

FLEXSHARES ICAV

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

FLEXSHARES ICAV

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FLEXSHARES ICAV
MANAGEMENT AND GENERAL INFORMATION

Manager:	Northern Trust Fund Managers (Ireland) Limited ² George's Court 54-62 Townsend Street Dublin 2 Ireland	
*Directors	Mr. Gerald Brady ¹ (resigned 31 December 2021) Ms. Claire Cawley ¹ (Chairperson) Mr. Ton Daniels ¹ Ms. Marie Dzanis Ms. Martha Fee Ms. Deirdre Gormley (resigned 29 July 2021) Mr. Bimal Shah Mr. Feargal Dempsey ¹ (appointed 15 November 2021) Mr. Cian Farrell (appointed 10 January 2022) Mr. Alan Keating (appointed 6 December 2021)	Irish Resident Irish Resident Dutch Resident UK Resident UK Resident Irish 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 George's Court 54-62 Townsend Street Dublin 2 Ireland	
Registered Office:	George's Court 54-62 Townsend Street Dublin 2 Ireland	
Administrator and Registrar:	Northern Trust International Fund Administration Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland	
Independent Auditors:	KPMG Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland	
Legal Advisor:	Maples and Calder (Ireland) LLP 75 St Stephen's Green Dublin 2 D02 PR50 Ireland	
German Agent:	Acolin Europe AG Reichenaustrasse 11 a-c 78467, Konstanz Germany	
Secretary of the ICAV:	Northern Trust International Fund Administration Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland	

*All Directors are Non-Executive

¹Independent Directors

²Holders of Authorised non-participating voting shares

The Authorised Participant and appointed Market Maker for the ICAV is BNP Paribas. JaneStreet, Flow Traders and DRW are also Authorised Participants.

FLEXSHARES ICAV

GENERAL INFORMATION

For the year ended 31 March 2022

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

The ICAV's registered office address is George's Court, 54-62 Townsend Street, Dublin 2, Ireland.

The ICAV has no employees.

As at 31 March 2022 the ICAV comprises of five active Funds (the “Funds”).

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

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 Investor 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 Funds are available:

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

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.

FLEXSHARES ICAV

GENERAL INFORMATION (continued)

For the year ended 31 March 2022

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® Developed Markets Low Volatility Climate ESG UCITS ETF, Flexshares® Emerging Markets Low Volatility Climate ESG UCITS ETF and Flexshares® Listed Private Equity UCITS ETF and only Distributing Shares will be issued for Flexshares® Developed Markets High Dividend Climate ESG UCITS ETF and Flexshares® Emerging Markets High Dividend Climate ESG UCITS ETF.

Dividends

Dividends were declared and paid during the year ended 31 March 2022, see Note 7 for further details.

Distributions may be 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 <https://www.flexshares.com/euro/home>. 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 2022

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 2022.

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 9 to 17 and are included in this report by cross reference. Significant events during the year are included on the following page.

Results for the Year and State of Affairs as at 31 March 2022

The results of operations are set out on pages 24 to 26.

Dividends

Dividends were declared and paid during the year ended 31 March 2022, see Note 7 for further details.

Directors

The Directors of the ICAV during the year ended 31 March 2022 were:

<u>Director</u>	<u>Country of Residence</u>	<u>Date of Appointment</u>
Mr. Gerald Brady (resigned 31 December 2021)	Irish Resident	22 February 2021
Ms. Claire Cawley (Chairperson)	Irish Resident	20 November 2020
Mr. Ton Daniels	Dutch Resident	20 November 2020
Ms. Marie Dzanis	UK Resident	20 November 2020
Ms. Martha Fee	UK Resident	25 June 2020
Ms. Deirdre Gormley (resigned 29 July 2021)	Irish Resident	25 June 2020
Mr. Bimal Shah	UK Resident	20 November 2020
Mr. Feargal Dempsey	Irish Resident	15 November 2021
Mr. Cian Farrell	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 2022, nor were there any during the year ended 31 March 2021.

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 2022 (2021: nil).

Transactions involving Directors

Other than as stated in Related Party Disclosures in Note 10, 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 financial 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 11 and is included in this report by cross reference.

Brexit and Associated Risks

The Directors continue to closely monitor the ongoing dynamics of post Brexit UK/EU political and regulatory developments to ensure that the ICAV supports client and business needs.

Since 1 January 2021 the UK-EU Trade and Cooperation Agreement ("TCA") has applied to the relationship between the United Kingdom ("UK") and European Union ("EU"); the agreement contains a number of provisions that are relevant for financial services firms. Overall, UK firms are now regarded as third country firms and passporting rights to establish branches or provide cross border services between the UK and EU no longer exist.

UK/EU firms are able to set up establishments and provide services into the territory of the other Party subject to compliance with local (including EU) authorization/licensing requirements. Moreover, the TCA provides that once authorized/licensed, such firms will benefit from national treatment – meaning no less favorable treatment than the most favorable treatment accorded by each Party to its own investors and firms.

Within the UK, temporary permissions regimes ("TPR") were introduced, which have been extended up until 2025 and allows EU firms and funds to continue to provide services into the UK Market, until the UK's Overseas Fund Regime ("OFR") is fully implemented. The FlexShares range has been entered into the Temporary Marketing Permissions regime ("TMPR").

FLEXSHARES ICAV

DIRECTORS' REPORT (continued)

For the year ended 31 March 2022

Brexit and Associated Risks (continued)

The implementing Regulations brought the OFR into force in the UK from February 2022, but underlying procedures and processes are still being built out and funds cannot yet be entered into the new regime. It remains the intention for FlexShares ICAV to be transitioned from the TMRP to the OFR to allow continued marketing in to the UK and the Manager continued to monitor progress towards being able to do so.

Political Contributions

There were no political contributions made by the ICAV during the year ended 31 March 2022 (31 March 2021: nil).

Material Events During the Year

On 29 July 2021, Ms Deirdre Gormley resigned as a Director of the Manager and the ICAV.

