted a net total return of 15.77% while the benchmark returned 16.54%. Ex-post tracking error for 1 year is 0.86%. The Fund has tracked its benchmark index within its anticipated tracking error.

Sustainable Finance Disclosure Regulation (“SFDR”)

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF is classified as an Article 8 Fund under EU SFDR and promotes environmental and/or social characteristics and is therefore subject to the sustainability-related disclosure rules set out in Article 8 of the SFDR. In accordance with Article 11 of the SFDR, further information about the environmental and/or social characteristics of the Funds of FlexShares® ICAV are set out from page 83 of the financial statements where completed template periodic disclosure annex, as prescribed under Commission Delegated Regulation (EU) 2022/1288 (as amended), in respect of each Article 8 Fund is included.

*Fund terminated on 26 October 2023. The proceeds were distributed in cash form to those persons listed as shareholders in the Fund as at the Record Date of 26 October 2023.

Northern Trust Global Investments Limited, London

Investment Manager

May 2024

FLEXSHARES ICAV

FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

INVESTMENT REVIEW

For the year ended 31 March 2024

Launch Date

9 December 2021

Fund Size

US\$274.44 million

Benchmark

Foxberry Listed Private Equity SDG Screened USD Net Total Return Index

Performance Data

	Since Inception	6 Month	1 Year
Fund	4.87%	29.30%	44.19%
Benchmark	4.23%	28.85%	43.61%

Fund Review

Portfolio Summary*

United States	51.20
United Kingdom	13.20
Switzerland	9.40
Netherlands	9.10
Sweden	6.90
France	4.80
Belgium	2.30
Guernsey	1.80
Germany	0.50
Bermuda	0.30
Other	0.60

*Source FactSet as at 31 March 2024. Country breakdown may not sum to 100% as the Fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

For the year under review, the FlexShares® Listed Private Equity UCITS ETF outperformed the benchmark by 58 bps. The Fund posted a net total return of 44.19% while the benchmark returned 43.61%. Ex-post tracking error for 1 year is 0.21%. The Fund has tracked its benchmark index within its anticipated tracking error.

Sustainable Finance Disclosure Regulation (“SFDR”) and Taxonomy Regulation

FlexShares® Listed Private Equity UCITS ETF is classified as an Article 6 Fund under EU SFDR and does not have as its objective sustainable investment, nor does it promote environmental and/or social characteristics. As a result, the Fund does not fall within scope of sustainability-related disclosure rules set out in Article 8 or 9 of the SFDR.

Northern Trust Global Investments Limited, London

Investment Manager

May 2024



KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLEXSHARES ICAV

Report on the audit of the financial statements

Opinion

We have audited the financial statements of FlexShares ICAV ('the ICAV') for the year ended 31 March 2024 set out on pages 21 to 59, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares, the Statement of Cash Flows and related notes, including the material accounting policies set out in note 5.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 March 2024 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Acts 2015 to 2021 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 14 July 2021. The period of total uninterrupted engagement is the four years ended 31 March 2024. We have fulfilled our ethical responsibilities under, and we remained independent of the ICAV in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the ICAV's ability to continue to adopt the going concern basis of accounting included: considering the inherent risks to the ICAV's business model and analysis of how those risks might affect the ICAV's financial resources or ability to continue operations over the going concern period. The risks we considered most likely to adversely affect the ICAV's available financial resources over this period was the availability of capital to meet operating costs and other financial commitments (liquidity risk) and the valuation of investments at fair value as a result of market performance (price risk).



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLEXSHARES ICAV (continued)

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ICAV's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the ICAV's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the ICAV's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, as to the ICAV's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the ICAV's regulatory and legal correspondence, if any.
- Reading Board of Directors and Investment committee meeting minutes.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the ICAV is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the ICAV is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: certain aspects of corporate legislation recognising the financial and regulated nature of the ICAV's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.



INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF FLEXSHARES ICAV (continued)

Detecting irregularities including fraud (continued)

- Assessing significant accounting estimates for bias
- Assessing the disclosures in the financial statements

As the ICAV is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the ICAV operates and gaining an understanding of the control environment including the ICAV’s procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2023):

Accuracy and Valuation of Investments - USD 272,341,154 (2023: USD 166,712,656)

Refer to page 36 (Note 5 - Material Accounting Policy) and pages 54 to 56 (Note 14 - Fair Value Measurement)

The key audit matter	How the matter was addressed in our audit
<p>The ICAV’s investments make up 99.24% of the net asset value (‘NAV’) of the ICAV, and are considered to be the key driver for the ICAV’s results.</p> <p>While the nature of the ICAV’s investments do not require significant level of judgement, investments are identified as a significant area of audit focus due to their significance in the context of the financial statements as a whole.</p> <p>Investments held by the ICAV includes equities and futures contracts.</p> <p>The ICAV’s investments have the greatest impact on our overall audit strategy and allocation of resources both at the planning and completion of our audit.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - We obtained an understanding of the process in place to record investment transactions and to price the portfolio of investments. - A key judgement was made by the audit team to engage our valuation specialist to independently re-price and value 100% of investments held by the ICAV as at 31 March 2024. - We performed substantive attribute sampling to verify the data inputs into the valuation of investments. - We assessed the adequacy of the disclosure made in the financial statements in relation to the fair value of investments and fair value disclosure for compliance with IFRS as adopted by the EU. <p>Based on evidence obtained, no material misstatements were identified.</p>



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLEXSHARES ICAV (continued)

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at USD 2,740,000 (2023: USD 1,690,000), determined with reference to a benchmark of the ICAV's net asset value of which it represents 1% (2023: 1%) as at 31 March 2024.

We applied our judgement in determining the most appropriate benchmark. The factors, which had the most significant impact were:

- the elements of the financial statements (for example, total assets, net asset value, total investment income and increase in net assets attributable to holders of redeemable participating shares);
- the items on which attention of the users of the ICAV's financial statements tends to be focused;
- the nature of the ICAV, where the ICAV is in its life cycle, and the industry and economic environment in which the ICAV operates; and
- the ICAV's ownership structure and the way it is financed.

In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors, which had the most significant impact, increasing our assessment of materiality were:

- the ICAV's ownership structure and the way in which the entity is financed;
- the limited amount of external debt on the ICAV's balance sheet; and
- the stability of the business environment in which it operates.

We applied ICAV materiality to assist us determine the overall audit strategy.

Performance materiality for the financial statements as a whole was set at USD 2,050,000 (2023: USD 1,260,000), determined with reference to a benchmark of the ICAV's net asset value of which it represents 0.75% (2023: 0.75%).

We applied our judgement in determining performance materiality. The following factors were considered to have the most significant impact on our assessment of performance materiality:

- entity level control deficiencies, such as in the control environment;
- the number and severity of deficiencies in control activities, including those that may be pervasive;
- turnover of senior management or key financial reporting personnel;
- the number and/or value of detected misstatements;
- the value of uncorrected misstatements, including the cumulative current period effect of immaterial prior period uncorrected misstatements; and
- management's attitude towards correcting misstatements.

We applied ICAV performance materiality to assist us determine what risks were significant risks for the ICAV.

We reported to the Board of Directors any corrected or uncorrected identified misstatements exceeding USD 137,200 (2023: USD 84,500), in addition to other identified misstatements that warranted reporting on qualitative grounds. With specific regard to the valuation of the ICAV's financial investments at fair value through profit or loss, we also report to the Board of Directors all corrected and uncorrected misstatements we have identified through our audit with a value in excess of 50 basis points of each sub-fund's NAV.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLEXSHARES ICAV (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in Management and Other Information, General Information, Directors' Report, Report of the Depositary to the Shareholders, Investment Reviews, Supplementary Information, Appendix I: Portfolio Statements, Appendix II: Material Purchases and Sales, Appendix III: Information for Switzerland and Appendix IV: Sustainable Finance Disclosure Regulation ("SFDR"). The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work undertaken during the course of the audit, we have not identified material misstatements in the other information.

Opinion on other matter prescribed by the Irish Collective Asset-management Vehicles Acts 2015 to 2021

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

The Irish Collective Asset-management Vehicles Acts 2015 to 2021 requires us to report to you, if in our opinion, the disclosures of Directors' remuneration specified by law are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLEXSHARES ICAV (continued)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the shareholders of the ICAV, as a body, in accordance with the Section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'Maria Flannery'.

12 July 2024

Maria Flannery
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Assets							
Cash and cash equivalents	11	50,744	55,011	29,877	45,596	6,649,817	6,831,045
Margin cash	11	–	–	–	–	370,906	370,906
Dividends receivable		–	–	1,047	1,056	263,171	265,274
Other assets	8	50,362	49,144	60,603	58,337	131,915	350,361
Transferable securities: Equities	13,14	–	–	–	–	272,285,040	272,285,040
Unrealised gains on futures contracts	13,14	–	–	–	–	56,114	56,114
Total assets		101,106	104,155	91,527	104,989	279,756,963	280,158,740

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March 2024

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Liabilities							
Redemptions payable		2,155	1,717	39,103	45,163	–	88,138
Securities purchased payable		–	–	–	–	4,922,759	4,922,759
Investment management fees payable	6,12	1,893	5,155	6,350	6,538	289,317	309,253
Administration fees payable	6,12	407	493	–	–	14,608	15,508
Depositary fees payable	6,12	102	214	–	–	20,387	20,703
Audit fees payable	6	12,447	12,447	12,447	12,447	12,447	62,235
Directors fees payable	6,12	4,192	4,192	1,850	1,857	1,074	13,165
Accrued expenses and other liabilities	9	79,910	79,937	31,777	38,984	57,345	287,953
Total liabilities		101,106	104,155	91,527	104,989	5,317,937	5,719,714
Net assets attributable to holders of redeemable participating shares		–	–	–	–	274,439,026	274,439,026
Net assets attributable to holders of redeemable participating shares							
Classified as liabilities		–	–	–	–	274,439,026	
NAV per share		US\$–	US\$–	US\$–	US\$–	US\$27.67	

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.


The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

On behalf of the Board of Directors

DocuSigned by:

 591593A688D0C464

Director

DocuSigned by:

 483CB9A00F4444...

Director

12 July 2024

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March 2023

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Assets							
Cash and cash equivalents	11	102,746	86,924	94,304	97,518	1,601,719	1,983,211
Margin cash	11	11,179	15,973	9,322	9,322	299,318	345,114
Dividends receivable		12,029	37,497	17,708	19,684	199,159	286,077
Other assets	8	58,419	67,760	68,518	68,632	69,406	332,735
Transferable securities: Equities	13,14	5,105,956	16,468,245	4,112,528	3,816,710	137,103,850	166,607,289
Unrealised gains on futures contracts	13,14	4,860	6,996	1,720	1,720	90,071	105,367
Total assets		5,295,189	16,683,395	4,304,100	4,013,586	139,363,523	169,659,793
Liabilities							
Investment management fees payable	6,12	4,228	15,725	4,300	4,532	91,513	120,298
Administration fees payable	6,12	(3,231)	(2,773)	(427)	(439)	5,012	(1,858)
Depositary fees payable	6,12	268	864	575	537	6,519	8,763
Audit fees payable	6	19,552	19,552	19,552	19,552	19,552	97,760
Directors fees payable	6,12	795	795	795	795	795	3,975
Accrued expenses and other liabilities	9	78,174	78,134	79,953	80,051	58,592	374,904
Total liabilities		99,786	112,297	104,748	105,028	181,983	603,842
Net assets attributable to holders of redeemable participating shares		5,195,403	16,571,098	4,199,352	3,908,558	139,181,540	169,055,951
Net assets attributable to holders of redeemable participating shares		5,195,403	16,571,098	4,199,352	3,908,558	139,181,540	
Classified as liabilities		US\$25.98	US\$25.16	US\$21.00	US\$19.54	US\$19.26	
NAV per share							

The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Income							
<i>Income from financial instruments at fair value through profit or loss:</i>							
Dividend income	5	99,279	341,379	114,151	148,475	7,750,176	8,453,460
Net gains/(losses) from financial instruments at fair value through profit or loss		470,764	1,539,315	(4,993)	(73,558)	75,933,150	77,864,678
<i>Income and losses from financial instruments that are not at fair value through profit or loss:</i>							
Bank interest income		7,487	5,768	2,975	3,834	59,146	79,210
Net realised (losses)/gains on foreign currency		(1,734)	1,055	(15,770)	(3,251)	(14,538)	(34,238)
Net unrealised gains/(losses) on foreign currency		385	458	355	(143)	(8,748)	(7,693)
Expenses rebate	6,12	100,787	105,538	53,088	52,490	259,944	571,847
Net income		<u>676,968</u>	<u>1,993,513</u>	<u>149,806</u>	<u>127,847</u>	<u>83,979,130</u>	<u>86,927,264</u>

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year ended 31 March 2024

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Operating expenses							
Investment management fees	6,12	(10,802)	(31,114)	(7,345)	(7,583)	(858,406)	(915,250)
Administration fees	6,12	(10,655)	(12,261)	(5,767)	(5,716)	(60,524)	(94,923)
Depository fees	6,12	(4,167)	(6,691)	(4,534)	(4,710)	(75,387)	(95,489)
Audit fees	6	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(62,505)
Directors' fees	6,12	(3,687)	(4,123)	(1,296)	(1,289)	(7,455)	(17,850)
Transaction costs	5	(3,804)	(9,757)	(14,306)	(13,468)	(139,674)	(181,009)
Other expenses	10	(67,907)	(67,915)	(2,500)	56	(96,861)	(235,127)
Total operating expenses before tax		<u>(113,523)</u>	<u>(144,362)</u>	<u>(48,249)</u>	<u>(45,211)</u>	<u>(1,250,808)</u>	<u>(1,602,153)</u>
Operating profit before tax		563,445	1,849,151	101,557	82,636	82,728,322	85,325,111
Bank interest expense		(31)	(30)	(16)	(78)	(85)	(240)
Distributions	7	–	(276,600)	–	(104,400)	–	(381,000)
Withholding tax expense		(12,782)	(43,581)	(15,384)	(21,485)	(745,631)	(838,863)
Capital gains tax		–	–	2,518	770	–	3,288
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>550,632</u>	<u>1,528,940</u>	<u>88,675</u>	<u>(42,557)</u>	<u>81,982,606</u>	<u>84,108,296</u>

*For the period from 1 April 2023 to 26 January 2024.

**For the period from 1 April 2023 to 26 October 2023.

There were no recognised income or expenses arising in the period/year other than those included above. For the active Funds, all results arise from continuing operations. For the terminated Funds, all results arise from discontinued operations.

The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year ended 31 March 2023

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Income							
<i>Income from financial instruments at fair value through profit or loss:</i>							
Dividend income	5	134,511	524,756	160,295	166,032	5,025,533	6,011,127
Net losses from financial instruments at fair value through profit or loss		(526,297)	(1,497,460)	(543,565)	(763,333)	(26,316,618)	(29,647,273)
<i>Income and losses from financial instruments that are not at fair value through profit or loss:</i>							
Bank interest income		1,056	1,073	1,066	1,256	16,222	20,673
Net realised losses on foreign currency		(2,733)	(12,957)	(6,516)	(5,858)	(73,532)	(101,596)
Net unrealised gains/(losses) on foreign currency		145	642	(408)	(178)	(1,445)	(1,244)
Expenses rebate	6,12	108,153	122,006	132,160	133,121	242,926	738,366
Net expense		<u>(285,165)</u>	<u>(861,940)</u>	<u>(256,968)</u>	<u>(468,960)</u>	<u>(21,106,914)</u>	<u>(22,979,947)</u>

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year ended 31 March 2023

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Operating expenses							
Investment management fees	6,12	(12,661)	(45,158)	(12,796)	(13,843)	(557,990)	(642,448)
Administration fees	6,12	(8,037)	(10,664)	(7,803)	(7,760)	(41,663)	(75,927)
Depository fees	6,12	(14,811)	(18,576)	(8,501)	(9,581)	(58,201)	(109,670)
Audit fees	6	(18,496)	(18,496)	(18,496)	(18,496)	(18,497)	(92,481)
Directors' fees	6,12	(2,876)	(2,875)	(3,319)	(3,327)	(2,608)	(15,005)
Transaction costs	5	(3,741)	(13,101)	(9,981)	(10,652)	(45,807)	(83,282)
Other expenses	10	(61,453)	(69,386)	(111,939)	(108,105)	(117,309)	(468,192)
Total operating expenses before tax		<u>(122,075)</u>	<u>(178,256)</u>	<u>(172,835)</u>	<u>(171,764)</u>	<u>(842,075)</u>	<u>(1,487,005)</u>
Operating loss before tax		(407,240)	(1,040,196)	(429,803)	(640,724)	(21,948,989)	(24,466,952)
Bank interest expense		(142)	(200)	(19)	(18)	(988)	(1,367)
Distributions	7	–	(407,584)	–	(115,900)	–	(523,484)
Withholding tax expense		(19,583)	(82,841)	(22,211)	(23,099)	(585,041)	(732,775)
Capital gains tax		–	–	1,482	1,796	–	3,278
Decrease in net assets attributable to holders of redeemable participating shares from operations		<u>(426,965)</u>	<u>(1,530,821)</u>	<u>(450,551)</u>	<u>(777,945)</u>	<u>(22,535,018)</u>	<u>(25,721,300)</u>

There were no recognised income or expenses arising in the year other than those included above. In arriving at the results for the year, all amounts above relate to continuing operations.