On 23 September 2021, the following Funds and Share Classes launched:

- Flexshares® Emerging Markets Low Volatility Climate ESG UCITS ETF and USD Accumulating Share Class.
- Flexshares® Emerging Markets High Dividend Climate ESG UCITS ETF and USD Distributing Share Class.

On 5 November 2021, the ICAV received Central Bank authorisation for the FlexShares® Listed Private Equity UCITS ETF.

On 15 November 2021, Mr Feargal Dempsey was appointed as a Director of the ICAV.

On 6 December 2021, Mr Alan Keating was appointed as a Director of the Manager and the ICAV.

On 9 December 2021, FlexShares® Listed Private Equity UCITS ETF and USD Accumulating Share Class launched.

On 13 December 2021, a second Addendum to the Prospectus was issued to incorporate disclosures under the Taxonomy Regulation.

On 31 December 2021, Mr Gerald Brady resigned as a Director of the Manager and the ICAV. Ms Claire Cawley was appointed the new Chairperson following Mr Gerald Brady's resignation.

On 10 January 2022, Mr Cian Farrell was appointed as a Director of the Manager and the ICAV.

Coronavirus ("Covid-19")

While the impact of Covid-19 still is and will continue to have an evolving effect on economies and society, the ICAV continues to perform as designed in line with investment philosophies and without liquidity or quality issues. During the year, the Coronavirus ("Covid-19") pandemic continued to cause major disruption to the global economy and social fabric of many countries. The ICAV and the Northern Trust Group (the "Group") are closely monitoring their business practices, taking into account guidance from the Centers for the Disease Control and Prevention ("CDC") and World Health Organisation ("WHO"), regulators, governments and local public health departments. The ICAV has joined with the Group to implement risk mitigation strategies including alternate work schedules and work-from-home ("WFH") arrangements. A number of internal programs have been implemented to ensure that the Administrator can continue to provide the level of service expected while also providing the necessary support for employees during this pandemic. In addition, operations and client service teams are working hand in hand with Information Technology, Legal, and Risk and Control teams to adapt to the evolving local developments. In addition to ensuring they operate effectively in their current resiliency mode, a global, cross-functional Future of Work taskforce is exploring how to best evolve all aspects of their foundation, including: client service, partner engagement, risk management, efficiency and culture. The framework will be robust enough to stand the test of time and flexible enough to allow business units and regions to evolve at different speeds and react to local environmental changes. The Group maintains robust Business Continuity Plan to manage its operation in support of its clients. Its service has been designed to be fault tolerant, minimizing the potential for any single points of failure. To achieve this, the Group is utilising its dedicated Business Resiliency Centers, optimising work-from-home arrangements and will invoke transfer-of-work capabilities as required to complete processes across multiple offices, countries and regions. There has been no material impact to the performance of the ICAV and its Funds as a result of the Covid-19 pandemic.

Russia

The Russian invasion of Ukraine in late February led to western nations imposing severe economic sanctions on Russia. The ICAV is following all appropriate protocols to abide by the conditions of the sanctions and the ICAV continues to be managed according to stated investment objectives. Northern Trust's Investment Policy Committee and Tactical Asset Allocation Committee are regularly monitoring the evolving situation. Consistent with the Manager's established process, and as conditions warrant, the Investment Committee, a sub-committee of the Board has been in constant contact with Asset Management's Pricing Valuation Committee to determine Fair Value prices and approaches for all the affected Russian securities. All fair value prices have been applied after approval from the Depository's review. On 3 March 2022 all affected securities were fair valued at zero. The total unrealised loss based on reducing the prices from their last traded price to zero was \$83,640 for FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and \$56,248 for FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF. The Directors have moved all Russian income to a receipts basis which will be realised in the Funds upon payments received. As the situation evolves, the Directors are continually monitoring any changes in sanctions to ensure continued compliance.

There were no other material events during the year.

FLEXSHARES ICAV

DIRECTORS' REPORT (continued)

For the year ended 31 March 2022

Subsequent Events

There were no 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 Funds at the end of the financial year and of the changes in net assets attributable to holders of redeemable participating shares in the Funds for the financial 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 each Funds' 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 Funds 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 Funds 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 Funds. In this regard they have entrusted the assets of the Funds 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, Ireland.

Independent Auditor

KPMG, Chartered Accountants, 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 a UCITS by a management company or depositary to the UCITS, 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 are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 41(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 41(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.

FLEXSHARES ICAV

DIRECTORS' REPORT (continued)

For the year ended 31 March 2022

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 <http://www.irishstatutebook.ie/home.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, 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



Director



Director

27 July 2022

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 2022 (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
27 July 2022**

FLEXSHARES ICAV

FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED)

For the year ended 31 March 2022

Launch Date

24 February 2021

Fund Size

US\$ 5.62 million

Benchmark

iSTOXX Northern Trust Developed Markets Low Volatility Climate ESG Index

Performance Data

	Since Inception	1 Year	3 Years
Fund	12.45%	9.58%	N/A
Benchmark	12.62%	9.71%	N/A

Fund Review

Portfolio Summary*

United States	65.5
Japan	8.1
Switzerland	3.9
United Kingdom	3.7
France	2.9
Canada	2.8
Germany	2.5
Hong Kong	2.0
Spain	1.4
Denmark	1.3
Other	5.9

*Source FactSet as at 31 March 2022. Country breakdown may not sum to 100% as the fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

For the investment review period, the FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF posted a net total return of 9.58%, underperforming the benchmark return of 9.71%. Ex-post tracking error for 1 year is 0.09%.

The Fund performed in line with the benchmark taking account for corporate action treatments, withholding tax differentials, management fees, cash/futures usage, and rebalance costs not reflected in the index.

Sustainable Finance Disclosure Regulation (“SFDR”)

The Fund has been categorised as an Article 8 financial product for the purposes of SFDR. The Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. The environmental characteristics promoted by the Fund, through its index tracking strategy whereby it seeks to closely match the risk and return characteristics of the Benchmark by investing directly in assets that are Benchmark constituents, include:

1. to eliminate companies based on their involvement in one or more controversial lines of business (such as tobacco, controversial weapons, child labour);
2. to increase the Reference Index’s aggregate ESG score as determined using certain environmental, social and governance-related key performance indicators (taking into account factors such as diversity, emission reductions, board independence, child labour policy, etc. further details about which is set out on the Website); and
3. to mitigate climate-change risk by screening potential constituent securities based on their carbon intensity data to eliminate those with a higher rating.