The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the year ended 31 March 2024

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the year	5,195,403	16,571,098	4,199,352	3,908,558	139,181,540	169,055,951
Increase/(decrease) in net assets attributable to redeemable participating shares	550,632	1,528,940	88,675	(42,557)	81,982,606	84,108,296
Issue of redeemable participating shares	–	–	–	–	111,650,114	111,650,114
Redemption of redeemable participating shares	(5,746,035)	(18,100,038)	(4,288,027)	(3,866,001)	(58,375,234)	(90,375,335)
Total contributions and redemptions by holders of redeemable participating shares	(5,746,035)	(18,100,038)	(4,288,027)	(3,866,001)	53,274,880	21,274,779
Net assets attributable to holders of redeemable participating shares at the end of the period/year	–	–	–	–	274,439,026	274,439,026
Net assets attributable to holders of redeemable participating shares Classified as liabilities	–	–	–	–	274,439,026	

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (continued)

For the year ended 31 March 2023

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the year	5,622,368	16,043,501	4,649,903	4,686,503	147,466,308	178,468,583
Decrease in net assets attributable to redeemable participating shares	(426,965)	(1,530,821)	(450,551)	(777,945)	(22,535,018)	(25,721,300)
Issue of redeemable participating shares	–	2,058,418	–	–	31,358,088	33,416,506
Redemption of redeemable participating shares	–	–	–	–	(17,107,838)	(17,107,838)
Total contributions and redemptions by holders of redeemable participating shares	–	2,058,418	–	–	14,250,250	16,308,668
Net assets attributable to holders of redeemable participating shares at the end of the year	5,195,403	16,571,098	4,199,352	3,908,558	139,181,540	169,055,951
Net assets attributable to holders of redeemable participating shares Classified as liabilities	5,195,403	16,571,098	4,199,352	3,908,558	139,181,540	

The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Notes	US\$	US\$	US\$	US\$	US\$	US\$
Cash flows from operating activities						
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	550,632	1,528,940	88,675	(42,557)	81,982,606	84,108,296
Purchase of investments	(3,266,359)	(7,896,811)	(1,689,619)	(1,610,992)	(145,280,609)	(159,744,390)
Sale of investments	8,827,787	25,875,538	5,788,205	5,344,441	90,591,388	136,427,359
Dividend income received	111,308	378,876	130,812	167,103	7,686,164	8,474,263
Withholding tax paid	(12,782)	(43,581)	(15,384)	(21,485)	(745,631)	(838,863)
<i>Adjustments for:</i>						
Distributions	–	276,600	–	104,400	–	381,000
Withholding tax	12,782	43,581	15,384	21,485	745,631	838,863
Net (gains)/losses on investments	(450,612)	(1,503,486)	15,662	84,981	(75,535,253)	(77,388,708)
Net decrease/(increase) in receivables and other assets	8,057	18,616	7,915	10,295	(62,509)	(17,626)
Net decrease/(increase) in margin cash	11,179	15,973	9,322	9,322	(71,588)	(25,792)
Dividend income	(99,279)	(341,379)	(114,151)	(148,475)	(7,750,176)	(8,453,460)
Net (decrease)/increase in payables and accrued expenses	(835)	(9,859)	(52,324)	(45,202)	213,195	104,975
Net cash generated from/(used in) operating activities	5,691,878	18,343,008	4,184,497	3,873,316	(48,226,782)	(16,134,083)
Cash flows from financing activities						
Proceeds from issue of redeemable shares	–	–	–	–	111,650,114	111,650,114
Payments from redemption of redeemable shares	(5,743,880)	(18,098,321)	(4,248,924)	(3,820,838)	(58,375,234)	(90,287,197)
Distributions paid	–	(276,600)	–	(104,400)	–	(381,000)
Net cash (used in)/generated from financing activities	(5,743,880)	(18,374,921)	(4,248,924)	(3,925,238)	53,274,880	20,981,917
Net (decrease)/increase in cash	(52,002)	(31,913)	(64,427)	(51,922)	5,048,098	4,847,834
Cash and cash equivalents at the beginning of the period/year	102,746	86,924	94,304	97,518	1,601,719	1,983,211
Cash and cash equivalents at the end of the period/year	50,744	55,011	29,877	45,596	6,649,817	6,831,045
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FLEXSHARES ICAV

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 March 2024

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Supplementary information						
Bank interest paid	(35)	(32)	(16)	(78)	(97)	(258)
Bank interest received	7,580	5,875	3,114	4,005	58,422	78,996
Dividends received	98,526	335,295	115,428	145,618	6,940,533	7,635,400

*For the period from 1 April 2023 to 26 January 2024.

**For the period from 1 April 2023 to 26 October 2023.

The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 March 2023

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Cash flows from operating activities						
Decrease in net assets attributable to holders of redeemable participating shares from operations	(426,965)	(1,530,821)	(450,551)	(777,945)	(22,535,018)	(25,721,300)
Purchase of investments	(4,100,323)	(14,304,260)	(3,031,074)	(3,145,546)	(62,582,598)	(87,163,801)
Sale of investments	3,986,450	12,099,695	2,913,033	3,104,426	44,246,597	66,350,201
Dividend income received	132,604	544,537	158,061	167,639	4,981,142	5,983,983
Withholding tax paid	(19,583)	(82,841)	(22,211)	(23,099)	(585,041)	(732,775)
<i>Adjustments for:</i>						
Distributions	–	407,584	–	115,900	–	523,484
Withholding tax	19,583	82,841	22,211	23,099	585,041	732,775
Net losses on investments	512,504	1,475,806	540,196	762,905	26,393,654	29,685,065
Net (increase)/decrease in receivables and other assets	(20,969)	(25,397)	43,075	40,265	27,829	64,803
Net (increase)/decrease in margin cash	(1,142)	11,407	(3,991)	3,367	144,874	154,515
Dividend income	(134,511)	(524,756)	(160,295)	(166,032)	(5,025,533)	(6,011,127)
Net decrease in payables and accrued expenses	(23,289)	(24,570)	(16,014)	(16,676)	(35,011)	(115,560)
Net cash (used in)/generated from operating activities	<u>(75,641)</u>	<u>(1,870,775)</u>	<u>(7,560)</u>	<u>88,303</u>	<u>(14,384,064)</u>	<u>(16,249,737)</u>
Cash flows from financing activities						
Proceeds from issue of redeemable shares	–	2,058,418	–	–	31,358,088	33,416,506
Payments from redemption of redeemable shares	–	–	–	–	(17,107,838)	(17,107,838)
Distributions paid	–	(407,584)	–	(115,900)	–	(523,484)
Net cash generated from/(used in) financing activities	<u>–</u>	<u>1,650,834</u>	<u>–</u>	<u>(115,900)</u>	<u>14,250,250</u>	<u>15,785,184</u>
Net decrease in cash	(75,641)	(219,941)	(7,560)	(27,597)	(133,814)	(464,553)
Cash and cash equivalents at the beginning of the year	<u>178,387</u>	<u>306,865</u>	<u>101,864</u>	<u>125,115</u>	<u>1,735,533</u>	<u>2,447,764</u>
Cash and cash equivalents at the end of the year	11 <u>102,746</u>	<u>86,924</u>	<u>94,304</u>	<u>97,518</u>	<u>1,601,719</u>	<u>1,983,211</u>

FLEXSHARES ICAV

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 March 2023

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Supplementary information						
Bank interest paid	(158)	(238)	(20)	(19)	(1,526)	(1,961)
Bank interest received	963	966	927	1,085	12,832	16,773
Dividends received	113,021	461,696	135,850	144,540	4,396,101	5,251,208

The accompanying notes on pages 34 to 59 form an integral part of these financial statements.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. Establishment

FlexShares® ICAV (the “ICAV”) was registered on 25 June 2020 as an open-ended investment ICAV with variable capital and segregated liability between funds under the laws of Ireland. The ICAV is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (as amended) (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (as amended) (the “Central Bank UCITS Regulations”).

The ICAV is structured as an umbrella fund and may comprise of several portfolios of assets. The share capital of the ICAV (“Shares”) is divided into different Classes of Shares (“Classes”), the class specific characteristics of a Class may be varied or abrogated by the ICAV, subject to the Central Bank Rules.

The ICAV is registered and listed on the following stock exchanges: Deutsche Börse, Euronext Amsterdam, Xetra, Euronext Dublin and London Stock Exchange.

As at 31 March 2024, the ICAV comprised one (31 March 2023: five) active Fund. Four Funds terminated during the year.

2. Basis of Preparation

These audited financial statements for the year ended 31 March 2024 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and interpretations adopted by the International Accounting Standards Board (“IASB”), and with the requirements of the Irish Collective Asset-management Vehicles Acts 2015 and 2021 (“ICAV Act”) and pursuant to the provisions of the “UCITS Regulations” and the “Central Bank UCITS Regulations”. In accordance to the provisions of the Irish Collect Asset-management Vehicles Acts 2015 and 2021, the financial statements have been prepared at an ICAV combined total level. The combined financial statements are presented in US Dollar (“US\$”).

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results ultimately may differ from those estimates.

Going Concern

The Directors, in consultation with the Manager, resolved to close FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF effective 26 October 2023 and FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF effective 26 January 2024 due to Funds’ assets under management remaining below their stated minimum fund sizes, as outlined within the terms of the Prospectus documents. The Directors have a reasonable expectation that FlexShares® Listed Private Equity UCITS ETF in the ICAV has adequate resources to continue in operational existence for the foreseeable future. This includes the ability of the ICAV to meet redemption requests from participating shareholders and to meet expenses as they fall due. The liquidity risk associated with the redemption of the redeemable participating shares of the ICAV are outlined in Note 13(v). Therefore, the ICAV continues to adopt the going concern basis of accounting in preparing its financial statements.

Standards and amendments effective for the year ended 31 March 2024

The following new and amended standards have no significant impact on the ICAV’s financial statements:

- Insurance Contracts (Amendments to IFRS 17).
- Deferred Tax Related to Assets and Liabilities arising from Single Transaction (Amendments to IAS 12).
- International Tax Reform (Amendments to IAS 12).
- Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimate (Amendments to IAS 8).

Standards and amendments issued but not yet effective

The following new and amended standards are not expected to have a material impact on the ICAV’s financial statements:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Non-Current Liabilities with Covenants (Amendments to IAS 1).
- Lease Liability (Amendments to IFRS 16).
- Supplier Finance Arrangement (Amendments to IAS 7 and IFRS 7).
- Lack of Exchangeability (Amendments to IAS 21).

3. Functional and Presentation Currency

The functional currency of the ICAV and each Fund is the currency of the primary economic environment in which the ICAV and each fund operates. The Directors have determined the functional currency of FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF, FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF, FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF, FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF and FlexShares® Listed Private Equity UCITS ETF to be the US dollar (“US\$”), as the US\$ most faithfully represents the economic effects of their underlying transactions, events, conditions and the tracked indices for the Funds are priced in US\$ therefore each Fund follows the same logic for pricing and performance purposes.

For the year ended 31 March 2024

3. Functional and Presentation Currency (continued)

The Directors have adopted the functional currency of the ICAV and each Fund as its presentation currency. The ICAV may issue Share classes denominated in a currency other than its functional currency. Information in respect of the Funds' shares is presented in their denominated currency as it is more relevant to investors.

4. Use of Estimates and Judgements

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Use of Judgements

Information about significant areas of critical judgement in applying accounting policies is included in Note 5 – (v) *Financial Instruments: Fair Value Measurement Principles*.

5. Material Accounting Policies

The ICAV has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the ICAV adopted Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) from 1 April 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed (in this note) in certain instances.

Basis of Measurement

The financial statements of the ICAV have been prepared under the historical cost basis, as modified by the fair value measurement of financial assets and financial liabilities (including transferrable securities: equities and financial derivative instruments) at fair value through profit or loss.

Financial Instruments

(i) Classification of financial assets and financial liabilities

On initial recognition, the ICAV classifies financial assets as measured at amortised cost or Fair Value Through Profit or Loss ("FVTPL").

A financial asset is measured at amortised cost only if both of the following criteria are met:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI").

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Business Model Assessment:

In making an assessment of the objective of the business model in which a financial asset is held, the Funds consider all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the ICAV's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior years, the reasons for such sales and expectations about future sales activity.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

5. Material Accounting Policies (continued)

Financial Instruments (continued)

(i) Classification of financial assets and financial liabilities (continued)

The ICAV has determined it operates a business model which is neither that of Held-to-Collect or Held-to-Collect and Sell but is one in which financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place. This includes equity investments and derivatives.

Financial assets that are classified as amortised cost include cash, cash and cash equivalents, margin cash, dividend receivable and other assets.

Financial liabilities that are classified as amortised cost include payables and other liabilities.

(ii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the ICAV were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

(iii) Recognition

The ICAV recognise financial assets and financial liabilities on the trade date, the date the Funds become party to the contractual provisions of the instrument, or on the date on which they are originated.

(iv) Measurement

Financial instruments at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the Statement of Comprehensive Income. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that were directly attributable to their acquisition or issue.

Subsequent to initial recognition, all financial instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised within profit or loss in the Statement of Comprehensive Income.

Financial liabilities not at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

(v) Fair Value Measurement Principles

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Funds have access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of financial instruments traded in active markets is based on their quoted market prices at the measurement date. The Funds utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Funds determine the point within the bid-ask spread that is most representative of fair value.

If a quoted market price is not available on a recognised stock exchange, the fair value of the instrument is estimated using valuation techniques, including use of recent arm’s length market transactions, reference to the current fair value of another instrument that is substantially the same or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Funds recognise transfers between the levels of the fair value hierarchy as at the beginning of the reporting year during which the change has occurred. For further details see Note 14.

(vi) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Comprehensive Income.

The Funds recognise loss allowances for Expected Credit Losses (“ECLs”) on financial assets measured at amortised cost.

(vii) Derecognition

A financial asset is derecognised when the Funds lose control over the contractual rights to the cash flows that comprise that asset. This occurs when the rights are realised, expire or are surrendered and control is not retained. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

5. Material Accounting Policies (continued)

Financial Instruments (continued)

(viii) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. For the years ended 31 March 2024 and 31 March 2023, there were no financial assets or liabilities subject to enforceable master netting arrangements or similar arrangements which would require disclosure.

Dividend Income

Dividend income is recognised in the Statement of Comprehensive Income on an ex-dividend date basis. Dividend income is shown gross of any nonrecoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

Fees and Expenses

Fees and expenses are recognised on an accruals basis. Expense rebates are recognised by the Funds and subsequently paid by the Investment Manager in the event that the Total Expense Ratio (“TER”) is insufficient to cover the expenses incurred by the Funds.

Expense Rebate

If a Fund’s expenses actually incurred in any period exceed the Total Expense Ratio (“TER”) the Investment Manager will reimburse the difference between the TER and the actual expenses incurred from its own resources. For further details see Note 6.

Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability at fair value. An incremental cost is one that would not have been incurred if the Funds had not acquired, issued or disposed of the financial instrument. Transaction costs are recognised within profit or loss in the Statement of Comprehensive Income, when incurred, as an expense.

Net Gains and Losses on Investments

Realised gains or losses on disposal of financial instruments at fair value through profit or loss and unrealised gains or losses on revaluation of financial instruments at fair value through profit or loss at the measurement date are calculated on a weighted average cost basis and recognised in the Statement of Comprehensive Income.

Redeemable Participating Shares

The ICAV classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Net Asset Value per Share of a share class shall be determined by dividing the Net Asset Value of the share class by the number of shares in issue in that share class as at the valuation point for each valuation day. All the Funds’ redeemable participating shares provide investors with the right to require redemption for cash at the value proportionate to the investor’s share in the Fund’s net assets at each daily redemption date.

In accordance with IAS 32, a puttable financial instrument that includes a contractual obligation for a Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund’s net assets in the event of the Fund’s liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The ICAV’s redeemable participating shares do not meet these conditions and are classified as liabilities.

Foreign Currency

Transactions in foreign currencies are translated into the functional currency of the Funds at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Funds at the closing exchange rate at the measurement date. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are also translated into the functional currency of the Funds at the closing exchange rate at the reporting date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

5. Material Accounting Policies (continued)

Foreign Currency (continued)

Foreign currency exchange differences relating to financial instruments at fair value through profit or loss are included within gains and losses from financial instruments at fair value through profit or loss in the Statement of Comprehensive Income. All other foreign currency exchange differences relating to cash are included within net realised and unrealised gains/losses on foreign currency in the Statement of Comprehensive Income.

Segment reporting

Operating Segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Manager (“CODM”). The CODM, who is responsible for allocation of resources and assessing the performance of the operating segment has been identified as the Board of Directors. The Board of Directors make the strategic resource allocations on behalf of the ICAV. Each Fund is managed as an operating segment.

Distributions

During the year ended 31 March 2024, as a result of the classification of their redeemable participating shares as liabilities, any of the Funds distributions will be recognised in the Statement of Comprehensive Income.

Cash, Cash Equivalents and Margin Cash

Cash comprises current deposits with banks.

Margin Cash are held for derivatives trading with brokers.

Taxation

The ICAV will not be liable for tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payment to shareholders or any encashment, redemption or transfer of shares or an ending of a Relevant Period.

A chargeable event does not include:

- (i) Any transactions in relation to Redeemable Participating Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or,
- (ii) An exchange of Redeemable Participating Shares representing one Fund for another Fund of the ICAV; or,
- (iii) An exchange of Redeemable Participating Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Fund.

A chargeable event will not occur in respect of Redeemable Participating Shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the ICAV with a relevant declaration to that effect. There were no chargeable events during the financial year.

In the absence of an appropriate declaration, the ICAV will be liable for Irish tax on the occurrence of a chargeable event and the ICAV reserves its right to withhold such taxes from payments to relevant shareholders.

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the ICAV or its Shareholders. Prior year capital gains tax accrual reversals and tax reclaims received are recorded in the Statement of Comprehensive Income.

Duties and Charges

A fee may be charged by the ICAV on the issue and/or redemption of Shares to cover the dealing costs relating to such issue and/or redemption.

For the avoidance of any doubt, the above Duties and Charges shall be in addition to the Subscription Price or shall be deducted from the Redemption Price payable to the investor or used to purchase the Shares of the New Class, in the case of a conversion (as appropriate).

6. Fees and Expenses

Total Expense Ratio (“TER”)

Each Fund pays all of its fees and expenses (and its due proportion of any costs and expenses of the ICAV allocated to it). Where a Fund has multiple Share Classes, any fees and expenses which are attributable to a particular Share Class (rather than the entire Fund) will be deducted from the assets notionally allocated by the Fund to that Share Class.

The Funds will bear all costs incurred in connection with the Funds’ assets. This includes, but is not limited to, fees and out-of-pocket expenses properly incurred of the Manager, Investment Manager, any sub-investment manager, Depositary, Administrator, Directors, Distributor or sub-distributor, Secretary, MLRO, auditor, legal advisors, tax agent and Paying Agents or facilities agent (including the UK Facilities Agent). An additional list of fees and expenses is also outlined in the Prospectus.

All Directors will be entitled to reimbursement by the ICAV of out-of-pocket expenses properly incurred in connection with the business of the ICAV or the discharge of their duties.

The Funds may pay, subject to any applicable regulations, part or all of its fees to any person that invests in or provides services to the ICAV or in respect of any Fund.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

6. Fees and Expenses (continued)

Total Expense Ratio (“TER”) (continued)

Separate to and distinct from the Duties and Charges, the following TER will be applied to the ICAV on behalf of the Funds and will affect the Net Asset Value of the relevant Share Class of the Funds:

Fund	Share Class	Total Expense Ratio
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*	USD Accumulating Share Class	Up to 0.25% per annum
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*	USD Distributing Share Class	Up to 0.29% per annum
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**	USD Accumulating Share Class	Up to 0.31% per annum
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**	USD Distributing Share Class	Up to 0.35% per annum
FlexShares® Listed Private Equity UCITS ETF	USD Accumulating Share Class	Up to 0.40% per annum

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

The TER is calculated daily from the Net Asset Value of each Fund. The TER of each Fund is as listed in the relevant supplement to the Prospectus.

If a Fund’s expenses actually incurred in any period exceed the TER (“Deficit”), the Investment Manager will pay the difference between the TER and the actual expenses incurred from its own resources which the Funds will record and recognise as an expenses rebate.

The costs attributable to the individual Funds shall be allocated directly to them; otherwise the costs shall be divided among the individual Funds in proportion to the net asset value of each Fund. All the above fees accrue and are calculated on each dealing day and are payable monthly in arrears. The actual fees earned by the Investment Manager, Administrator and Depositary for the year are disclosed in the Statement of Comprehensive Income.

Northern Trust Fund Managers (Ireland) Limited is not entitled to a Manager fee as at the year ended 31 March 2024 (31 March 2023: Nil).

Audit fees of US\$62,505 (31 March 2023: US\$75,190) (ex VAT) were incurred in relation to the statutory audit of the financial statements of the ICAV for the year.

Tax compliance fees of US\$14,074 (31 March 2023: US\$20,385) (ex VAT) for non-audit services provided by KPMG were incurred for the year.

7. Distributions

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

The net income attributable to the Class USD Accumulating Shares was retained within the Fund and the value of the Class USD Accumulating Shares had risen accordingly.

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

The Board of Directors was entitled to determine the payment of dividends and to decide to what extent distributions are to be made from the net investment income attributable to the Class USD Distributing Shares.

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF

The net income attributable to the Class USD Accumulating Shares was retained within the Fund and the value of the Class USD Accumulating Shares had risen accordingly.

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF

The Board of Directors was entitled to determine the payment of dividends and to decide to what extent distributions are to be made from the net investment income attributable to the Class USD Distributing Shares.

FlexShares® Listed Private Equity UCITS ETF

The net income attributable to the Class USD Accumulating Shares shall be retained within the Fund and the value of the Class USD Accumulating Shares shall rise accordingly.

For the period ended 1 April 2023 to 26 January 2024

	Currency	For The Period Ended	Ex-Dividend Date	Payment Date	Distribution	Distribution Per Share
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*						
USD Distributing Share Class	USD	31 May 2023	15 June 2023	28 June 2023	US\$135,989	US\$0.27
USD Distributing Share Class	USD	31 August 2023	14 September 2023	27 September 2023	US\$65,633	US\$0.13
USD Distributing Share Class	USD	30 November 2023	14 December 2023	27 December 2023	US\$74,978	US\$0.15
					<u>US\$276,600</u>	

*Fund terminated on 26 January 2024.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

7. Distributions (continued)

For the period ended 1 April 2023 to 26 October 2023

	Currency	For The Period Ended	Ex-Dividend Date	Payment Date	Distribution	Distribution Per Share
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF*						
USD Distributing Share Class	USD	31 May 2023	15 June 2023	28 June 2023	US\$28,860	US\$0.15
USD Distributing Share Class	USD	31 August 2023	14 September 2023	27 September 2023	US\$75,540	US\$0.38
					<u>US\$104,400</u>	

*Fund terminated on 26 October 2023.

For the year ended 31 March 2023

	Currency	For The Period Ended	Ex-Dividend Date	Payment Date	Distribution	Distribution Per Share
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF						
USD Distributing Share Class	USD	31 May 2022	16 June 2022	29 June 2022	US\$135,337	US\$0.24
USD Distributing Share Class	USD	31 August 2022	15 September 2022	28 September 2022	US\$93,844	US\$0.14
USD Distributing Share Class	USD	30 November 2022	15 December 2022	30 December 2022	US\$102,801	US\$0.16
USD Distributing Share Class	USD	28 February 2023	16 March 2023	29 March 2023	US\$75,602	US\$0.11
					<u>US\$407,584</u>	

	Currency	For The Period Ended	Ex-Dividend Date	Payment Date	Distribution	Distribution Per Share
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF						
USD Distributing Share Class	USD	31 May 2022	16 June 2022	29 June 2022	US\$24,900	US\$0.12
USD Distributing Share Class	USD	31 August 2022	15 September 2022	28 September 2022	US\$54,740	US\$0.27
USD Distributing Share Class	USD	30 November 2022	15 December 2022	30 December 2022	US\$22,780	US\$0.11
USD Distributing Share Class	USD	28 February 2023	16 March 2023	29 March 2023	US\$13,480	US\$0.07
					<u>US\$115,900</u>	

8. Other Assets

As at 31 March 2024

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$
Other Assets			
Bank Interest Receivable	–	–	–
Expense Cap Reimbursement	48,767	47,397	38,401
Other Income Receivable	–	–	7,512
Other Expense Prepaid	1,595	1,747	14,690
Total	<u>50,362</u>	<u>49,144</u>	<u>60,603</u>

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Other Assets			
Bank Interest Receivable	–	4,114	4,114
Expense Cap Reimbursement	37,925	121,381	293,871
Other Income Receivable	7,033	–	14,545
Other Expense Prepaid	13,379	6,420	37,831
Total	<u>58,337</u>	<u>131,915</u>	<u>350,361</u>

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

8. Other Assets (continued)

As at 31 March 2023

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$
Other Assets			
Bank Interest Receivable	93	107	139
Expense Cap Reimbursement	58,319	67,646	68,372
Other Expense Prepaid	7	7	7
Total	58,419	67,760	68,518

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Other Assets			
Bank Interest Receivable	171	3,390	3,900
Expense Cap Reimbursement	68,454	66,009	328,800
Other Expense Prepaid	7	7	35
Total	68,632	69,406	332,735

9. Accrued Expenses and Other Liabilities

As at 31 March 2024

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$
Accrued Expenses and Other Liabilities			
Accrued Bank Interest expense	–	–	–
Accrued Corporate Secretarial fees	(219)	(219)	–
Accrued IFSRA Fee	(4,794)	(4,794)	(2,853)
Accrued ISE Fee	(564)	(564)	(224)
Accrued Legal fees and expenses	(6,031)	(6,031)	(20,977)
Accrued Listing fee	(4,834)	(4,834)	(7,723)
Accrued Miscellaneous expenses	(19,934)	(19,934)	–
Accrued Professional Services	(22,256)	(22,315)	–
Accrued Registration & Filing Fee	(20,096)	(20,064)	–
Accrued Taxation fee	(1,182)	(1,182)	–
Accrued Translation Fee	–	–	–
Spot Contract Payable	–	–	–
Other payables	–	–	–
Total	(79,910)	(79,937)	(31,777)

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

9. Accrued Expenses and Other Liabilities (continued)

As at 31 March 2024 (continued)

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Accrued Expenses and Other Liabilities			
Accrued Bank Interest expense	–	(2)	(2)
Accrued Corporate Secretarial fees	–	(2,499)	(2,937)
Accrued IFSRA Fee	(2,853)	(4,447)	(19,741)
Accrued ISE Fee	(224)	(548)	(2,124)
Accrued Legal fees and expenses	(20,977)	(5,351)	(59,367)
Accrued Listing fee	(7,724)	(11,883)	(36,998)
Accrued Miscellaneous expenses	(7,206)	(13,117)	(60,191)
Accrued Professional Services	–	(3,883)	(48,454)
Accrued Registration & Filing Fee	–	(6,057)	(46,217)
Accrued Taxation fee	–	(5,460)	(7,824)
Accrued Translation Fee	–	(14)	(14)
Spot Contract Payable	–	(4,084)	(4,084)
Other payables	–	–	–
Total	<u>(38,984)</u>	<u>(57,345)</u>	<u>(287,953)</u>

*Fund terminated on 26 October 2023.

As at 31 March 2023

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$
Accrued Expenses and Other Liabilities			
Accrued Bank Interest expense	(4)	(2)	–
Accrued Corporate Secretarial fees	(388)	(388)	(388)
Accrued IFSRA Fee	(2,742)	(2,742)	(2,742)
Accrued ISE Fee	(883)	(883)	(883)
Accrued Legal fees and expenses	(2,290)	(2,290)	(2,290)
Accrued Listing fee	(19,294)	(19,294)	(19,295)
Accrued Professional Services	(35,167)	(35,129)	(35,170)
Accrued Registration & Filing Fee	(13,928)	(13,928)	(16,011)
Accrued Taxation fee	(2,630)	(2,630)	(2,231)
Accrued Translation Fee	(848)	(848)	(848)
Other payables	–	–	(95)
Total	<u>(78,174)</u>	<u>(78,134)</u>	<u>(79,953)</u>

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Accrued Expenses and Other Liabilities			
Accrued Bank Interest expense	–	(14)	(20)
Accrued Corporate Secretarial fees	(388)	(388)	(1,940)
Accrued IFSRA Fee	(2,742)	(2,742)	(13,710)
Accrued ISE Fee	(883)	(883)	(4,415)
Accrued Legal fees and expenses	(2,290)	(2,290)	(11,450)
Accrued Listing fee	(19,295)	(17,408)	(94,586)
Accrued Professional Services	(35,171)	(18,886)	(159,523)
Accrued Registration & Filing Fee	(16,011)	(12,465)	(72,343)
Accrued Taxation fee	(2,231)	(2,668)	(12,390)
Accrued Translation Fee	(848)	(848)	(4,240)
Other payables	(192)	–	(287)
Total	<u>(80,051)</u>	<u>(58,592)</u>	<u>(374,904)</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

10. Other Expenses

For the period/year ended 31 March 2024

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** US\$
Other expenses			
Corporate secretarial fees	(2,331)	(2,331)	(1,323)
Directors insurance	(56)	(56)	(56)
Legal fees	(7,870)	(7,870)	(24,271)
Professional services fees ²	(6,784)	(7,049)	13,927
Registration and filing fee	(28,201)	(28,201)	(12,524)
Translation fee ²	848	848	848
General expenses ^{1,2}	(23,513)	(23,256)	20,899
Total	(67,907)	(67,915)	(2,500)

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Other expenses			
Corporate secretarial fees	(1,323)	(4,611)	(11,919)
Directors insurance	(56)	(38)	(262)
Legal fees	(24,271)	(15,486)	(79,768)
Professional services fees ²	13,935	(14,658)	(629)
Registration and filing fee	(12,524)	(29,712)	(111,162)
Translation fee ²	848	834	4,226
General expenses ^{1,2}	23,447	(33,190)	(35,613)
Total	56	(96,861)	(235,127)

*For the period from 1 April 2023 to 26 January 2024.

**For the period from 1 April 2023 to 26 October 2023.

¹Included within General expenses are foreign tax fees, VAT fees and various listing fees.

²Positive expenses relate to reversal of prior year accruals.

For the year ended 31 March 2023

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF US\$
Other expenses			
Corporate secretarial fees	(2,402)	(2,402)	(2,402)
Directors insurance	(41)	(41)	(39)
Legal fees	(4,222)	(4,222)	(5,381)
Professional services fees	(3,121)	(3,729)	(6,223)
Registration and filing fee	(34,620)	(42,214)	(48,316)
Translation fee	(214)	(214)	(183)
General expenses ¹	(16,833)	(16,564)	(49,395)
Total	(61,453)	(69,386)	(111,939)

¹Included within General expenses are foreign tax fees, VAT fees and various listing fees.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

10. Other Expenses (continued)

For the year ended 31 March 2023 (continued)

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$	Total US\$
Other expenses			
Corporate secretarial fees	(2,402)	(2,402)	(12,010)
Directors insurance	(39)	11	(149)
Legal fees	(5,672)	(4,948)	(24,445)
Professional services fees	(6,219)	(7,637)	(26,929)
Registration and filing fee	(48,308)	(73,087)	(246,545)
Translation fee	(183)	80	(714)
General expenses ¹	(45,282)	(29,326)	(157,400)
Total	<u>(108,105)</u>	<u>(117,309)</u>	<u>(468,192)</u>

¹Included within General expenses are foreign tax fees, VAT fees and various listing fees.

11. Cash, Cash Equivalents and Margin Cash

All cash and cash equivalents are held with The Northern Trust Company as mentioned in Note 12.

All margin cash represents cash deposits with Merrill Lynch International, transferred as collateral for all open futures contracts, in the current and prior year, thus, is not freely available.

12. Transactions with Related Parties and Key Management Personnel

The following transactions with related parties were entered into during the year by the ICAV:

- The Investment Manager, earned a fee of US\$915,250 (31 March 2023: US\$642,448) of which US\$309,253 (31 March 2023: US\$120,298) was due as at year end. Expense rebate amounted to US\$(571,847) (31 March 2023: US\$(738,366)).
- The Administrator, earned a fee of US\$94,923 (31 March 2023: US\$75,927) of which US\$15,508 (31 March 2023: US\$(1,858)) was due as at year end.
- The Depositary, earned a fee of US\$95,489 (31 March 2023: US\$109,670) of which US\$20,122 (31 March 2023: US\$8,763) was due as at year end.
- No Manager fees were charged to the ICAV during the year (31 March 2023: Nil).
- Cash balances were held with The Northern Trust Company during the year (31 March 2023: The Northern Trust Company).
- Northern Trust Fund Managers (Ireland) Limited hold two (31 March 2023: two) redeemable non-participating voting subscriber shares of no par value are held by them in a nominee capacity.

Remuneration of the Directors

Group Directors remuneration:

Group Directors are employed by Northern Trust Group companies and can be either Executive or Non-Executive Directors, as approved by the Central Bank of Ireland under its Fitness and Probity Regime. Group Directors' remuneration is allocated based on the apportionment of time incurred by Directors in respect of qualifying services to the ICAV.

No remuneration was paid to the Group Directors during the current or prior years.

Long term incentives awarded are delivered by Northern Trust Group companies in the form of non-cash instruments and these restricted stock shares are recognised over the year that the restricted stock vests.

Independent Non-Executive Directors' remuneration:

During the year, the ICAV was charged a Directors fee by its Independent Non-Executive Directors amounting to US\$17,850 (31 March 2023: US\$15,005) for the FlexShares ICAV, of which US\$13,165 (31 March 2023: US\$3,975) was outstanding at year end.

13. Financial Instruments and Associated Risks

The Investment Manager assesses the risk profiles of the Funds on the basis of their investment policies, strategies and their use made of financial derivative instruments. Based on the risk profile, the Investment Manager has determined to calculate global exposure for all Funds using the commitment approach.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

The Funds seek to achieve their investment objectives through investment primarily in a diversified portfolio of Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities that as far as possible and practicable consists of the component securities of the respective indices.

Such Equity and Equity Related Securities shall include but will not be limited to common stock, depositary receipts, preferred shares, warrants (not more than 5% of the Fund's Net Asset Value), and convertible securities (such as convertible preference shares, share purchase rights and bonds convertible into common or preferred shares).

The Funds may also invest up to 10% of their net asset value indirectly in equities securities comprised within their respective indices through holdings in open-ended investment funds with investment objectives which are materially similar to the Funds.

At year end, the Funds only held equity and future contract securities.

Market Risk

(i) Price Risk

Price risk is the risk that the fair value of an instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. The Funds' investments are susceptible to price risk arising from uncertainties about future prices of these instruments.