Further details on the environmental characteristics promoted by the Fund are set out in the Supplement to the Fund. The Manager engages third party service providers to provide research and ratings information relating to the Fund’s ESG characteristics with respect to securities in the Fund, where information is available from such providers. Such research and ratings are based on available data, either actual or estimated and the Manager’s interpretation of same. Based on the data received, the Manager considers that the Fund’s environmental characteristics have been fully met. Further detail on the extent to which the environmental characteristics of the Fund were attained, including the details on how the sustainability indicators performed will be provided once the regulatory technical standards (“RTS”) supplementing the SFDR have been finalised and implemented.

FLEXSHARES ICAV

FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED) (continued)

For the year ended 31 March 2022

Taxonomy Regulation

The Fund presently intends to invest 0% of its investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation as the Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. For the purposes of the Taxonomy Regulation, it should be noted that the "do no significant harm" principle only applies to those investments underlying the Fund 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.

Northern Trust Global Investments Limited

London

May 2022

FLEXSHARES ICAV

FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED)

For the year ended 31 March 2022

Launch Date

24 February 2021

Fund Size

US\$ 16.04 million

Benchmark

iSTOXX Northern Trust Developed Markets High Dividend Climate ESG Index

Performance Data

	Since Inception	1 Year	3 Years
Fund	14.66%	11.55%	N/A
Benchmark	14.78%	11.69%	N/A

Fund Review

Portfolio Summary*

United States	66.1
Japan	7.1
United Kingdom	4.2
Canada	3.9
Australia	3.6
France	3.0
Sweden	2.5
Germany	2.2
Switzerland	2.1
Netherlands	1.7
Other	3.7

*Source FactSet as at 31 March 2022. Country breakdown may not sum to 100% as the fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

For the investment review period, the FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF posted a net total return of 11.55%, underperforming the benchmark return of 11.69%. Ex-post tracking error for 1 year is 0.07%.

The Fund performed in line with the benchmark taking account for corporate action treatments, withholding tax differentials, management fees, cash/futures usage, and rebalance costs not reflected in the index.

Sustainable Finance Disclosure Regulation (“SFDR”)

The Fund has been categorised as an Article 8 financial product for the purposes of SFDR. The Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. The environmental characteristics promoted by the Fund, through its index tracking strategy whereby it seeks to closely match the risk and return characteristics of the Benchmark by investing directly in assets that are Benchmark constituents, include:

1. to eliminate companies based on their involvement in one or more controversial lines of business (such as tobacco, controversial weapons, child labour);
2. to increase the Reference Index’s aggregate ESG score as determined using certain environmental, social and governance-related key performance indicators (taking into account factors such as diversity, emission reductions, board independence, child labour policy, etc. further details about which is set out on the Website); and
3. to mitigate climate-change risk by screening potential constituent securities based on their carbon intensity data to eliminate those with a higher rating.

Further details on the environmental characteristics promoted by the Fund are set out in the Supplement to the Fund. The Manager engages third party service providers to provide research and ratings information relating to the Fund’s ESG characteristics with respect to securities in the Fund, where information is available from such providers. Such research and ratings are based on available data, either actual or estimated and the Manager’s interpretation of same. Based on the data received, the Manager considers that the Fund’s environmental characteristics have been fully met. Further detail on the extent to which the environmental characteristics of the Fund were attained, including the details on how the sustainability indicators performed will be provided once the regulatory technical standards (“RTS”) supplementing the SFDR have been finalised and implemented.

FLEXSHARES ICAV

FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED) (continued)

For the year ended 31 March 2022

Taxonomy Regulation

The Fund presently intends to invest 0% of its investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation as the Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. For the purposes of the Taxonomy Regulation, it should be noted that the "do no significant harm" principle only applies to those investments underlying the Fund 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.

Northern Trust Global Investments Limited

London

May 2022

FLEXSHARES ICAV

FLEXSHARES® EMERGING MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED)

For the period from 23 September 2021 to 31 March 2022

Launch Date

23 September 2021

Fund Size

US\$ 4.65 million

Benchmark

iSTOXX Northern Trust Emerging Markets Low Volatility Climate ESG Index

Performance Data

	Since Inception	1 Year	3 Years
Fund	(7.0%)	N/A	N/A
Benchmark	(6.65%)	N/A	N/A

Fund Review

Portfolio Summary*

China	20.1
India	17.0
Korea	13.7
Brazil	4.6
Malaysia	3.0
Russia	2.7
South Africa	2.4
Mexico	2.2
Indonesia	2.1
Chile	1.3
Other	31.1

*Source FactSet as at 31 March 2022. Country breakdown may not sum to 100% as the fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

The FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF inception date was 23 September 2021. From inception to the period ending 31 March 2022, the fund posted a net total return of -7.0%, underperforming the benchmark return of -6.65%. Ex-post tracking error is not available until the third quarter of 2022. We observed performance deviation from the tracked indices as a result of fair valuing suspended Russian securities in February/March 2022 – the tracked indices maintained the affected securities at last traded price until fully removing at zero effective on the close of 18 March 2022. Apart from this the Fund performed in line with the benchmark taking account for corporate action treatments, withholding tax differentials, management fees, cash/futures usage, and rebalance costs not reflected in the index.

Sustainable Finance Disclosure Regulation (“SFDR”)

The Fund has been categorised as an Article 8 financial product for the purposes of SFDR. The Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. The environmental characteristics promoted by the Fund, through its index tracking strategy whereby it seeks to closely match the risk and return characteristics of the Benchmark by investing directly in assets that are Benchmark constituents, include:

1. to eliminate companies based on their involvement in one or more controversial lines of business (such as tobacco, controversial weapons, child labour);
2. to increase the Reference Index’s aggregate ESG score as determined using certain environmental, social and governance-related key performance indicators (taking into account factors such as diversity, emission reductions, board independence, child labour policy, etc. further details about which is set out on the Website); and
3. to mitigate climate-change risk by screening potential constituent securities based on their carbon intensity data to eliminate those with a higher rating.