The price risk of the Funds is managed by investing primarily in a diversified portfolio of companies listed or traded on a regulated stock exchange or market.

The Funds may use the following derivative instruments for efficient portfolio management or currency hedging purposes: future contracts, spot and forward currency contracts, currency options and currency swaps.

The Funds' overall market positions are monitored on a daily basis by the Investment Manager.

The following table details the concentration of the investments held by the Fund by asset class as at 31 March 2024:

Concentration of Investments by Asset Classification

	FlexShares® Listed Private Equity UCITS ETF 31 March 2024 % of net assets	Total 31 March 2024 % of net assets
Equities	99.22	99.22
Derivatives	0.02	0.02
Total	99.24	99.24

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF terminated on 26 January 2024 and FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS terminated on 26 October 2023 hence, Funds do not have a price risk disclosure for 31 March 2024.

The following tables detail the concentration of the investments held by the Funds by asset class as at 31 March 2023:

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2023 % of net assets	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2023 % of net assets	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF 31 March 2023 % of net assets
Equities	98.28	99.38	97.93
Derivatives	0.09	0.04	0.04
Total	98.37	99.42	97.97

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(i) Price Risk (continued)

Concentration of Investments by Asset Classification (continued)

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF 31 March 2023 % of net assets	FlexShares® Listed Private Equity UCITS ETF 31 March 2023 % of net assets	Total 31 March 2023 % of net assets
Equities	97.65	98.51	98.55
Derivatives	0.04	0.06	0.06
Total	97.69	98.57	98.61

Concentration of Investments by Geographical Location (significant - more than 5%)

The following tables detail the concentration of the investments held by the Funds by geographical location as at 31 March 2024 and 31 March 2023:

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*

	31 March 2024 % of net assets	31 March 2023 % of net assets
United States	–	63.22
Japan	–	8.34
Other countries/territories	–	26.81
Total	–	98.37

*Fund terminated on 26 January 2024.

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*

	31 March 2024 % of net assets	31 March 2023 % of net assets
United States	–	63.43
Japan	–	7.16
Other countries/territories	–	28.83
Total	–	99.42

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**

	31 March 2024 % of net assets	31 March 2023 % of net assets
People's Republic of China	–	23.62
India	–	18.62
Taiwan	–	17.98
Republic of South Korea	–	13.09
Other countries/territories	–	24.66
Total	–	97.97

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**

	31 March 2024 % of net assets	31 March 2023 % of net assets
People's Republic of China	–	21.92
Taiwan	–	18.28
India	–	17.75
Republic of South Korea	–	14.90
Brazil	–	5.02
Other countries/territories	–	19.82
Total	–	97.69

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(i) Price Risk (continued)

Concentration of Investments by Geographical Location (significant - more than 5%) (continued)

FlexShares® Listed Private Equity UCITS ETF

	31 March 2024 % of Net Assets	31 March 2023 % of Net Assets
United States	48.44	48.70
United Kingdom	12.45	10.60
Switzerland	8.94	8.76
Netherlands	8.64	–
Sweden	6.56	6.88
People's Republic of China	–	9.49
Other countries/territories	14.21	14.14
Total	<u>99.24</u>	<u>98.57</u>

The following table details the notional value of derivatives held by the Fund by asset class as at 31 March 2024:

Notional Value of Investments by Asset Classification

	FlexShares® Listed Private Equity UCITS ETF 31 March 2024 US\$	Total 31 March 2024 US\$
Derivatives	2,307,873	2,307,873
Total	<u>2,307,873</u>	<u>2,307,873</u>

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF terminated on 26 January 2024 and FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS terminated on 26 October 2023 hence, no investments were held as at 31 March 2024.

The following tables detail the notional value of derivatives held by the Funds by asset class as at 31 March 2023:

Notional Value of Investments by Asset Classification

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2023 US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2023 US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF 31 March 2023 US\$
Derivatives	82,755	144,821	49,775
Total	<u>82,755</u>	<u>144,821</u>	<u>49,775</u>

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF 31 March 2023 US\$	FlexShares® Listed Private Equity UCITS ETF 31 March 2023 US\$	Total 31 March 2023 US\$
Derivatives	49,775	2,216,359	2,543,485
Total	<u>49,775</u>	<u>2,216,359</u>	<u>2,543,485</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(i) Price Risk (continued)

Notional Value of Investments by Asset Classification (continued)

If the value of the underlying investments held by each Fund as at 31 March 2024 had increased or decreased by 5%, with all other variables held constant, this would have increased or decreased respectively net assets attributable to holders of redeemable participating shares by the amounts shown below. The price risk exposure of the ICAV is not significant as at 31 March 2024. The Manager believes that a movement of 5% is reasonably possible.

	31 March 2024	31 March 2023
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*	US\$–	US\$259,436
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*	US\$–	US\$830,653
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**	US\$–	US\$208,115
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**	US\$–	US\$193,324
FlexShares® Listed Private Equity UCITS ETF	US\$13,729,646	US\$6,966,010

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

(ii) Interest Rate Risk

Substantially all of the Funds' financial assets and financial liabilities are non-interest bearing. Any excess cash is invested in ancillary liquid assets at short-term market interest rates. As a result, the Funds and the ICAV are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

(iii) Currency Risk

The Funds hold financial instruments denominated in currencies other than their functional currencies. They are therefore exposed to currency risk, as the value of the financial assets and financial liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Funds may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. The Funds may also enter into forward contracts to hedge against a change in currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the functional currency of the Funds. To do this, the Funds would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the functional currency of the Funds. There is no currency risk at ICAV level. Currency risk is evaluated at a Fund level.

The following tables set out the Funds' financial assets and financial liabilities exposed to foreign currency risk as at 31 March 2024 and 31 March 2023:

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*

31 March 2024

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Australian Dollar	45	–	–	45
British Pound Sterling	1	–	–	1
Canadian Dollar	5	–	–	5
Euro	175	–	–	175
Japanese Yen	441	–	(6)	435
New Zealand Dollar	1	–	–	1
Swedish Krona	2	–	–	2
Total	670	–	(6)	664

*Fund terminated on 26 January 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iii) Currency Risk (continued)

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF (continued)

31 March 2023

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Australian Dollar	2,982	77,247	–	80,229
British Pound Sterling	3,658	194,409	–	198,067
Canadian Dollar	4,829	151,078	–	155,907
Danish Krone	1,038	61,827	–	62,865
Euro	12,085	549,013	–	561,098
Hong Kong Dollar	765	97,796	–	98,561
Japanese Yen	27,627	433,167	–	460,794
New Zealand Dollar	478	–	–	478
Singaporean Dollar	1,016	73,535	–	74,551
Swedish Krona	2,820	–	–	2,820
Swiss Franc	5,490	188,239	–	193,729
Total	62,788	1,826,311	–	1,889,099

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*

31 March 2024

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
British Pound Sterling	1	–	–	1
Euro	143	–	–	143
Hong Kong Dollar	1	–	–	1
Japanese Yen	1,283	–	–	1,283
Norwegian Krona	1	–	–	1
Swedish Krona	2	–	–	2
Total	1,431	–	–	1,431

31 March 2023

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Australian Dollar	17,851	554,697	–	572,548
British Pound Sterling	11,592	900,014	–	911,606
Canadian Dollar	8,368	568,938	–	577,306
Danish Krone	6,312	167,473	–	173,785
Euro	12,534	1,889,778	–	1,902,312
Hong Kong Dollar	4,751	109,694	–	114,445
Japanese Yen	22,517	1,186,206	–	1,208,723
New Zealand Dollar	6,266	–	–	6,266
Norwegian Krona	4,102	41,907	–	46,009
Singaporean Dollar	424	–	–	424
Swedish Krona	2,341	229,054	–	231,395
Swiss Franc	9,585	321,665	–	331,250
Total	106,643	5,969,426	–	6,076,069

*Fund terminated on 26 January 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iii) Currency Risk (continued)

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF*

31 March 2024

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Brazilian Real	1,328	–	–	1,328
Euro	–	–	(1,028)	(1,028)
Hungarian Forint	2	–	–	2
Indian Rupee	1	–	–	1
Malaysian Ringgit	1	–	–	1
Mexico Nuevo Peso	3	–	–	3
Pakistan Rupee	28	–	–	28
Russian Ruble	8,227	–	(635)	7,592
South African Rand	5	–	–	5
Total	9,595	–	(1,663)	7,932

31 March 2023

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Brazilian Real	5,852	179,554	–	185,406
Chilean Peso	44	1,201	–	1,245
Columbian Peso	295	19,297	–	19,592
Euro	1,468	46,980	–	48,448
Hong Kong Dollar	1,756	766,582	–	768,338
Hungarian Forint	679	12,055	–	12,734
Indian Rupee	2,575	781,755	–	784,330
Indonesian Rupiah	1,911	135,343	–	137,254
Korean Won	11,539	549,584	–	561,123
Malaysian Ringgit	2	115,377	–	115,379
Mexico Nuevo Peso	674	142,058	–	142,732
Pakistan Rupee	152	10,720	–	10,872
Philippine Peso	–	14,058	–	14,058
Russian Ruble	95	–	(95)	–
South African Rand	1,687	141,497	–	143,184
Taiwan Dollars	6,973	755,232	–	762,205
Thai Baht	1,731	156,664	–	158,395
Turkish Lira	6,051	48,197	–	54,248
Total	43,484	3,876,154	(95)	3,919,543

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF*

31 March 2024

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Brazilian Real	1,144	–	–	1,144
Euro	52	–	–	52
Indian Rupee	1,532	–	–	1,532
Malaysian Ringgit	1	–	–	1
Mexico Nuevo Peso	3	–	–	3
Russian Ruble	7,833	–	(639)	7,194
South African Rand	2	–	–	2
Turkish Lira	–	–	(1)	(1)
Total	10,567	–	(640)	9,927

*Fund terminated on 26 October 2023.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iii) Currency Risk (continued)

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF (continued)

31 March 2023

All amounts stated in US\$	Monetary	Non Monetary	Monetary	Net Currency
	Assets	Assets	Liabilities	Exposure
Brazilian Real	6,641	196,060	–	202,701
Chilean Peso	379	14,445	–	14,824
Columbian Peso	270	30,528	–	30,798
Czech Koruna	3,279	13,780	–	17,059
Egyptian Pound	–	1,678	–	1,678
Euro	735	34,932	–	35,667
Hong Kong Dollar	1,138	737,909	–	739,047
Indian Rupee	5,750	693,814	–	699,564
Indonesian Rupiah	1,600	89,382	–	90,982
Korean Won	13,411	582,454	–	595,865
Malaysian Ringgit	2	111,390	–	111,392
Mexico Nuevo Peso	2,333	82,618	–	84,951
Pakistan Rupee	187	3,838	–	4,025
Philippine Peso	–	36,445	–	36,445
Russian Ruble	192	–	(192)	–
South African Rand	1,795	147,948	–	149,743
Taiwan Dollars	2,117	714,351	–	716,468
Thai Baht	1,650	150,150	–	151,800
Turkish Lira	1,156	5,766	–	6,922
Total	42,635	3,647,488	(192)	3,689,931

FlexShares® Private Equity Listed UCITS ETF

31 March 2024

All amounts stated in US\$	Monetary	Non Monetary	Monetary	Net Currency
	Assets	Assets	Liabilities	Exposure
Australian Dollar	351	–	–	351
British Pound Sterling	1,104,696	39,726,277	(723,686)	40,107,287
Canadian Dollar	299,084	10,907,108	(196,654)	11,009,538
Euro	1,098,785	44,762,303	(803,909)	45,057,179
Hong Kong Dollar	118	–	–	118
Japanese Yen	34,792	595,337	(10,229)	619,900
Swedish Krona	509,341	18,015,386	(329,971)	18,194,756
Swiss Franc	456,664	24,531,006	(438,416)	24,549,254
Total	3,503,831	138,537,417	(2,502,865)	139,538,383

31 March 2023

All amounts stated in US\$	Monetary	Non Monetary	Monetary	Net Currency
	Assets	Assets	Liabilities	Exposure
Australian Dollar	360	–	–	360
British Pound Sterling	200,935	16,896,111	–	17,097,046
Canadian Dollar	97,962	6,057,310	–	6,155,272
Euro	334,991	23,471,807	–	23,806,798
Hong Kong Dollar	117	–	–	117
Japanese Yen	107,163	590,274	–	697,437
Swedish Krona	150,202	9,577,414	–	9,727,616
Swiss Franc	135,279	12,197,064	–	12,332,343
Total	1,027,009	68,789,980	–	69,816,989

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iii) Currency Risk (continued)

If the exchange rates as at 31 March 2024 between the functional currency of each Fund and the non-functional currencies to which the Funds are exposed had increased or decreased by 5%, with all other variables held constant, this would have decreased or increased respectively net assets attributable to holders of redeemable preference shares by approximately the amounts shown below. The currency risk of the ICAV is not significant as at 31 March 2024. The Manager believes that a movement of 5% is reasonably possible.

	31 March 2024	31 March 2023
All amount stated in US\$		
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*	US\$33	US\$94,455
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*	US\$72	US\$303,803
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**	US\$397	US\$195,977
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**	US\$496	US\$184,497
FlexShares® Listed Private Equity UCITS ETF	US\$6,976,919	US\$3,490,849

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

In accordance with the Funds' policies, the Investment Manager monitors the Funds' currency risk on a daily basis.

(iv) Credit Risk

The Funds are exposed to credit risk, which is the risk that a counterparty will fail to discharge an obligation resulting in a financial loss to a Fund. Impairment provisions are provided for losses that have been incurred by the year end, if any. The carrying amounts of financial assets best represent the maximum credit risk exposure as at the Statement of Financial Position date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

The following tables set out the carrying amounts of the Funds' financial assets exposed to credit risk as at 31 March 2024 and 31 March 2023:

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* 31 March 2024	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* 31 March 2024	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF** 31 March 2024
	US\$	US\$	US\$
Cash & cash equivalents	50,744	55,011	29,877
Dividends receivable	–	–	1,047
Other assets	50,362	49,144	60,319
Total	101,106	104,155	91,243

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF** 31 March 2024	FlexShares® Listed Private Equity UCITS ETF 31 March 2024	Total 31 March 2024
	US\$	US\$	US\$
Cash & cash equivalents	45,596	6,649,817	6,831,045
Margin cash	–	370,906	370,906
Dividends receivable	1,056	263,171	265,274
Other assets	58,040	131,915	349,780
Unrealised gains on futures contracts	–	56,114	56,114
Total	104,692	7,471,923	7,873,119

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iv) Credit Risk (continued)

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2023 US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2023 US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF 31 March 2023 US\$
Cash & cash equivalents	102,746	86,924	94,304
Margin cash	11,179	15,973	9,322
Dividends receivable	12,029	37,497	17,708
Other assets	58,419	67,760	68,518
Unrealised gains on futures contracts	4,860	6,996	1,720
Total	189,233	215,150	191,572

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF 31 March 2023 US\$	FlexShares® Listed Private Equity UCITS ETF 31 March 2023 US\$	Total 31 March 2023 US\$
Cash & cash equivalents	97,518	1,601,719	1,983,211
Margin cash	9,322	299,318	345,114
Dividends receivable	19,684	199,159	286,077
Other assets	68,632	69,406	332,735
Unrealised gains on futures contracts	1,720	90,071	105,367
Total	196,876	2,259,673	3,052,504

The Investment Manager analyses credit concentration based on the counterparty, industry and geographical location of the financial assets that the Funds hold. The Investment Manager is of the opinion that any ECL on these instruments was not deemed to be material.

Substantially all of the cash assets are held with The Northern Trust Company (“TNTC”). Further details are disclosed in the Depositary’s Credit Risk Statement below.

All transactions in equities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. In accordance with the Funds’ policies, the Investment Manager monitors the Funds’ exposure to credit risk on a daily basis.

As at 31 March 2024, the counterparty of the future contracts had the following credit rating from Standard & Poor’s: Merrill Lynch International: A+ (31 March 2023: A+).

Depositary’s Credit Risk Statement

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) is the appointed Depositary of the Funds, responsible for the safe-keeping of assets. NTFSIL has appointed TNTC as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at the year end, NTC had a long term credit rating from Standard & Poor’s of A+ (31 March 2023: A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Funds’ ownership of Other Assets (Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Funds hold the ownership based on information or documents provided by the Funds or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Funds, clearly identifiable as belonging to the Funds, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds the cash of the Funds on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Funds will rank as an unsecured creditor of TNTC in respect of any cash deposits.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iv) Credit Risk (continued)

Depository's Credit Risk Statement (continued)

Where relevant please note the following currencies, Jordanian Dinar, Saudi Riyal, cash in the onshore China market (principally the currency of Chinese Yuan Renminbi, and any other currencies remitted into accounts in the onshore China market), are no longer held on the Balance Sheet of TNTC. For these off-book currencies, Funds' cash exposure is directly to the relevant local sub-custodian / financial institution in the market, none of which were held by the Funds at year end.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Funds' rights with respect to its assets to be delayed.

The Responsible Party (the "board of directors or its delegate(s)"), manages risk by monitoring the credit quality and financial position of the Depository and such risk is further managed by the Depository monitoring the credit quality and financial positions of sub-custodian appointments.

(v) Liquidity Risk

The main liquidity risk of the ICAV is the redemption of any shares that investors wish to sell. Redeemable shares of the ICAV has been classified as liabilities in accordance with IAS 32. The Prospectus provides for the daily creation and cancellation of shares and the ICAV is therefore exposed to the liquidity risk of meeting Shareholder redemptions at any time. The ICAV's financial instruments include investments in equities, which can normally be easily liquidated at an amount close to fair value in order to meet liquidity requirements.

The Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet their liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

In accordance with the Funds' policy, the Investment Manager monitors the Funds' liquidity risk on a daily basis.

With the exception of the Redeemable shares of the Funds which as detailed above can be redeemed on a daily basis, all expenses payable and other liabilities as outlined on pages 21 to 22 in the Statement of Financial Position as at 31 March 2024 are payable within 1-3 months (2023 March 2023: 1-3 months).

14. Fair Value Measurement

IFRS 13 requires the ICAV to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded are obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the ICAV determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The fair value hierarchy has the following levels:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (as prices), or indirectly (derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly and indirectly observable from market data; and
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

14. Fair Value Measurement (continued)

FlexShares® Listed Private Equity UCITS ETF

31 March 2024

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	271,860,955	424,085	–	272,285,040
Unrealised gains on futures contracts	56,114	–	–	56,114
Total	<u>271,917,069</u>	<u>424,085</u>	<u>–</u>	<u>272,341,154</u>

Total

31 March 2024

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	271,860,955	424,085	–	272,285,040
Unrealised gains on futures contracts	56,114	–	–	56,114
Total	<u>271,917,069</u>	<u>424,085</u>	<u>–</u>	<u>272,341,154</u>

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF terminated on 26 January 2024 and therefore do not have a fair value risk disclosure for 31 March 2024. FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS terminated on 26 October 2023. FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS hold Russian securities which are being categorised as level 3 and valued at nil market price. Details on these investments are disclosed in Appendix I – Portfolio Statements.

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

31 March 2023

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	5,082,355	23,601	–	5,105,956
Unrealised gains on futures contracts	4,860	–	–	4,860
Total	<u>5,087,215</u>	<u>23,601</u>	<u>–</u>	<u>5,110,816</u>

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

31 March 2023

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	16,468,245	–	–	16,468,245
Unrealised gains on futures contracts	6,996	–	–	6,996
Total	<u>16,475,241</u>	<u>–</u>	<u>–</u>	<u>16,475,241</u>

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF

31 March 2023

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	4,111,327	1,201	–	4,112,528
Unrealised gains on futures contracts	1,720	–	–	1,720
Total	<u>4,113,047</u>	<u>1,201</u>	<u>–</u>	<u>4,114,248</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

14. Fair Value Measurement (continued)

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**31 March 2023**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	3,812,551	4,159	–	3,816,710
Unrealised gains on futures contracts	1,720	–	–	1,720
Total	<u>3,814,271</u>	<u>4,159</u>	<u>–</u>	<u>3,818,430</u>

FlexShares® Listed Private Equity UCITS ETF**31 March 2023**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	136,244,209	859,641	–	137,103,850
Unrealised gains on futures contracts	90,071	–	–	90,071
Total	<u>136,334,280</u>	<u>859,641</u>	<u>–</u>	<u>137,193,921</u>

Total**31 March 2023**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	165,718,687	888,602	–	166,607,289
Unrealised gains on futures contracts	105,367	–	–	105,367
Total	<u>165,824,054</u>	<u>888,602</u>	<u>–</u>	<u>166,712,656</u>

Financial instruments, whose values are based on quoted market prices in active markets, and therefore are classified within Level 1, include listed equities and exchange traded derivatives. The ICAV does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

There were no transfers between levels during the year ended 31 March 2024 or 31 March 2023.

Most of the Funds' financial instruments are measured at fair value on the Statement of Financial Position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments. The carrying value of all the Funds' financial assets and financial liabilities at the year end approximated their fair values.

For each class of the Funds' assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, the Funds are required to disclose the level within the fair value hierarchy which the fair value measurement would be categorised.

For the years ended 31 March 2024 and 31 March 2023, cash and cash equivalents, whose carrying amount approximate to fair value, were classified as Level 1. Margin cash, dividends receivable, other assets, payables and other liabilities, whose carrying amount approximate to fair value, were classified as Level 2.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

15. Shares Outstanding

Authorised

The authorised share capital of the ICAV is:

- 2 redeemable non-participating voting subscriber shares of no par value; and
- 500,000,000,000 participating shares of no par value (the “participating shares”).

The two redeemable non-participating voting subscriber shares of no par value are held in a nominee capacity by Northern Trust Fund Managers (Ireland) Limited. Subscriber Shares do not entitle the holders to any dividend and on winding up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the ICAV. The Subscriber Share capital does not form part of Shareholders’ Funds, and is disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the ICAV’s business as an investment fund.

The share capital may be divided into different Classes of Shares with any preferential, deferred or special rights or privileges attached thereto, and from time to time may be varied so far as may be necessary to give effect to any such preference restriction or other term.

Every shareholder or holder of voting non-participating shares present in person or proxy who votes on a show of hands shall be entitled to one vote.

The following tables set out the movements in the Funds’ redeemable participating shares during the period/year ended 31 March 2024.

	Shares in issue 1 April 2023	Shares issued during the year	Shares redeemed during the year	Shares in issue 31 March 2024
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*				
USD Accumulating Share Class	200,000	–	(200,000)	–
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*				
USD Distributing Share Class	658,554	–	(658,554)	–
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**				
USD Accumulating Share Class	200,000	–	(200,000)	–
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**				
USD Distributing Share Class	200,000	–	(200,000)	–
FlexShares® Listed Private Equity UCITS ETF				
USD Accumulating Share Class	7,227,040	5,169,899	(2,478,696)	9,918,243
Total	8,485,594	5,169,899	(3,737,250)	9,918,243

*For the period from 1 April 2023 to 26 January 2024.

**For the period from 1 April 2023 to 26 October 2023.

	Shares in issue 1 April 2022	Shares issued during the year	Shares redeemed during the year	Shares in issue 31 March 2023
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF				
USD Accumulating Share Class	200,000	–	–	200,000
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF				
USD Distributing Share Class	571,769	86,785	–	658,554
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF				
USD Accumulating Share Class	200,000	–	–	200,000
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF				
USD Distributing Share Class	200,000	–	–	200,000
FlexShares® Listed Private Equity UCITS ETF				
USD Accumulating Share Class	6,675,149	1,609,603	(1,057,712)	7,227,040
Total	7,846,918	1,696,388	(1,057,712)	8,485,594

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

16. Efficient Portfolio Management

The purpose of Efficient Portfolio Management (“EPM”) is to achieve one or more of the following: the reduction of risk, the reduction of costs and the generation of additional capital or income for the Funds with an acceptably low level of risk. The Funds may use the following instruments for EPM: exchange traded futures contracts.

17. Commitments and Contingencies

The Funds had no significant commitments or contingencies as at 31 March 2024 or 31 March 2023.

18. Exchange Rates

The following exchange rates were used to convert assets and liabilities denominated in foreign currencies to US Dollar as at the Statement of Financial Position date.

	31 March 2024	31 March 2023
Australian dollar	1.5328	1.4931
Brazilian real	5.0056	5.0703
British pound sterling	0.7916	0.8088
Canadian dollar	1.3533	1.3534
Chilean peso	980.8500	790.6100
Colombian peso	3,865.2500	4,659.3100
Czech Republic koruna	23.4130	21.9525
Danish krone	6.9065	6.8566
Egyptian pound	47.4000	30.8000
Euro	0.9259	0.9204
Hong Kong dollar	7.8265	7.8500
Hungarian forint	364.8519	350.0852
Indian rupee	83.4025	82.1825
Indonesian rupiah	15,855.0000	14,994.5000
Japanese yen	151.3450	133.0900
Korean won	1,346.2500	1,301.8500
Malaysian ringgit	4.7330	4.4125
Mexican peso	16.6218	18.0560
New Zealand dollar	1.6718	1.5983
Norwegian krone	10.8486	10.4731
Pakistan rupee	278.0000	283.8750
Philippine peso	56.2150	54.3650
Russian ruble	92.5750	77.7000
Singapore dollar	1.3496	1.3296
South African rand	18.9363	17.7425
Swedish krona	10.6926	10.3696
Swiss franc	0.9007	0.9136
Taiwan dollar	32.0035	30.4475
Thai baht	36.4875	34.1950
Turkish lira	32.3520	19.1950
US dollar	1.0000	1.0000

19. Significant Events During the Year

FlexShares® Listed Private Equity UCITS ETF was marketed to institutional investors in Switzerland on 17 April 2023.

Marie Dzanis retired from the ICAV board at 15 September 2023.

Cian Farrell resigned as a Director of the ICAV on 16 November 2023.

Effective 14 December 2023, the Legal Advisor changed to Matheson LLP Solicitors.

Martha Fee resigned as a Director of the ICAV on 18 December 2023.

The Secretary of the ICAV changed from Northern Trust International Fund Administration Services (Ireland) Limited to Matsack Trust Limited effective 1 January 2024.

Funds terminations during the year:

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF terminated on 26 October 2023.

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF terminated on 26 October 2023.

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF terminated on 26 January 2024.

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF terminated on 26 January 2024.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

19. Significant Events During the Year (continued)

There have been no other significant events affecting the Funds during the year end.

20. Significant Events Since the Year End

On 27 June 2024, a notice was issued to shareholders outlining that, subject to the conclusion of all necessary formalities and the approval of the Central Bank, the existing Manager of the ICAV (Northern Trust Fund Managers (Ireland) Ltd (“NTAM”)), would be replaced by Waystone Management Company (IE) Limited (“Waystone”) as the Manager of the ICAV effective 12 July 2024. Waystone is authorised and regulated by the Central Bank as a UCITS management company, alternative investment fund manager and service provider to funds. As part of this change of service provider, the ICAV is to terminate the Management Agreement between NTAM and the ICAV, and the ICAV will enter into a new Management Agreement with Waystone. Other existing contractual relationships to which the ICAV and NTAM are parties will either be novated to Waystone, or new agreements will be put in place with Waystone, and there will be no increase in the fees payable by Shareholders, as set out in the “Fees and Expenses” section of the Prospectus. In connection with, and subject to the conclusion of all necessary formalities and approval of the Central Bank, it is also proposed, for commercial reasons, that: (i) the current Company Secretary, Matsack Trust Limited will change to Waystone Management Company (IE) Limited; (ii) the registered address of the ICAV will be changed from George’s Court, 54-62 Townsend Street, Dublin 2, Ireland to 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland; and (iii) subject to Central Bank approval, the name of the ICAV will be changed from FlexShares ICAV to Waystone ETF ICAV. Shareholders will not bear the costs of this change and revised Offering Documents will be available on www.flexshares.com once Central Bank approval for the change in service provider and name change have been received.

There have been no other significant events affecting the Funds subsequent to the year end.

21. Approval of Financial Statements

The financial statements were approved by the Directors of the ICAV on 12 July 2024.

FLEXSHARES ICAV

SUPPLEMENTARY INFORMATION (UNAUDITED)

For the year ended 31 March 2024

Net Assets Attributable to Holders of Redeemable Participating Shares

The following tables detail the net assets attributable to holders of redeemable participating shares in the Funds as at the year end. The net asset value per share is calculated by determining the proportion of the net asset value of each Fund attributable to each of its share classes and dividing this amount by the number of shares of that class in issue. The number of shares in issue is presented rounded to the nearest whole number. The net asset value per share is calculated dividing the net asset value by the unrounded number of share in issue and is presented rounded to two decimal places.

	Net Asset Value 31 March 2024	Shares in Issue 31 March 2024	Net Asset Value per Share 31 March 2024
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF*			
USD Accumulating Share Class	–	–	–
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF*			
USD Distributing Share Class	–	–	–
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF**			
USD Accumulating Share Class	–	–	–
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**			
USD Distributing Share Class	–	–	–
FlexShares® Listed Private Equity UCITS ETF			
USD Accumulating Share Class	US\$274,439,026	9,918,243	US\$27.67

*Fund terminated on 26 January 2024.

**Fund terminated on 26 October 2023.

	Net Asset Value 31 March 2023	Shares in Issue 31 March 2023	Net Asset Value per Share 31 March 2023
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF			
USD Accumulating Share Class	US\$5,195,403	200,000	US\$25.98
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF			
USD Distributing Share Class	US\$16,571,098	658,554	US\$25.16
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF			
USD Accumulating Share Class	US\$4,199,352	200,000	US\$21.00
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF			
USD Distributing Share Class	US\$3,908,558	200,000	US\$19.54
FlexShares® Listed Private Equity UCITS ETF			
USD Accumulating Share Class	US\$139,181,540	7,227,040	US\$19.26

FLEXSHARES ICAV

SUPPLEMENTARY INFORMATION (UNAUDITED) (continued)

For the year ended 31 March 2024

Net Assets Attributable to Holders of Redeemable Participating Shares (continued)

	Net Asset Value 31 March 2022	Shares in Issue 31 March 2022	Net Asset Value per Share 31 March 2022
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF USD Accumulating Share Class	US\$5,622,368	200,000	US\$28.11
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF USD Distributing Share Class	US\$16,043,501	571,769	US\$28.06
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF USD Accumulating Share Class	US\$4,649,903	200,000	US\$23.25
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF USD Distributing Share Class	US\$4,686,503	200,000	US\$23.43
FlexShares® Listed Private Equity UCITS ETF USD Accumulating Share Class	US\$147,466,308	6,675,149	US\$22.09

Conflicts of Interest Statement

The Directors of the ICAV, the Manager, the Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the ICAV and/or their respective roles with respect to the ICAV. These activities may include managing or advising other funds (including other collective investment schemes), purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Funds may invest. In particular, other companies within the Investment Manager group may be involved in advising or managing other investment funds (including other collective investment schemes) or real estate portfolios which have similar or overlapping investment objectives to or with the Funds. Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of shareholders.

Remuneration Disclosures

The ICAV has a Manager in place to ensure compliance with UCITS V. The Directors primary role is to ensure that all decisions related to the funds under management are taken for the best interests of investors. None of the Directors or Designated Persons has a performance based variable component to their remuneration for their role. The ICAV pays the Independent Non-Executive Directors a fixed fee per annum.

No pension payments are made. A number of factors are included in determining the fee paid including the size and risk profile of the funds under management. The Non-Executive Directors do not receive any compensation from the Manager. Designated Persons (unless Independent Non-Executive Directors) do not receive any compensation.

The Manager sets a framework (setting out the investment objective, the investment policies, the proposed investment strategies and investment limits including leverage, liquidity and credit) that achieves a necessary level of risk control over the delegate investment manager. This framework and the ongoing controls exercised by the Manager ensure that no persons from the delegate investment manager have the capacity to exercise a material impact on the risk profile of the Funds.

The Manager seeks periodic assurances from the delegate investment manager that they have an appropriate risk management focused remuneration policy in place or one that is in line with regulation which is equally effective as UCITS V, which includes, without limitation:

- (i) CRD/MiFID firms (including firms still subject to CRD III and which have availed of the CRD IV exemptions); and
- (ii) non-EU firms which are subject to group remuneration policies that are equally as effective as MiFID or CRD.

The remuneration policy is reviewed annually. Further details with regard to the remuneration policy are available at the following website:

<https://www.northerntrust.com/documents/funds/ntfml-ucits-v-remuneration-disclosure-en.pdf>

FLEXSHARES ICAV

SUPPLEMENTARY INFORMATION (UNAUDITED) (continued)

For the year ended 31 March 2024

Quantitative Information

The delegated investment manager, Northern Trust Global Investments Limited (“NTGIL”) has provided the following information in proportion to the activities it performs for the ICAV. Remuneration of the Directors of the ICAV that are also identified staff of NTGIL are included within the amounts below.

Fixed remuneration consists of base salaries and cash allowances. Variable remuneration consists of cash incentive, deferred bonus payable in short term restricted stock shares (RSUs) and long term deferred incentive awards in long term cash and shares (RSUs). All material risk takers are employed by another Northern Trust Group entity.

Code staff are considered to be the identified staff of Northern Trust Global Investments Limited.

Senior Management and other Code Staff	2024	2023
Number of Code Staff	17	17
Fixed remuneration (US\$)	3,224	1,724
Variable remuneration (US\$)	829	931

**FLEXSHARES ICAV
FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF**

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2024

	Fair Value US\$	% of Net Assets
Total Value of Investments	–	–
Cash and Cash Equivalents	50,744	–
Other Net Liabilities	(50,744)	–
Net Assets Attributable to Holders of Redeemable Participating Shares	<u>–</u>	<u>–</u>

Portfolio Classification	% of Total Assets
Other current assets	<u>100.00</u>
	<u>100.00</u>

Fund terminated on 26 January 2024, therefore no investments are held.

**FLEXSHARES ICAV
FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF**

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2024

	Fair Value US\$	% of Net Assets
Total Value of Investments	–	–
Cash and Cash Equivalents	55,011	–
Other Net Liabilities	(55,011)	–
Net Assets Attributable to Holders of Redeemable Participating Shares	<u>–</u>	<u>–</u>

Portfolio Classification	% of Total Assets
Other current assets	<u>100.00</u>
	<u>100.00</u>

Fund terminated on 26 January 2024, therefore no investments are held.