FLEXSHARES ICAV

FLEXSHARES® EMERGING MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED) (continued)

For the period from 23 September 2021 to 31 March 2022

Sustainable Finance Disclosure Regulation (“SFDR”) (continued)

Further details on the environmental characteristics promoted by the Fund are set out in the Supplement to the Fund. The Manager engages third party service providers to provide research and ratings information relating to the Fund's ESG characteristics with respect to securities in the Fund, where information is available from such providers. Such research and ratings are based on available data, either actual or estimated and the Manager's interpretation of same. Based on the data received, the Manager considers that the Fund's environmental characteristics have been fully met. Further detail on the extent to which the environmental characteristics of the Fund were attained, including the details on how the sustainability indicators performed will be provided once the regulatory technical standards ("RTS") supplementing the SFDR have been finalised and implemented.

Taxonomy Regulation

The Fund presently intends to invest 0% of its investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation as the Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. For the purposes of the Taxonomy Regulation, it should be noted that the "do no significant harm" principle only applies to those investments underlying the Fund 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.

Northern Trust Global Investments Limited

London

May 2022

FLEXSHARES ICAV

FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED)

For the period from 23 September 2021 to 31 March 2022

Launch Date

23 September 2021

Fund Size

US\$ 4.69 million

Benchmark

iSTOXX Northern Trust Emerging Markets High Dividend Climate ESG Index

Performance Data

	Since Inception	1 Year	3 Years
Fund	(5.67%)	N/A	N/A
Benchmark	(5.41%)	N/A	N/A

Fund Review

Portfolio Summary*

Taiwan	18.7
China	18.4
India	17.0
Korea	15.5
Brazil	7.1
South Africa	4.8
United States	3.6
Thailand	3.6
Malaysia	2.7
Indonesia	2.1
Other	6.7

*Source FactSet as at 31 March 2022. Country breakdown may not sum to 100% as the fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

The FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF inception date was 23 September 2021. From inception to the period ending 31 March 2022 the fund posted a net total return of -5.67%, underperforming the benchmark return of -5.41%. Ex-post tracking error is not available until the third quarter of 2022. We observed performance deviation from the tracked indices as a result of fair valuing suspended Russian securities in February/March 2022 – the tracked indices maintained the affected securities at last traded price until fully removing at zero effective on the close of 18 March 2022. Apart from this the Fund performed in line with the benchmark taking account for corporate action treatments, withholding tax differentials, management fees, cash/futures usage, and rebalance costs not reflected in the index.

Sustainable Finance Disclosure Regulation (“SFDR”)

The Fund has been categorised as an Article 8 financial product for the purposes of SFDR. The Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. The environmental characteristics promoted by the Fund, through its index tracking strategy whereby it seeks to closely match the risk and return characteristics of the Benchmark by investing directly in assets that are Benchmark constituents, include:

1. to eliminate companies based on their involvement in one or more controversial lines of business (such as tobacco, controversial weapons, child labour);
2. to increase the Reference Index’s aggregate ESG score as determined using certain environmental, social and governance-related key performance indicators (taking into account factors such as diversity, emission reductions, board independence, child labour policy, etc. further details about which is set out on the Website); and
3. to mitigate climate-change risk by screening potential constituent securities based on their carbon intensity data to eliminate those with a higher rating

FLEXSHARES ICAV

FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

INVESTMENT REVIEW (UNAUDITED) (continued)

For the period from 23 September 2021 to 31 March 2022

Sustainable Finance Disclosure Regulation (“SFDR”) (continued)

Further details on the environmental characteristics promoted by the Fund are set out in the Supplement to the Fund. The Manager engages third party service providers to provide research and ratings information relating to the Fund's ESG characteristics with respect to securities in the Fund, where information is available from such providers. Such research and ratings are based on available data, either actual or estimated and the Manager's interpretation of same. Based on the data received, the Manager considers that the Fund's environmental characteristics have been fully met. Further detail on the extent to which the environmental characteristics of the Fund were attained, including the details on how the sustainability indicators performed will be provided once the regulatory technical standards ("RTS") supplementing the SFDR have been finalised and implemented.

Taxonomy Regulation

The Fund presently intends to invest 0% of its investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation as the Fund seeks to achieve its environmental objectives through its investment objective to closely match the risk and return characteristics of the Benchmark, less the fees and expenses of the Fund. For the purposes of the Taxonomy Regulation, it should be noted that the "do no significant harm" principle only applies to those investments underlying the Fund 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.

Northern Trust Global Investments Limited

London

May 2022

FLEXSHARES ICAV

FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

INVESTMENT REVIEW (UNAUDITED)

For the period from 9 December 2021 to 31 March 2022

Launch Date

9 December 2021

Fund Size

US\$ 147.47 million

Benchmark

Foxberry Listed Private Equity SDG Screened USD Net Total Return Index

Performance Data

	Since Inception	1 Year	3 Years
Fund	(11.63%)	N/A	N/A
Benchmark	(11.74%)	N/A	N/A

Fund Review

Portfolio Summary*

United States	44.9
Canada	12.1
United Kingdom	9.0
Switzerland	8.8
Netherlands	6.8
Sweden	6.3
France	4.1
Belgium	3.2
Guernsey	2.9
Germany	0.7
Other	1.2

*Source FactSet as at 31 March 2022. Country breakdown may not sum to 100% as the fund has a small allocation to futures for efficient portfolio management.

Performance Commentary

FlexShares® Listed Private Equity UCITS ETF inception date was 9 December 2021. From inception to the period ending 31 March 2022, the fund posted a net total return of -11.63%, outperforming the benchmark return of -11.74%. Ex-post tracking error is not available yet.

The Fund performed in line with the benchmark taking account for corporate action treatments, withholding tax differentials, management fees, cash/futures usage, and rebalance costs not reflected in the index.