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2024

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Investments in Transferable Securities admitted to an official stock exchange listing		
	Equities: 0.00% (2023: 97.93%)		
	Brazil: 0.00% (2023: 4.28%)		
	Cayman Islands: 0.00% (2023: 0.26%)		
	Chile: 0.00% (2023: 0.03%)		
	Colombia: 0.00% (2023: 0.46%)		
	Greece: 0.00% (2023: 1.12%)		
	Hungary: 0.00% (2023: 0.29%)		
	India: 0.00% (2023: 18.62%)		
	Indonesia: 0.00% (2023: 3.22%)		
	Malaysia: 0.00% (2023: 2.75%)		
	Mexico: 0.00% (2023: 3.38%)		
	Pakistan: 0.00% (2023: 0.25%)		
	People's Republic of China: 0.00% (2023: 23.62%)		
	Philippines: 0.00% (2023: 0.33%)		
	Republic of South Korea: 0.00% (2023: 13.09%)		
	Russian Federation: 0.00% (2023: 0.00%)		
770	Lukoil	—	—
171	Polyus	—	—
150	Rosneft Oil	—	—
19,240	Sberbank of Russia	—	—
729	Severstal	—	—
106	Tatneft	—	—
	Total Russian Federation	<u>—</u>	<u>—</u>

**FLEXSHARES ICAV
FLEXSHARES® EMERGING MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF**

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2024

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Equities: 0.00% (2023: 97.93%) (continued)		
	South Africa: 0.00% (2023: 3.37%)		
	Taiwan: 0.00% (2023: 17.98%)		
	Thailand: 0.00% (2023: 3.73%)		
	Turkey: 0.00% (2023: 1.15%)		
	Total Equities	<u>—</u>	<u>—</u>
	Total Financial assets at fair value through profit or loss	<u>—</u>	<u>—</u>
	Financial Derivative Instruments Dealt on a Regulated Market		
	Unrealised Gain on Futures Contracts: 0.00% (2023: 0.04%)		
		Fair Value US\$	% of Net Assets
	Total Value of Investments	—	—
	Cash and Cash Equivalents	29,877	—
	Other Net Liabilities	(29,877)	—
	Net Assets Attributable to Holders of Redeemable Participating Shares	<u>—</u>	<u>—</u>
	Portfolio Classification		% of Total Assets
	Other current assets		<u>100.00</u>
			<u>100.00</u>

Fund terminated on 26 October 2023, therefore no investments are held.

The Investment Manager will continue to monitor the market conditions relating Russian assets fair valued at zero as at the Fund termination date. To the extent such securities become removed from the applicable sanctions and available for sale in the future, then such assets will be sold and the proceeds after the deduction of any taxes or transactions costs and Depositary charges (if any) will be distributed on a best efforts basis to the Shareholders of the Fund on record as at the Compulsory Redemption Date. Where such proceeds are not enough to cover the relevant costs, no distribution will be made.

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2024

Holdings	Financial liabilities at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Investments in Transferable Securities admitted to an official stock exchange listing		
	Equities: 0.00% (2023: 97.65%)		
	Brazil: 0.00% (2023: 5.02%)		
	Cayman Islands: 0.00% (2023: 0.32%)		
	Chile: 0.00% (2023: 0.37%)		
	Colombia: 0.00% (2023: 0.78%)		
	Czech Republic: 0.00% (2023: 0.35%)		
	Egypt: 0.00% (2023: 0.04%)		
	Greece: 0.00% (2023: 0.89%)		
	Hong Kong: 0.00% (2023: 0.97%)		
	India: 0.00% (2023: 17.75%)		
	Indonesia: 0.00% (2023: 2.29%)		
	Malaysia: 0.00% (2023: 2.85%)		
	Mexico: 0.00% (2023: 2.11%)		
	Pakistan: 0.00% (2023: 0.10%)		
	People's Republic of China: 0.00% (2023: 21.92%)		
	Philippines: 0.00% (2023: 0.93%)		
	Republic of South Korea: 0.00% (2023: 14.90%)		
	Russian Federation: 0.00% (2023: 0.00%)		
450	Gazprom	—	—
648	Lukoil	—	—
248	Rosneft Oil	—	—
19,280	Sberbank of Russia	—	—
159	Severstal	—	—
239	Tatneft	—	—
	Total Russian Federation	—	—

**FLEXSHARES ICAV
FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF**

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2024

Holdings	Financial liabilities at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Equities: 0.00% (2023: 97.65%) (continued)		
	South Africa: 0.00% (2023: 3.79%)		
	Taiwan: 0.00% (2023: 18.28%)		
	Thailand: 0.00% (2023: 3.84%)		
	Turkey: 0.00% (2023: 0.15%)		
	Total Equities	<u>—</u>	<u>—</u>
	Total Financial liabilities at fair value through profit or loss	<u>—</u>	<u>—</u>
	Financial Derivative Instruments Dealt on a Regulated Market		
	Unrealised Gain on Futures Contracts: 0.00% (2023: 0.04%)		
		Fair Value US\$	% of Net Assets
	Total Value of Investments	—	—
	Cash and Cash Equivalents	45,596	—
	Other Net Liabilities	(45,596)	—
	Net Assets Attributable to Holders of Redeemable Participating Shares	<u>—</u>	<u>—</u>
	Portfolio Classification		% of Total Assets
	Other current assets		<u>100.00</u>
			<u>100.00</u>

Fund terminated on 26 October 2023, therefore no investments are held.

The Investment Manager will continue to monitor the market conditions relating Russian assets fair valued at zero as at the Fund termination date. To the extent such securities become removed from the applicable sanctions and available for sale in the future, then such assets will be sold and the proceeds after the deduction of any taxes or transactions costs and Depositary charges (if any) will be distributed on a best efforts basis to the Shareholders of the Fund on record as at the Compulsory Redemption Date. Where such proceeds are not enough to cover the relevant costs, no distribution will be made.

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2024

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Investments in Transferable Securities admitted to an official stock exchange listing		
	Equities: 99.22% (2023: 98.51%)		
	Belgium: 2.24% (2023: 3.27%)		
11,474	Ackermans & van Haaren	2,007,491	0.73
6,731	Gimv	323,492	0.12
50,264	Groupe Bruxelles Lambert	3,803,216	1.39
	Total Belgium	6,134,199	2.24
	Bermuda: 0.25% (2023: 0.00%)		
114,567	Oakley Capital Investments	680,216	0.25
	Total Bermuda	680,216	0.25
	Canada: 3.97% (2023: 4.35%)		
15,588	Alaris Equity Partners Income	196,974	0.07
134,194	Brookfield Asset Management	5,642,445	2.05
67,585	Onex	5,067,689	1.85
	Total Canada	10,907,108	3.97
	Cayman Islands: 0.31% (2023: 0.41%)		
56,848	Patria Investments	843,624	0.31
	Total Cayman Islands	843,624	0.31
	Finland: 0.00% (2023: 0.12%)		
	France: 4.60% (2023: 3.64%)		
22,684	Antin Infrastructure Partners	329,263	0.12
74,953	Eurazeo	6,577,126	2.40
55,821	Wendel	5,703,120	2.08
	Total France	12,609,509	4.60
	Georgia: 0.31% (2023: 0.00%)		
50,322	Georgia Capital	842,928	0.31
	Total Georgia	842,928	0.31
	Germany: 0.49% (2023: 0.08%)		
14,125	Deutsche Beteiligungs	392,816	0.14

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2024

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Equities: 99.22% (2023: 98.51%) (continued)		
	Germany: 0.49% (2023: 0.08%) (continued)		
24,196	Mutares SE & Co KGaA	964,259	0.35
	Total Germany	1,357,075	0.49
	Guernsey: 1.67% (2023: 1.56%)		
196,491	Apax Global Alpha	362,397	0.13
197,749	Chrysalis Investments	207,339	0.08
66,155	HarbourVest Global Private Equity	1,905,403	0.69
26,518	NB Private Equity Partners	539,332	0.20
48,037	Princess Private Equity	557,710	0.20
229,241	Syncona	356,194	0.13
113,862	VinaCapital Vietnam Opportunity Fund	664,523	0.24
	Total Guernsey	4,592,898	1.67
	Italy: 0.14% (2023: 0.00%)		
10,345	Italmobiliare	386,572	0.14
	Total Italy	386,572	0.14
	Japan: 0.22% (2023: 0.42%)		
48,247	JAFCO	595,337	0.22
	Total Japan	595,337	0.22
	Netherlands: 8.64% (2023: 0.00%)		
755,302	Prosus	23,717,239	8.64
	Total Netherlands	23,717,239	8.64
	People's Republic of China: 0.00% (2023: 9.49%)		
	Sweden: 6.56% (2023: 6.88%)		
25,401	Bure Equity	814,345	0.30
505,107	EQT	15,995,102	5.83
82,316	Kinnevik	923,424	0.33
66,590	Ratos	219,089	0.08
33,277	VNV Global	63,426	0.02
	Total Sweden	18,015,386	6.56
	Switzerland: 8.94% (2023: 8.76%)		
1,973	HBM Healthcare Investments	424,085	0.16

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2024

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 99.22% (2023: 98.51%) (continued)			
Switzerland: 8.94% (2023: 8.76%) (continued)			
16,858	Partners	24,106,921	8.78
Total Switzerland		24,531,006	8.94
United Kingdom: 12.45% (2023: 10.60%)			
645,092	3i	22,890,892	8.34
50,595	abrdn Private Equity Opportunities Trust	341,941	0.12
237,628	Bridgepoint Group	781,078	0.28
50,745	CT Private Equity Trust	282,056	0.10
430,182	HG Capital Trust	2,540,523	0.93
68,672	ICG Enterprise Trust	1,030,589	0.38
192,762	Intermediate Capital Group	5,001,626	1.82
708,778	IP Group	426,193	0.16
48,716	Molten Ventures	145,605	0.05
180,517	Pantheon International Fund	727,441	0.27
Total United Kingdom		34,167,944	12.45
United States: 48.43% (2023: 48.67%)			
208,930	Apollo Global Management	23,494,179	8.56
778,763	Ares Capital	16,213,846	5.91
63,585	Ares Management	8,455,533	3.08
22,119	Bain Capital Specialty Finance	346,826	0.13
36,493	Barings	339,385	0.12
29,325	BlackRock TCP Capital	305,862	0.11
184,130	Blackstone	24,189,158	8.81
133,534	Blue Owl Capital	2,053,753	0.75
24,227	Cannae	538,809	0.20
11,720	Capital Southwest	292,531	0.11
247,240	Carlyle Group	11,598,028	4.23
17,679	Carlyle Secured Lending	287,814	0.11
18,603	CION Investment	204,633	0.07
24,604	Compass Diversified	592,218	0.22
12,694	Crescent Capital	219,098	0.08
9,892	Fidus Investment	195,268	0.07
95,959	FS KKR Capital	1,829,938	0.67
14,426	Gladstone Capital	154,791	0.06
11,200	Gladstone Investment	159,376	0.06
37,540	Goldman Sachs	562,349	0.21
56,635	Golub Capital	941,840	0.34
11,488	Hamilton Lane	1,295,387	0.47
53,035	Hercules Capital	978,496	0.36
11,419	Horizon Technology Finance	129,834	0.05
246,173	KKR	24,760,080	9.02
28,692	Main Street Capital	1,357,419	0.49
22,357	MidCap Financial Investment	336,249	0.12
7,373	Monroe Capital	53,086	0.02
34,755	New Mountain Finance	440,346	0.16
25,526	Oaktree Specialty Lending	501,841	0.18
19,782	Oxford Square Capital	62,709	0.02

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2024

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
Equities: 99.22% (2023: 98.51%) (continued)					
United States: 48.43% (2023: 48.67%) (continued)					
54,603	P10	459,757	0.17		
19,813	PennantPark Floating Rate Capital	225,472	0.08		
21,603	PennantPark Investment	148,629	0.05		
3,194	Portman Ridge Finance	60,622	0.02		
309,103	Prospect Capital	1,706,249	0.62		
13,876	Runway Growth Finance	168,177	0.06		
3,002	Saratoga Investment	69,646	0.03		
29,913	Sixth Street Specialty Lending	641,036	0.23		
18,692	SLR Investment	286,922	0.10		
8,266	Stellus Capital Investment	108,119	0.04		
17,169	StepStone	613,620	0.22		
99,138	TPG	4,431,469	1.62		
59,788	Trinity Capital	877,688	0.32		
12,361	TriplePoint Venture Growth	117,182	0.04		
7,962	WhiteHorse Finance	98,729	0.04		
Total United States		132,903,999	48.43		
Vietnam: 0.00% (2023: 0.26%)					
Total Equities		272,285,040	99.22		
Total Financial assets at fair value through profit or loss		272,285,040	99.22		
Financial Derivative Instruments Dealt on a Regulated Market					
Unrealised Gains on Futures Contracts: 0.02% (2023: 0.06%)					
Counterparty	Description	Currency	No. of Contracts	Unrealised Gains US\$	% of Net Assets
Merrill Lynch	CME E-Mini Standard & Poor's 500 Index Futures June 2024	USD	5	27,908	0.01
Merrill Lynch	Eurex Euro Stoxx Index 50 Futures June 2024	EUR	18	28,206	0.01
Total Unrealised Gains on Futures Contracts				56,114	0.02
Total Financial Derivative Instruments Dealt on a Regulated Market				56,114	0.02

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I: PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2024

	Fair Value US\$	% of Net Assets
Total Value of Investments	272,341,154	99.24
Cash and Cash Equivalents	6,649,817	2.42
Margin Cash	370,906	0.14
Other Net Liabilities	(4,922,851)	(1.80)
Net Assets Attributable to Holders of Redeemable Participating Shares	<u>274,439,026</u>	<u>100.00</u>

Portfolio Classification	% of Total Assets
Transferable securities admitted to an official stock exchange listing	97.33
Financial derivative instruments dealt on a regulated market	0.02
Other current assets	<u>2.65</u>
	<u>100.00</u>

FLEXSHARES ICAV
FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED)

*For the period from 1 April 2023 to 26 January 2024**

Asset Name	Acquisitions Nominal	Cost US\$
Meta Platforms	295	87,764
JPMorgan Chase	528	74,983
NVIDIA	174	74,263
Cisco Systems	1,310	67,830
Bristol-Myers Squibb	939	60,386
Swire Properties	23,800	52,683
Takeda Pharmaceutical	1,600	49,443
L'Oreal	107	49,083
Visa	207	48,819
Alphabet	350	47,896
Fujitsu	400	47,549
GSK	2,535	45,281
Consolidated Edison	464	45,073
Moody's	148	44,945
Cadence Design Systems	209	44,519
Aflac	558	43,365
Clariant	2,698	43,174
Otis Worldwide	521	43,108
Enphase Energy	254	42,826
Thomson Reuters	314	41,699
Avalonbay Communities	239	40,565
Contact Energy	8,001	40,275
Amdocs Ltd	424	40,017
Comsys	2,000	39,185
Microsoft	129	37,873
Next	419	37,755
Owens Corning	301	37,098
SAP	257	34,451
Costco Wholesale	64	34,410
Wolters Kluwer	255	34,110

*Fund terminated on 26 January 2024.

The above represents aggregate acquisitions of a security exceeding 1 per cent of the total value of purchases for the period. If there were fewer than 20 acquisitions that exceeded 1 per cent during the period, the largest 20 purchases are disclosed.

FLEXSHARES ICAV
FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED) (continued)

*For the period from 1 April 2023 to 26 January 2024**

Asset Name	Disposals Nominal	Proceeds US\$
Microsoft	812	304,986
Apple	1,426	267,883
Alphabet	1,770	239,248
NVIDIA	352	159,928
Meta Platforms	438	141,396
Visa	494	132,455
Mastercard	301	128,906
JPMorgan Chase	740	123,882
Johnson & Johnson	767	123,451
Merck	1,006	111,356
Novartis	1,064	109,078
McDonald's	364	107,117
Dell Technologies	1,404	85,594
NetApp	950	79,270
Amgen	257	78,251
Cisco Systems	1,503	76,262
UnitedHealth	144	72,937
Union Pacific	307	72,691
Takeda Pharmaceutical	2,200	66,028
VMware	480	65,276

*Fund terminated on 26 January 2024.

The above represents aggregate disposals of a security exceeding 1 per cent of the total value of sales for the period. If there were fewer than 20 disposals that exceeded 1 per cent during the period, the largest 20 sales are disclosed.

FLEXSHARES ICAV
FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED)

*For the period from 1 April 2023 to 26 January 2024**

Asset Name	Acquisitions Nominal	Cost US\$
Nike	1,451	170,094
Amgen	576	135,262
NVIDIA	401	123,822
Clorox	726	113,087
BlackRock	157	107,765
AXA	3,452	106,601
KeyCorp	8,778	101,571
Nordea Bank	8,850	101,134
Simon Property REIT	915	100,947
BCE	2,418	100,571
Fujitsu	800	98,711
Moody's	323	98,204
AP Moeller - Maersk	48	97,425
TJX Cos	1,235	96,994
Coca-Cola Europacific Partners	1,496	96,427
Cencora	498	95,915
Sysco	1,453	95,084
Klepierre REIT	3,841	92,467
Fidelity National Information Services	1,738	91,452
Snam	16,898	90,993
Gaztransport et Technigaz	822	90,228
PCCW	178,000	89,558
SSAB AB	15,311	88,825
Host Hotels & Resorts REIT	5,443	88,398
Amdocs Ltd	932	87,962
Takeda Pharmaceutical	2,800	87,015
Crown Castle	1,002	86,322
Niterra North America	4,200	86,191
Fuyo General Lease	1,100	85,812
SAP	635	84,939
Comsys	4,100	82,985
S&P Global	189	80,004
Owens Corning	649	79,876

*Fund terminated on 26 January 2024.