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

The Fund has been categorised as an Article 6 financial product for the purposes of SFDR. For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Northern Trust Global Investments Limited

London

May 2022



KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of each 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 (collectively, "the Sub-Funds"), of Flexshares ICAV ("the ICAV") for the period ended 31 March 2022 set out on pages 21 to 54, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and related notes, including the summary of significant 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 each of the Sub-Funds as at 31 March 2022 and of the changes in net assets attributable to holders of redeemable participating shares of each of the Sub-Funds for the period 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 and 2020 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 (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 board of directors.

We were appointed as auditor by the directors on 14 July 2021. The audit for the period ended 31 March 2022 is the second period of total uninterrupted engagement. 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of each of the Sub-Funds' ability to continue to adopt the going concern basis of accounting included considering the inherent risks to the Sub-Funds' business model and analysing how those risks might affect the Sub-Funds' financial resources or ability to continue operations over the going concern period.

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 Sub-Funds' 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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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 (continued)

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, 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 for each of the Sub-Funds was as follows (unchanged from the prior period):

Accuracy and Valuation of Investments

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF – \$5,509,447 (2021: \$5,090,826)

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF – \$15,746,483 (2021: \$4,289,497)

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF – \$4,536,403

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF – \$4,540,215

FlexShares® Listed Private Equity UCITS ETF – \$145,251,574

Refer to note 5 (Significant Accounting Policies) on pages 33 to 34 and Notes 11 and 12 (financial disclosures) on pages 40 to 51.

The key audit matter

Accuracy and Valuation of investments is considered to be a key audit matter.

The Sub-Funds' investment portfolio comprises of mostly level 1 equities and future contracts.

Due to their materiality in the context of the financial statements as a whole, investments are considered of most significance to the audit of the financial statements.

How the matter was addressed in our audit

We addressed this key audit matter by performing independent pricing of the portfolio of investments and obtaining independent confirmation from the Depository and derivative counterparties of a high proportion of positions to test accuracy and valuation. Our accuracy and valuation testing of the portfolio held at period end used independent prices determined by our internal pricing specialists KPMG Financial Instruments ("KFI"). KFI obtained prices from reputable sources such as Bloomberg, Reuters and IDC;

We considered the adequacy of the disclosures made in the financial statements in relation to the fair value of investments and fair value disclosures for compliance with IFRS as adopted by the EU; and

No material misstatements were noted as part of our testing.

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

The materiality for the Sub-Funds' financial statements was set at \$56,224 (2021: \$51,307) for FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF, \$160,435 (2021: \$43,170) for FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF, \$46,499 for FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF, \$46,865 for FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF and \$1,474,663 for FlexShares® Listed Private Equity UCITS ETF. This has been calculated with reference to a benchmark of the Sub-Funds' net asset value, (of which it represents 1%) as at 31 March 2022, which we consider to be one of the principal considerations for shareholders of the Sub-Funds in assessing the financial performance of the Sub-Funds. We applied materiality to assist us determine what risks were significant risks and the procedures to be performed. We reported to the board of directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of \$2,811 (2021: \$2,565) for FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF, \$8,022 (2021: \$2,159) for FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF, \$2,325 for FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF, \$2,343 for FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF and \$73,733 for FlexShares® Listed Private Equity UCITS ETF, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Sub-Funds was undertaken to the materiality levels specified above and was all performed by the one engagement team in Dublin.

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 the Management and General Information, Directors' Report,



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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 (continued)

Report of the Depositary to the Shareholders, Investment Reviews, Supplementary Information, Appendix I: Portfolio Statements and Appendix II: Material Purchases and Sales. 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 Vehicle Acts 2015 and 2020

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 and 2020 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 6, 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 each Sub-Fund'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 Sub-Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation and not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>

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

Our report is made solely to the shareholders of each of the Sub-Funds 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 each of the Sub-Funds' 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 Sub-Funds and the Sub-Funds' shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Ivor Conlon
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC, Dublin 1

28 July 2022

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	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\$
Assets				
Cash and cash equivalents	9	178,387	306,865	101,864
Margin cash	9	10,037	27,380	5,331
Dividends receivable		10,122	57,277	15,474
Other assets**		37,450	42,363	111,593
Transferable securities: Equities	11,12	5,502,833	15,730,143	4,534,128
Unrealised gain on future contracts	11,12	6,614	16,340	2,275
Total assets		5,745,443	16,180,368	4,770,665
Liabilities				
Investment management fees payable	6, 10	5,953	18,193	6,309
Administration fees payable	6, 10	(2,329)	(1,356)	425
Depositary fees payable	6, 10	2,396	3,465	1,730
Audit fees payable	6	9,945	9,945	11,167
Directors fees payable	6, 10	892	892	448
Other liabilities***		106,218	105,728	100,683
Total liabilities		123,075	136,867	120,762
Net assets attributable to holders of redeemable participating shares		5,622,368	16,043,501	4,649,903
Classified as equity		5,622,368	16,043,501	4,649,903
NAV per share		US\$28.11	US\$28.06	US\$23.25

*Launched on 23 September 2021.

**Includes expense cap reimbursement and prepaid KIID fees.

***Includes accrued miscellaneous expenses, corporate secretarial fees, legal fees, registration and filing fees, taxation fees, translation fees, professional services fees, bank interest fees, IFRSA fees, ISE fees, listing fees and capital gain tax payable.

The accompanying notes on pages 32 to 54 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March 2022

	Notes	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Listed Private Equity UCITS ETF** US\$
Assets			
Cash and cash equivalents	9	125,115	1,735,533
Margin cash	9	12,689	444,192
Dividends receivable		21,291	154,768
Other assets***		108,897	97,235
Transferable securities: Equities	11,12	4,537,265	145,154,881
Unrealised gain on future contracts	11,12	2,950	96,693
Total assets		4,808,207	147,683,302
Liabilities			
Investment management fees payable	6, 10	7,124	121,709
Administration fees payable	6, 10	425	7,375
Depository fees payable	6, 10	1,730	9,887
Audit fees payable	6	11,166	14,256
Directors fees payable	6, 10	441	1,159
Other liabilities****		100,818	62,608
Total liabilities		121,704	216,994
Net assets attributable to holders of redeemable participating shares		4,686,503	147,466,308
Classified as equity		4,686,503	147,466,308
NAV per share		US\$23.43	US\$22.09

*Launched on 23 September 2021.

**Launched on 9 December 2021.

***Includes expense cap reimbursement and prepaid KIID fees.

****Includes accrued miscellaneous expenses, corporate secretarial fees, legal fees, registration and filing fees, taxation fees, translation fees, professional services fees, bank interest fees, IFRSA fees, ISE fees, listing fees and capital gain tax payable.

The accompanying notes on pages 32 to 54 form an integral part of these financial statements.

On behalf of the Board of Directors



Director



Director

27 July 2022

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March 2021

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$
Assets			
Cash and cash equivalents	9	29,894	12,881
Margin cash	9	1,775	1,822
Dividends receivable		6,779	11,415
Other assets**		19,518	19,413
Transferable securities: Equities	11,12	5,090,329	4,289,095
Unrealised gain on future contracts	11,12	497	402
Total assets		<u>5,148,792</u>	<u>4,335,028</u>
Liabilities			
Investment management fees payable	6, 10	1,200	1,171
Administration fees payable	6, 10	120	101
Depository fees payable	6, 10	96	81
Audit fees payable	6	4,527	4,526
Directors fees payable	6, 10	516	516
Other liabilities***		11,603	11,598
Total liabilities		<u>18,062</u>	<u>17,993</u>
Net assets attributable to holders of redeemable participating shares		<u>5,130,730</u>	<u>4,317,035</u>
Classified as equity		5,130,730	4,317,035
NAV per share		US\$25.65	US\$25.70

*Launched on 24 February 2021.

**Includes expense cap reimbursement.

***Includes accrued miscellaneous expenses, corporate secretarial fees, legal fees, registration and filing fees, taxation fees, professional services fees, bank interest fees, ISE fees and listing fees.

The accompanying notes on pages 32 to 54 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME

For the year/period ended 31 March 2022

	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\$
Income				
<i>Revenue from financial instruments at fair value through profit or loss:</i>				
Dividend income	5	120,644	319,701	48,473
<i>Gains and losses from financial instruments at fair value through profit or loss:</i>				
Net realised gains/(losses) on investments		210,084	314,740	(17,042)
Net unrealised gains/(losses) on investments		194,659	358,650	(340,745)
Realised and unrealised gains/(losses) on futures contracts		9,755	10,364	(7,855)
<i>Income and losses from financial instruments that are not at fair value through profit or loss:</i>				
Net realised losses on foreign currency		(1,590)	(1,102)	(2,878)
Net unrealised (losses)/gains on foreign currency		(175)	(1,024)	64
Expenses rebate	6	183,302	189,077	147,222
Net income/(expense)		716,679	1,190,406	(172,761)
Operating expenses				
Investment management fees	6,10	(13,981)	(31,881)	(7,827)
Administration fees	6,10	(2,172)	(3,522)	(1,453)
Depository fees	6,10	(7,454)	(12,020)	(12,163)
Audit fees	6	(19,883)	(19,883)	(19,883)
Directors' fees	6,10	(4,636)	(4,636)	(4,707)
Transaction costs	5	(4,029)	(13,033)	(9,606)
Other expenses	8	(149,919)	(149,913)	(116,841)
Total operating expenses before tax		(202,074)	(234,888)	(172,480)
Operating profit/(loss) before tax		514,605	955,518	(345,241)
Bank interest expense	5	(201)	(220)	(81)
Withholding tax expense		(22,766)	(53,192)	(7,192)
Capital gains tax		–	–	(2,390)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		491,638	902,106	(354,904)

*For the period from 23 September 2021 to 31 March 2022.

There were no recognised income or expenses arising in the year/period 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 32 to 54 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year/period ended 31 March 2022

	Notes	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Listed Private Equity UCITS ETF** US\$
Income			
<i>Revenue from financial instruments at fair value through profit or loss:</i>			
Dividend income	5	66,963	737,541
<i>Gains and losses from financial instruments at fair value through profit or loss:</i>			
Net realised losses on investments		(28,150)	(1,832,884)
Net unrealised losses on investments		(272,982)	(12,644,387)
Realised and unrealised losses on futures contracts		(11,810)	(153,924)
<i>Income and losses from financial instruments that are not at fair value through profit or loss:</i>			
Net realised losses on foreign currency		(1,636)	(51,798)
Net unrealised gains on foreign currency		397	8,163
Expenses rebate	6	144,495	97,235
Net expense		<u>(102,723)</u>	<u>(13,840,054)</u>
Operating expenses			
Investment management fees	6,10	(8,840)	(121,710)
Administration fees	6,10	(1,454)	(7,849)
Depositary fees	6,10	(9,494)	(9,887)
Audit fees	6	(19,883)	(19,883)
Directors' fees	6,10	(4,707)	(1,159)
Transaction costs	5	(10,641)	(150,591)
Other expenses	8	(116,206)	(59,352)
Total operating expenses before tax		<u>(171,225)</u>	<u>(370,431)</u>
Operating loss before tax		(273,948)	(14,210,485)
Bank interest expense	5	(137)	(1,817)
Withholding tax expense		(10,875)	(98,857)
Capital gains tax		(3,126)	–
Decrease in net assets attributable to holders of redeemable participating shares from operations		<u>(288,086)</u>	<u>(14,311,159)</u>

*For the period from 23 September 2021 to 31 March 2022.