The above represents aggregate acquisitions of a security exceeding 1 per cent of the total value of purchases for the period. If there were fewer than 20 acquisitions that exceeded 1 per cent during the period, the largest 20 purchases are disclosed.

FLEXSHARES ICAV
FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED) (continued)

*For the period from 1 April 2023 to 26 January 2024**

Asset Name	Disposals Nominal	Proceeds US\$
Microsoft	3,058	1,093,162
Apple	5,996	1,079,556
NVIDIA	1,029	526,225
Johnson & Johnson	1,859	300,517
Mastercard	715	295,684
Home Depot	829	274,795
Merck	2,393	273,477
Accenture	796	267,325
AbbVie	1,607	258,971
Abbott Laboratories	2,541	255,302
Prologis REIT	2,014	251,419
Cisco Systems	4,827	243,804
Texas Instruments	1,202	220,164
Novartis	2,089	218,121
Toronto-Dominion Bank	3,507	214,633
Amazon.com	1,492	213,779
Royal Bank of Canada	2,095	208,230
Union Pacific	904	207,844
Visa	828	202,462
Lowe's Cos	981	202,187

*Fund terminated on 26 January 2024.

The above represents aggregate disposals of a security exceeding 1 per cent of the total value of sales for the period. If there were fewer than 20 disposals that exceeded 1 per cent during the period, the largest 20 sales are disclosed.

FLEXSHARES ICAV
FLEXSHARES® EMERGING MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED)

For the period from 1 April 2023 to 26 October 2023*

Asset Name	Acquisitions Nominal	Cost US\$
Bajaj Finance	575	53,301
Anta Sports Products	4,000	43,154
Sun Pharmaceutical Industries	3,424	41,346
United Microelectronics	25,000	38,092
America Movil	35,500	37,718
NAVER	215	30,826
Nongfu Spring	5,400	29,648
UPL	3,071	26,979
Commercial International Bank Egypt	14,986	25,590
SinoPac Financial	46,000	25,582
Bank of China	62,000	24,769
Inventec	22,000	23,295
Wistron	16,000	23,269
Samsung Engineering	1,021	22,923
Hyundai Glovis	183	22,749
Engie Brasil Energia	2,400	22,587
E.Sun Financial	25,917	21,745
Chicony Electronics	7,000	21,642
Compal Electronics	27,000	21,530
Hindustan Unilever	670	21,328
Advanced Info Service	3,000	19,346
Akbank	21,722	19,330
Mega Financial	15,000	18,760
CP ALL	9,700	17,857
Mytilneos	573	17,406
Schaeffler India	505	17,335

The above represents aggregate acquisitions of a security exceeding 1 per cent of the total value of purchases for the period. If there were fewer than 20 acquisitions that exceeded 1 per cent during the period, the largest 20 purchases are disclosed.

Asset Name	Disposals Nominal	Proceeds US\$
Taiwan Semiconductor Manufacturing	18,000	299,614
Samsung Electronics Ord	3,667	191,026
Bajaj Finance	1,306	108,862
Alibaba ADR	1,065	88,743
Infosys	5,134	88,643
China Construction Bank	139,000	82,425
Hindustan Unilever	2,456	74,888
Industrial & Commercial Bank of China	140,000	69,271
Asian Paints	1,562	59,226
Wistron	16,000	57,536
Anta Sports Products	4,600	55,418
Kia	838	53,271
Sun Pharmaceutical Industries	3,794	52,452
Nan Ya Plastics	24,000	51,979
HCL Technologies	3,384	51,493
PDD Holdings ADR	650	49,374
Wal-Mart de Mexico	14,236	47,169
HDFC Bank	2,584	47,069
Inventec	22,000	47,000
Banco do Brasil	4,700	46,336

*Fund terminated on 26 October 2023.

The above represents aggregate disposals of a security exceeding 1 per cent of the total value of sales for the period. If there were fewer than 20 disposals that exceeded 1 per cent during the period, the largest 20 sales are disclosed.

FLEXSHARES ICAV
FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED)

*For the period from 1 April 2023 to 26 October 2023**

Asset Name	Acquisitions Nominal	Cost US\$
Evergreen Marine	10,000	54,251
Industrial & Commercial Bank of China	93,000	49,220
Hon Hai Precision Industry	14,000	48,210
Bajaj Finance	509	47,183
Petroleo Brasileiro	6,700	41,673
Anta Sports Products	3,600	38,901
Sun Pharmaceutical Industries	3,168	38,254
Asian Paints	865	36,848
ASE Technology	10,000	35,397
Petroleo Brasileiro	5,700	33,822
NAVER	199	28,532
Lite-On Technology	7,000	25,884
Apollo Hospitals Enterprise	373	23,740
Cosco Shipping Holdings	19,000	23,159
HMM	1,405	22,971
Woori Financial	2,589	22,919
Delta Electronics Thailand ADR	850	22,018
MediaTek	1,000	21,847
Wistron	15,000	21,815
UPL	2,786	21,615
Akbank	23,877	21,248
Hyundai Glovis	169	21,009
Siemens	472	20,856
China Feihe	36,000	20,711
China Vanke	16,200	20,321
Perusahaan Gas Negara	211,400	20,248
Kingboard Holdings	6,500	20,035
Compal Electronics	25,000	19,936
Growthpoint Properties REIT	28,450	19,543
China Resources Land	4,000	19,119
China Steel	20,000	18,739
Enel Chile	236,985	17,380

*Fund terminated on 26 October 2023.

The above represents aggregate acquisitions of a security exceeding 1 per cent of the total value of purchases for the period. If there were fewer than 20 acquisitions that exceeded 1 per cent during the period, the largest 20 purchases are disclosed.

FLEXSHARES ICAV
FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED) (continued)

*For the period from 1 April 2023 to 26 October 2023**

Asset Name	Disposals Nominal	Proceeds US\$
Taiwan Semiconductor Manufacturing	17,000	284,250
Samsung Electronics Ord	2,537	132,161
Alibaba ADR	1,007	83,955
Infosys	4,622	79,803
China Construction Bank	130,000	77,408
MediaTek	3,000	75,201
Petroleo Brasileiro	8,648	65,677
Hindustan Unilever	2,121	64,686
Industrial & Commercial Bank of China	127,000	62,839
Petroleo Brasileiro	7,160	58,667
Bajaj Finance	613	57,230
Wistron	15,000	54,801
United Microelectronics	36,000	54,186
Grupo Financiero Banorte	6,500	53,037
NetEase ADR	506	52,366
Delta Electronics Thailand ADR	17,500	51,561
Kia	783	48,639
Sun Pharmaceutical Industries	3,507	48,460
Anta Sports Products	4,000	48,076
HCL Technologies	3,126	47,454

*Fund terminated on 26 October 2023.

The above represents aggregate disposals of a security exceeding 1 per cent of the total value of sales for the period. If there were fewer than 20 disposals that exceeded 1 per cent during the period, the largest 20 sales are disclosed.

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX II: MATERIAL PURCHASES AND SALES (UNAUDITED)

For the year ended 31 March 2024

Asset Name	Acquisitions Nominal	Cost US\$
Prosus	464,432	16,702,741
3i	470,456	12,023,094
Partners	9,712	11,115,604
KKR	170,586	10,846,655
Blackstone	104,983	10,595,323
Apollo Global Management	131,748	10,516,123
Ares Capital	512,512	9,803,668
Carlyle Group	200,951	7,707,461
EQT	293,818	6,514,123
Wendel	45,545	4,410,515
Ares Management	37,177	3,836,158
Eurazeo	49,110	3,533,277
Brookfield Asset Management	89,179	3,088,467
Groupe Bruxelles Lambert	38,652	3,065,419
Intermediate Capital Group	139,954	2,501,137
Onex	43,047	2,481,418
Prospect Capital	379,734	2,347,299
TPG	55,872	1,850,914
HG Capital Trust	316,473	1,651,505
FS KKR Capital	69,603	1,351,615

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year. If there were fewer than 20 purchases that exceed 1 per cent during the year, the largest 20 purchases are disclosed.

Asset Name	Disposals Nominal	Proceeds US\$
KKR	154,434	13,017,037
Apollo Global Management	106,924	10,391,795
3i	271,582	8,073,901
Blackstone	61,492	7,064,992
Partners	5,521	6,664,201
EQT	189,441	4,519,254
Ares Capital	218,882	4,371,830
Carlyle Group	126,514	4,370,356
Prosus	138,824	4,165,328
Onex	33,871	2,372,587
Brookfield Asset Management	52,771	2,018,465
Groupe Bruxelles Lambert	24,683	1,908,780
Intermediate Capital Group	81,163	1,729,516
Ares Management	14,731	1,680,236
Prospect Capital	273,194	1,568,930
Eurazeo	16,649	1,247,743
Oaktree Specialty Lending	55,833	1,095,560
Bridgepoint Group	332,196	1,069,419
TPG	24,088	899,504
FS KKR Capital	40,774	799,179

The above represents aggregate disposals of a security greater than 1 per cent of the total values of sales. If there were fewer than 20 disposals that exceed 1 per cent during the year, the largest 20 disposals are disclosed.

FLEXSHARES ICAV

APPENDIX III: ADDITIONAL INFORMATION FOR SWITZERLAND (UNAUDITED)

For the year ended 31 March 2024

In Switzerland, only FlexShares® Listed Private Equity UCITS ETF of FlexShares® ICAV is compliant with Swiss law for offering to all qualified investors.

The representative in Switzerland is REYL & Cie Ltd, Rue du Rhône 4, CH-1204 Geneva and the paying agent is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. Investors in Switzerland can obtain the documents, such as the prospectus, the memorandum and articles of association, the key investor information documents, and the financial reports free of charge from the representative. This document may only be issued, circulated or distributed so as not to constitute an offering to the general public (non-qualified investors) in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser or the representative.

Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account the commissions and costs incurred on the issue and redemption of shares.

FLEXSHARES ICAV

APPENDIX IV: SUSTAINABLE FINANCE DISCLOSURE REGULATION (“SFDR”) (UNAUDITED)

For the year ended 31 March 2024

The additional disclosure requirements under SFDR Level 2 for all annual reports published after 1 January 2024 are contained in Appendix IV of this report. These disclosures were prepared using data and the analysis of such information provided by third party data providers which was available as at the date of which the disclosures were produced. Similarly, the activities reported in the disclosures may be an output of proprietary analysis, which in turn may utilise data published by underlying investee companies. The availability of such data and analysis is evolving. The presentation of information in the disclosures may also change with regulatory developments and it is in this context the information should be read and understood. The Board of the Management Company on behalf of the ICAV continues to actively monitor the evolution of data provision and regulation in this regard.

Periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

Legal entity identifier:
635400JV3CQYUCSWZD21

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective ?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: __% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: __%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation(EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability Indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Unless otherwise stated, all data provided in the Annex IV, refers to the reference period ending 31 March 2024. Note this fund was closed as at the end of the reporting period and as such no data is available.

The Product met the following environmental and social (“E/S”) characteristics using the sustainability indicators to:

- Exclude issuers using revenue thresholds across a range of sectors and/or specific business activities that the investment manager deemed to have adverse impact on the environment and/or society based on the screening methodology (“NT Custom ESG screening criteria”);
- Exclude issuers that did not adhere to international norms such UN Global Compact (“UNGC”) principles and Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises;
- Promote good governance through the exclusion of issuers with ‘very severe’ controversies;
- Improve ESG profile of the Product, through the NT ESG Vector Score™;

Over the period, through tracking the iSTOXX Northern Trust Developed Markets Low Volatility Climate ESG Index, the Product achieved a significant reduction of the operational carbon intensity (weighted average carbon intensity based on tons of CO2e/\$M sales) and carbon risk improvement relative to the parent Index; the STOXX Global 1800 Index.

The sustainability indicators are disclosed in detail in the Product’s supplement as part of Annex II which can be found [here](#).

How did the sustainability indicators perform?

The sustainability indicators, performed as expected during the reference period:

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

Note this fund was closed as at the end of the reporting period and as such no data is available.

... and compared to previous periods?

Reference period ending 31 March 2023:

The sustainability indicators, performed as expected during the reference period:

Sector and business activity based exclusions: 98.51%

Compliance with UNGC and international norms: 98.51%

Carbon intensity and potential carbon emissions below broad Index: Yes

ESG Profile higher than broad index: Yes

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Product made a commitment to invest a minimum of 10% in sustainable investments in companies that positively contributed towards environmental objectives without causing significant harm.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How were the indicators for adverse impacts on sustainability factors taken into account?

The adverse indicators were taken into account by the investment manager to help form an assessment of significant harm using the mandatory Principal Adverse Impacts ("PAI") indicators in Annex 1, Table 1 of the SFDR Regulatory Technical Standards ("SFDR RTS"). Companies found to cause significant harm, per the investment manager's definition, were not deemed to be a sustainable investment.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. The Product applied the ESG controversy screening criteria methodology to identify and exclude companies that did not adhere to international norms and conventions.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What were the top investments of this financial product?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023-04-01/2024-01-26



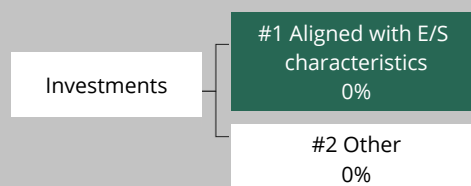
What was the proportion of sustainability-related investments?

Note this fund was closed as at the end of the reporting period and as such no data is available.

What was the asset allocation?

Note this fund was closed as at the end of the reporting period and as such no data is available.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

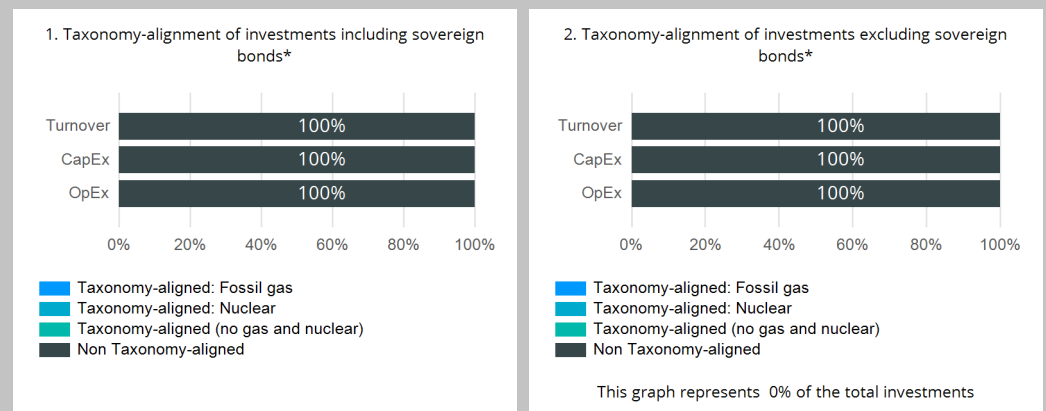
The Product made a 0% commitment to environmentally sustainable (taxonomy aligned) investments and reports 0% actual alignment as at year-end.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

- Yes
- In fossil gas In nuclear energy
- No

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

The Product invested 0% of its assets in investments determined to substantially contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore 0% of its assets were invested in enabling or transitional activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Product committed 0% of investments aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What was the share of socially sustainable investments?

The Product did not commit to sustainable investments with a social objective hence there were 0% such investments.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What investments were included under “#2 Other”, what was their purpose and were there any minimum environmental or social safeguards?

Derivatives and cash were the only two investment types categorised as ‘other’ and no other minimum environmental or social safeguards were applied.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Note this fund was closed as at the end of the reporting period and as such no data is available.



How did this financial product perform compared to the reference benchmark?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How does the reference benchmark differ from a broad market index?

The Index differed from the broad market index due to the ESG negative screening; the NT Custom ESG Screening, the NT ESG Vector Score™ screening and the target reduction in carbon emissions applied to the Index.

The exclusion criteria is across the following high-level themes: global norms (UNGC and OECD violations), “very severe” controversies, tobacco, weapons, thermal coal, unconventional oil and gas, and human rights. Some exclusions are based on any tie, whilst others are based on defined revenue thresholds across activities such as production, distribution, supply or retail.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental and social characteristics promoted?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform compared with the reference benchmark?

This section is not applicable as the Product has no ESG reference benchmark.

How did this financial product perform compared with the broad market index?

This section is not applicable as the Product has no ESG reference benchmark.

Reference benchmarks are indexes to measure whether financial product attains the environmental or social characteristics that they promote.

Periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

Legal entity identifier:
635400VYBJNLKSSHNL06

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective ?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: __% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: __%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability Indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Unless otherwise stated, all data provided in the Annex IV, refers to the reference period ending 31 March 2024. Note this fund was closed as at the end of the reporting period and as such no data is available.

The Product met the following environmental and social (“E/S”) characteristics using the sustainability indicators to:

- Exclude issuers using revenue thresholds across a range of sectors and/or specific business activities that the investment manager deemed to have adverse impact on the environment and/or society based on the screening methodology (“NT Custom ESG screening criteria”);
- Exclude issuers that did not adhere to international norms such UN Global Compact (“UNGC”) principles and Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises;
- Promote good governance through the exclusion of issuers with ‘very severe’ controversies;
- Improve ESG profile of the Product, through the NT ESG Vector Score™;

Over the period, through tracking the iSTOXX Northern Trust Developed Markets High Dividend Climate ESG Index, the Product achieved a significant reduction of the operational carbon intensity (weighted average carbon intensity based on tons of CO2e/\$M sales) and carbon risk improvement relative to the parent Index; the STOXX Global 1800 Index.