**For the period from 9 December 2021 to 31 March 2022.

There were no recognised income or expenses arising in the period 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 32 to 54 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME (continued)

For the period from 25 June 2020 to 31 March 2021

	Notes	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$
Income			
<i>Revenue from financial instruments at fair value through profit or loss:</i>			
Dividend income	5	15,990	27,725
<i>Gains and losses from financial instruments at fair value through profit or loss:</i>			
Net unrealised gains on investments		119,044	94,908
Realised and unrealised gains on futures contracts		344	1,036
<i>Income and losses from financial instruments that are not at fair value through profit or loss:</i>			
Net realised losses on foreign currency		(116)	(144)
Net unrealised losses on foreign currency		(388)	(141)
Expenses rebate	6	19,518	19,413
Net income		<u>154,392</u>	<u>142,797</u>
Operating expenses			
Investment management fees	6,10	(1,200)	(1,171)
Administration fees	6,10	(120)	(101)
Depositary fees	6,10	(96)	(81)
Audit fees	6	(4,527)	(4,527)
Directors' fees	6,10	(516)	(516)
Transaction costs	5	(1,743)	(1,715)
Other expenses	8	(14,263)	(14,194)
Total operating expenses before tax		<u>(22,465)</u>	<u>(22,305)</u>
Operating profit before tax		131,927	120,492
Withholding tax expense		<u>(2,921)</u>	<u>(5,165)</u>
Increase in net assets attributable to holders of redeemable participating shares from operations		<u>129,006</u>	<u>115,327</u>

*For the period from 24 February 2021 to 31 March 2021.

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

The accompanying notes on pages 32 to 54 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/period ended 31 March 2022

	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\$
Net assets attributable to holders of redeemable participating shares at the beginning of the year/period		5,130,730	4,317,035	–
Increase/(decrease) in net assets attributable to redeemable participating shares		491,638	902,106	(354,904)
Issue of redeemable participating shares		–	11,043,288	5,004,807
Redemption of redeemable participating shares		–	–	–
Total contributions and redemptions by holders of redeemable participating shares		–	11,043,288	5,004,807
Distributions	7	–	(218,928)	–
Net assets attributable to holders of redeemable participating shares at the end of the year/period		5,622,368	16,043,501	4,649,903

	Notes	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Listed Private Equity UCITS ETF** US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the year/period		–	–
Decrease in net assets attributable to redeemable participating shares		(288,086)	(14,311,159)
Issue of redeemable participating shares		5,004,429	161,777,467
Redemption of redeemable participating shares		–	–
Total contributions and redemptions by holders of redeemable participating shares		5,004,429	161,777,467
Distributions	7	(29,840)	–
Net assets attributable to holders of redeemable participating shares at the end of the year/period		4,686,503	147,466,308

*For the period from 23 September 2021 to 31 March 2022.

**For the period from 9 December 2021 to 31 March 2022.

The accompanying notes on pages 32 to 54 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 period from 25 June 2020 to 31 March 2021

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the year/period	—	—
Increase in net assets attributable to redeemable participating shares	129,006	115,327
Issue of redeemable participating shares	5,001,724	4,201,708
Total contributions and redemptions by holders of redeemable participating shares	5,001,724	4,201,708
Net assets attributable to holders of redeemable participating shares at the end of the period	5,130,730	4,317,035

*For the period from 24 February 2021 to 31 March 2021.

The accompanying notes on pages 32 to 54 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CASH FLOWS

For the financial year/period ended 31 March 2022

	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\$
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	491,638	902,106	(354,904)
Purchase of investments	(4,400,546)	(19,390,087)	(6,421,601)
Sale of investments	4,388,755	8,609,396	1,520,080
Dividend income received	117,301	273,839	32,999
Withholding tax paid	(22,766)	(53,192)	(7,192)
<i>Adjustments for:</i>			
Withholding tax incurred	22,766	53,192	7,192
Net (gains)/losses on investments	(406,830)	(676,295)	365,118
Net increase in debtors	(17,932)	(22,950)	(111,593)
Net increase in margin cash	(8,262)	(25,558)	(5,331)
Dividend income	(120,644)	(319,701)	(48,473)
Net increase in creditors and accrued expenses	105,013	118,874	120,762
Net cash from/(used in) operating activities	148,493	(10,530,376)	(4,902,943)
Cash flows from financing activities			
Proceeds from issue of redeemable units	–	11,043,288	5,004,807
Distribution paid	–	(218,928)	–
Net cash generated from financing activities	–	10,824,360	5,004,807
Net increase in cash	148,493	293,984	101,864
Cash and cash equivalents at the beginning of the year/period	29,894	12,881	–
Cash and cash equivalents at the end of the year/period	178,387	306,865	101,864

*For the period from 23 September 2021 to 31 March 2022.

The accompanying notes on pages 32 to 54 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CASH FLOWS (continued)

For the financial year/period ended 31 March 2022

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF* US\$	FlexShares® Listed Private Equity UCITS ETF** US\$
Cash flows from operating activities		
Decrease in net assets attributable to holders of redeemable participating units from operations	(288,086)	(14,311,159)
Purchase of investments	(6,634,039)	(184,152,263)
Sale of investments	1,785,001	24,369,520
Dividend income received	45,672	582,773
Withholding tax paid	(10,875)	(98,857)
<i>Adjustments for:</i>		
Withholding tax incurred	10,875	98,857
Net losses on investments	308,823	14,531,169
Net increase in debtors	(108,897)	(97,235)
Net increase in margin cash	(12,689)	(444,192)
Dividend income	(66,963)	(737,541)
Net increase in creditors and accrued expenses	121,704	216,994
Net cash (used in) operating activities	(4,849,474)	(160,041,934)
Cash flows from financing activities		
Proceeds from issue of redeemable units	5,004,429	161,777,467
Distribution paid	(29,840)	–
Net cash generated from financing activities	4,974,589	161,777,467
Net increase in cash	125,115	1,735,533
Cash and cash equivalents at the end of the year/period	125,115	1,735,533

*For the period from 23 September 2021 to 31 March 2022.

**For the period from 9 December 2021 to 31 March 2022.

The accompanying notes on pages 32 to 54 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CASH FLOWS (continued)

For the period from 25 June 2020 to 31 March 2021

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF* US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF* US\$
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable participating units from operations	129,006	115,327
Purchase of investments	(4,973,028)	(4,195,902)
Dividend income received	9,211	16,310
Withholding tax paid	(2,921)	(5,165)
<i>Adjustments for:</i>		
Withholding tax incurred	2,921	5,165
Net gains on investments	(117,798)	(93,595)
Net increase in debtors	(19,518)	(19,413)
Net increase in margin cash	(1,775)	(1,822)
Dividend income	(15,990)	(27,725)
Net increase in creditors and accrued expenses	18,062	17,993
Net cash (used in) operating activities	(4,971,830)	(4,188,827)
Cash flows from financing activities		
Proceeds from issue of redeemable units	5,001,724	4,201,708
Net cash generated from financing activities	5,001,724	4,201,708
Net increase in cash	29,894	12,881
Cash and cash equivalents at the end of the period	29,894	12,881

*For the period from 24 February 2021 to 31 March 2021.