The sustainability indicators are disclosed in detail in the Product’s supplement as part of Annex II which can be found [here](#).

How did the sustainability indicators perform?

The sustainability indicators, performed as expected during the reference period:

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

Note this fund was closed as at the end of the reporting period and as such no data is available.

... and compared to previous periods?

Reference period ending 31 March 2023:

The sustainability indicators, performed as expected during the reference period:

Sector and business activity based exclusions: 99.61%

Compliance with UNGC and international norms: 99.61%

Carbon intensity and potential carbon emissions below broad Index: Yes

ESG Profile higher than broad index: Yes

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Product made a commitment to invest a minimum of 10% in sustainable investments in companies that positively contributed towards environmental objectives without causing significant harm.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How were the indicators for adverse impacts on sustainability factors taken into account?

The adverse indicators were taken into account by the investment manager to help form an assessment of significant harm using the mandatory Principal Adverse Impacts ("PAI") indicators in Annex 1, Table 1 of the SFDR Regulatory Technical Standards ("SFDR RTS"). Companies found to cause significant harm, per the investment manager's definition, were not deemed to be a sustainable investment.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. The Product applied the ESG controversy screening criteria methodology to identify and exclude companies that did not adhere to international norms and conventions.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What were the top investments of this financial product?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023-04-01/2024-01-26



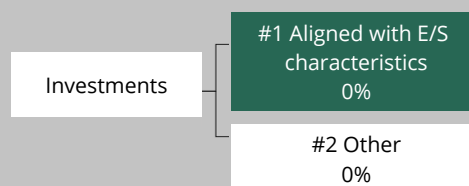
What was the proportion of sustainability-related investments?

Note this fund was closed as at the end of the reporting period and as such no data is available.

What was the asset allocation?

Note this fund was closed as at the end of the reporting period and as such no data is available.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

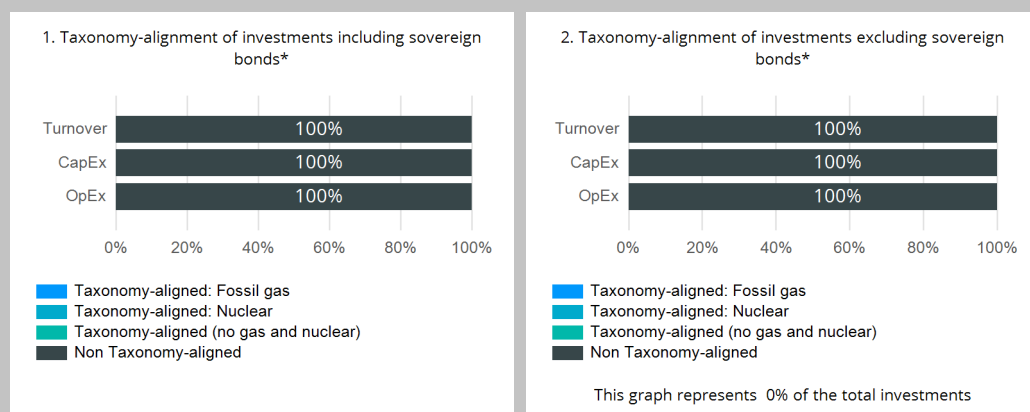
The Product made a 0% commitment to environmentally sustainable (taxonomy aligned) investments and reports 0% actual alignment as at year-end.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

- Yes
- In fossil gas In nuclear energy
- No

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

The Product invested 0% of its assets in investments determined to substantially contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore 0% of its assets were invested in enabling or transitional activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Product committed 0% of investments aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What was the share of socially sustainable investments?

The Product did not commit to sustainable investments with a social objective hence there were 0% such investments.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What investments were included under “#2 Other”, what was their purpose and were there any minimum environmental or social safeguards?

Derivatives and cash were the only two investment types categorised as ‘other’ and no other minimum environmental or social safeguards were applied.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Note this fund was closed as at the end of the reporting period and as such no data is available.



How did this financial product perform compared to the reference benchmark?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How does the reference benchmark differ from a broad market index?

The Index differed from the broad market index due to the ESG negative screening; the NT Custom ESG Screening, the NT ESG Vector Score™ screening and the target reduction in carbon emissions applied to the Index.

The exclusion criteria is across the following high-level themes: global norms (UNGC and OECD violations), “very severe” controversies, tobacco, weapons, thermal coal, unconventional oil and gas, and human rights. Some exclusions are based on any tie, whilst others are based on defined revenue thresholds across activities such as production, distribution, supply or retail.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental and social characteristics promoted?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform compared with the reference benchmark?

This section is not applicable as the Product has no ESG reference benchmark.

How did this financial product perform compared with the broad market index?

This section is not applicable as the Product has no ESG reference benchmark.

Reference benchmarks are indexes to measure whether financial product attains the environmental or social characteristics that they promote.

Periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF

Legal entity identifier:
635400MEMJJBEXH8GC82

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective ?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: __% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: __%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation(EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability Indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Unless otherwise stated, all data provided in the Annex IV, refers to the reference period ending 31 March 2024. Note this fund was closed as at the end of the reporting period and as such no data is available.

The Product met the following environmental and social (“E/S”) characteristics using the sustainability indicators to:

- Exclude issuers using revenue thresholds across a range of sectors and/or specific business activities that the investment manager deemed to have adverse impact on the environment and/or society based on the screening methodology (“NT Custom ESG screening criteria”);
- Exclude issuers that did not adhere to international norms such UN Global Compact (“UNGC”) principles and Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises;
- Promote good governance through the exclusion of issuers with ‘very severe’ controversies and exclude majority held companies in countries with a poor human rights track record, unsound board composition and a qualified auditor’s opinion;
- Improve ESG profile of the Product, through the NT ESG Vector Score™;

Over the period, through tracking the iSTOXX Northern Trust Emerging Markets Low Volatility Climate ESG Index, the Product achieved a significant reduction of the operational carbon intensity (weighted average carbon intensity based on tons of CO2e/\$M sales) and carbon risk improvement relative to the parent Index; the iSTOXX Northern Trust Emerging Markets Index.

The sustainability indicators are disclosed in detail in the Product’s supplement as part of Annex II which can be found [here](#).

How did the sustainability indicators perform?

The sustainability indicators, performed as expected during the reference period:

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

Note this fund was closed as at the end of the reporting period and as such no data is available.

... and compared to previous periods?

Reference period ending 31 March 2023:

The sustainability indicators, performed as expected during the reference period:

Sector and business activity based exclusions: 98.35%

Compliance with UNGC and international norms: 98.35%

Carbon intensity and potential carbon emissions below broad Index: Yes

ESG Profile higher than broad index: Yes

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Product made a commitment to invest a minimum of 10% in sustainable investments in companies that positively contributed towards environmental objectives without causing significant harm.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How were the indicators for adverse impacts on sustainability factors taken into account?

The adverse indicators were taken into account by the investment manager to help form an assessment of significant harm using the mandatory Principal Adverse Impacts ("PAI") indicators in Annex 1, Table 1 of the SFDR Regulatory Technical Standards ("SFDR RTS"). Companies found to cause significant harm, per the investment manager's definition, were not deemed to be a sustainable investment.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. The Product applied the ESG controversy screening criteria methodology to identify and exclude companies that did not adhere to international norms and conventions.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What were the top investments of this financial product?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023-04-01/2023-10-26

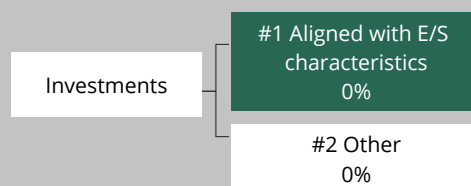


What was the proportion of sustainability-related investments?

Note this fund was closed as at the end of the reporting period and as such no data is available.

What was the asset allocation?

Note this fund was closed as at the end of the reporting period and as such no data is available.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

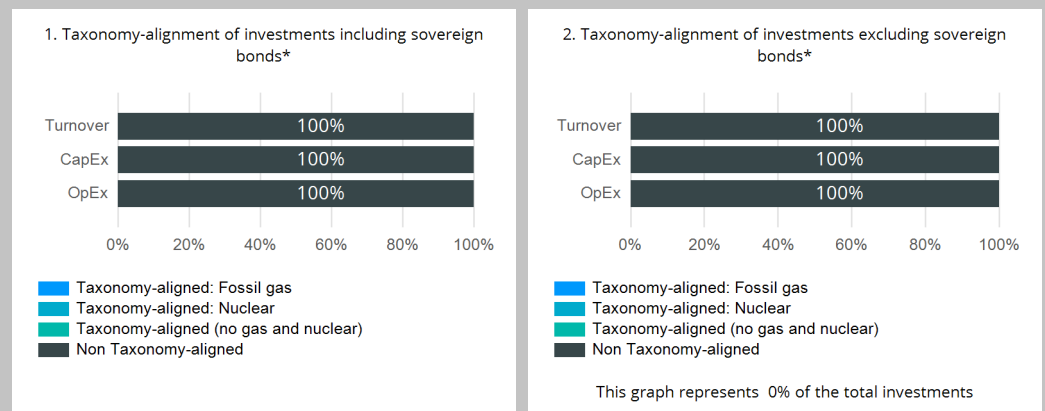
The Product made a 0% commitment to environmentally sustainable (taxonomy aligned) investments and reports 0% actual alignment as at year-end.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

- Yes
- In fossil gas In nuclear energy
- No

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

The Product invested 0% of its assets in investments determined to substantially contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore 0% of its assets were invested in enabling or transitional activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Product committed 0% of investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What was the share of socially sustainable investments?

The Product did not commit to sustainable investments with a social objective hence there were 0% such investments.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What investments were included under “#2 Other”, what was their purpose and were there any minimum environmental or social safeguards?

Derivatives and cash were the only two investment types categorised as ‘other’ and no other minimum environmental or social safeguards were applied.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Note this fund was closed as at the end of the reporting period and as such no data is available.



How did this financial product perform compared to the reference benchmark?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How does the reference benchmark differ from a broad market index?

The Index differed from the broad market index due to the ESG negative screening; the NT Custom ESG Screening, the NT ESG Vector Score™ screening and the target reduction in carbon emissions applied to the Index.

The exclusion criteria is across the following high-level themes: global norms (UNGC and OECD violations), “very severe” controversies, tobacco, weapons, thermal coal, unconventional oil and gas, and human rights. Some exclusions are based on any tie, whilst others are based on defined revenue thresholds across activities such as production, distribution, supply or retail. In addition, the governance screen excludes majority held companies in countries with a poor human rights track record, unsound board composition and a qualified auditor’s opinion.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental and social characteristics promoted?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform compared with the reference benchmark?

This section is not applicable as the Product has no ESG reference benchmark.

How did this financial product perform compared with the broad market index?

This section is not applicable as the Product has no ESG reference benchmark.

Reference benchmarks are indexes to measure whether financial product attains the environmental or social characteristics that they promote.

Periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF

Legal entity identifier:
635400AIFIQVFP4IR87

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective ?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: __% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: __%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability Indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Unless otherwise stated, all data provided in the Annex IV, refers to the reference period ending 31 March 2024. Note this fund was closed as at the end of the reporting period and as such no data is available.

The Product met the following environmental and social (“E/S”) characteristics using the sustainability indicators to:

- Exclude issuers using revenue thresholds across a range of sectors and/or specific business activities that the investment manager deemed to have adverse impact on the environment and/or society based on the screening methodology (“NT Custom ESG screening criteria”);
- Exclude issuers that did not adhere to international norms such UN Global Compact (“UNGC”) principles and Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises;
- Promote good governance through the exclusion of issuers with ‘very severe’ controversies and exclude majority held companies in countries with a poor human rights track record, unsound board composition and a qualified auditor’s opinion;
- Improve ESG profile of the Product, through the NT ESG Vector Score™;

Over the period, through tracking the iSTOXX Northern Trust Emerging Markets Low Volatility Climate ESG Index, the Product achieved a significant reduction of the operational carbon intensity (weighted average carbon intensity based on tons of CO2e/\$M sales) and carbon risk improvement relative to the parent Index; the iSTOXX Northern Trust Emerging Markets Index.

The sustainability indicators are disclosed in detail in the Product’s supplement as part of Annex II which can be found [here](#).

How did the sustainability indicators perform?

The sustainability indicators, performed as expected during the reference period:

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

Note this fund was closed as at the end of the reporting period and as such no data is available.

... and compared to previous periods?

Reference period ending 31 March 2023:

The sustainability indicators, performed as expected during the reference period:

Sector and business activity based exclusions: 98.15%

Compliance with UNGC and international norms: 98.15%

Carbon intensity and potential carbon emissions below broad Index: Yes

ESG Profile higher than broad index: Yes

Issuers found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Product made a commitment to invest a minimum of 10% in sustainable investments in companies that positively contributed towards environmental objectives without causing significant harm.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How were the indicators for adverse impacts on sustainability factors taken into account?

The adverse indicators were taken into account by the investment manager to help form an assessment of significant harm using the mandatory Principal Adverse Impacts ("PAI") indicators in Annex 1, Table 1 of the SFDR Regulatory Technical Standards ("SFDR RTS"). Companies found to cause significant harm, per the investment manager's definition, were not deemed to be a sustainable investment.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. The Product applied the ESG controversy screening criteria methodology to identify and exclude companies that did not adhere to international norms and conventions.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What were the top investments of this financial product?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023-04-01/2023-10-26



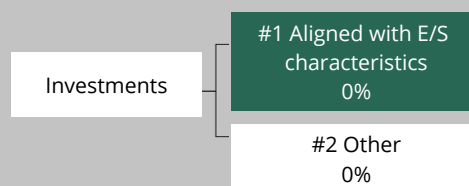
What was the proportion of sustainability-related investments?

Note this fund was closed as at the end of the reporting period and as such no data is available.

What was the asset allocation?

Note this fund was closed as at the end of the reporting period and as such no data is available.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

The Fund fully redeemed during the reporting period and is now dormant. There are no holdings as at 31 March 2024

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

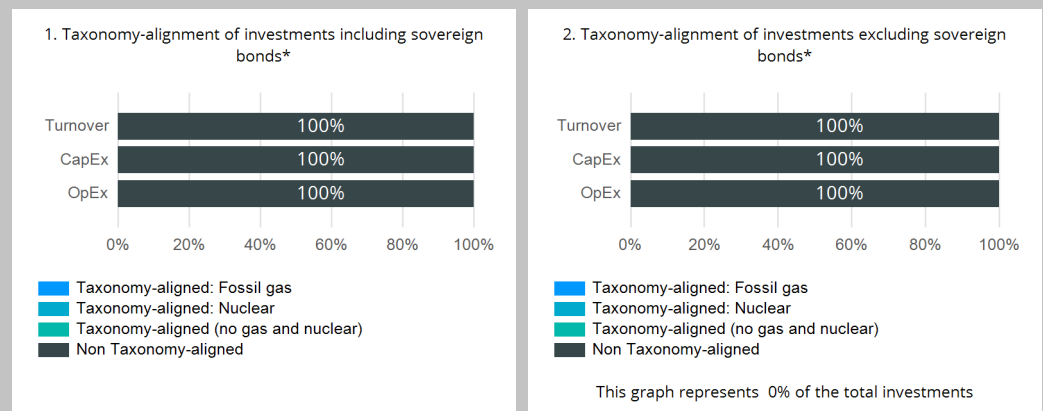
The Product made a 0% commitment to environmentally sustainable (taxonomy aligned) investments and reports 0% actual alignment as at year-end.

Note this fund was closed as at the end of the reporting period and as such no data is available.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

- Yes
- In fossil gas In nuclear energy
- No

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

The Product invested 0% of its assets in investments determined to substantially contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore 0% of its assets were invested in enabling or transitional activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Product committed 0% of investments aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Note this fund was closed as at the end of the reporting period and as such no data is available.



What was the share of socially sustainable investments?

The Product did not commit to sustainable investments with a social objective hence there were 0% such investments.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What investments were included under “#2 Other”, what was their purpose and were there any minimum environmental or social safeguards?

Derivatives and cash were the only two investment types categorised as ‘other’ and no other minimum environmental or social safeguards were applied.

Note this fund was closed as at the end of the reporting period and as such no data is available.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Note this fund was closed as at the end of the reporting period and as such no data is available.



How did this financial product perform compared to the reference benchmark?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How does the reference benchmark differ from a broad market index?

The Index differed from the broad market index due to the ESG negative screening; the NT Custom ESG Screening, the NT ESG Vector Score™ screening and the target reduction in carbon emissions applied to the Index.

The exclusion criteria is across the following high-level themes: global norms (UNGC and OECD violations), “very severe” controversies, tobacco, weapons, thermal coal, unconventional oil and gas, and human rights. Some exclusions are based on any tie, whilst others are based on defined revenue thresholds across activities such as production, distribution, supply or retail. In addition, the governance screen excludes majority held companies in countries with a poor human rights track record, unsound board composition and a qualified auditor’s opinion.

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental and social characteristics promoted?

Note this fund was closed as at the end of the reporting period and as such no data is available.

How did this financial product perform compared with the reference benchmark?

This section is not applicable as the Product has no ESG reference benchmark.

How did this financial product perform compared with the broad market index?

This section is not applicable as the Product has no ESG reference benchmark.

Reference benchmarks are indexes to measure whether financial product attains the environmental or social characteristics that they promote.