The accompanying notes on pages 32 to 54 form an integral part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 (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, Euronext Dublin and London Stock Exchange.

As at 31 March 2022, the ICAV comprises of five active Funds (the “Funds”).

2. Basis of Preparation

These audited financial statements for the year ended 31 March 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and interpretations adopted by the International Accounting Standards Board (“IASB”), and with the requirements of the Irish Collective Asset-management Vehicles Acts 2015 and 2020 and 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”). In accordance to the provisions of the Irish Collect Asset-management Vehicles Acts 2015 and 2020, the financial statements of the Funds have been prepared on an individual basis with each financial statement a separate financial statement of the Fund.

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 have a reasonable expectation that the Funds have adequate resources to continue in operational existence for the foreseeable future. This includes the ability of the Funds 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 Funds are outlined in Note 11(v). Therefore, the Funds continue to adopt the going concern basis of accounting in preparing their financial statements.

Standards and amendments effective for the year ended 31 March 2022

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

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

Standards and amendments issued but not yet effective

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

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).
- Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimate (Amendments to IAS 8).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

3. Functional and Presentation Currency

The functional currency of each Fund is the currency of the primary economic environment in which the 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 dollar 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.

The Directors have adopted the functional currency of each individual Fund as its presentation currency. The Funds 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

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. Significant Accounting Policies

Basis of Measurement

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

Financial Instruments

(i) Classification of financial assets and financial liabilities

On initial recognition, the Funds classify 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.

All other financial assets of the Funds are measured at FVTPL.

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 Fund’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 periods, the reasons for such sales and expectations about future sales activity.

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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

5. Significant Accounting Policies (continued)

Financial Instruments (continued)

(iii) Recognition

The Funds 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 period during which the change has occurred. For further details see Note 12.

(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.

(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 2022 and 31 March 2021, 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

5. Significant Accounting Policies (continued)

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 Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

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 Funds' redeemable participating shares meet these conditions and are classified as equities.

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 translated into the functional currency of the Funds at the exchange rates at the dates that the values were determined.

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.

Distributions

As a result of the classification of their redeemable participating shares as equities, any of the Funds distributions will be recognised in the Statement of Changes in Net Assets.

Cash and Cash Equivalents

Cash comprises current deposits with banks.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

5. Significant Accounting Policies (continued)

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.

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.

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

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.

There were no Manager fees earned by/payable to Northern Trust Fund Managers (Ireland) Limited, as Manager, during/as at the year ended 31 March 2022 (31 March 2022: nil).

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

6. Fees and Expenses (continued)

Total Expense Ratio (“TER”) (continued)

Audit fees of €69,525 (31 March 2021: €25,500) (ex VAT) were incurred in relation to the statutory audit of the financial statements of the ICAV for the year.

Tax compliance fees of €21,525 (31 March 2021: €3,040) (Incl. 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 shall be retained within the Fund and the value of the Class USD Accumulating Shares shall rise accordingly.

Flexshares® Developed Markets High Dividend Climate ESG UCITS ETF

The Board of Directors is 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 shall be retained within the Fund and the value of the Class USD Accumulating Shares shall rise accordingly.

Flexshares® Emerging Markets High Dividend Climate ESG UCITS ETF

The Board of Directors is 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 year ended 31 March 2022

	Currency	For 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 2021	17 June 2021	30 June 2021	US\$34,507	\$0.21
USD Distributing Share Class	USD	31 August 2021	16 September 2021	29 September 2021	US\$57,292	\$0.15
USD Distributing Share Class	USD	30 November 2021	16 December 2021	31 December 2021	US\$61,947	\$0.12
USD Distributing Share Class	USD	28 February 2022	17 March 2022	30 March 2022	US\$65,182	\$0.11
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF						
USD Distributing Share Class	USD	30 November 2021	16 December 2021	31 December 2021	US\$9,640	\$0.05
USD Distributing Share Class	USD	28 February 2022	17 March 2022	30 March 2022	US\$20,200	\$0.10

There were no distributions declared during the period ended 31 March 2021.

FLEXSHARES ICAV

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

8. Other Expenses

For the year ended 31 March 2022

	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	(2,737)	(2,738)	(3,000)
Directors insurance	66	60	4
Legal fees	(6,089)	(6,089)	(5,431)
Professional services fees	(32,412)	(32,408)	(26,651)
Registration and filing fee	(22,746)	(22,746)	(21,326)
General expenses*	(86,001)	(85,992)	(60,437)
Total	(149,919)	(149,913)	(116,841)

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF US\$	FlexShares® Listed Private Equity UCITS ETF US\$
Other expenses		
Corporate secretarial fees	(2,999)	–
Directors insurance	4	(46)
Legal fees	(5,431)	(4,636)
Professional services fees	(26,651)	(7,353)
Registration and filing fee	(21,326)	(4,988)
General expenses*	(59,803)	(42,329)
Total	(116,206)	(59,352)

* Included within General expenses are tax agent fees and various listing fees.

For the period ended 31 March 2021

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF US\$
Other expenses		
Corporate secretarial fees	(263)	(262)
Directors insurance	(66)	(66)
Legal fees	(635)	(635)
Registration and filing fee	(2,273)	(2,273)
General expenses*	(11,026)	(10,958)
Total	(14,263)	(14,194)

* Included within General expenses are tax agent fees and various listing fees.

9. Cash, Cash Equivalents and Margin Cash

All cash and investments are held with The Northern Trust Company as mentioned in Note 10.

All Margin cash is held with Merrill Lynch International. All margin cash is not freely available.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

10. Transactions with Related Parties and Key Management Personnel

The following transactions were entered into during the year by the Funds:

The Investment Manager is considered to be a related party in accordance with IAS 24 (“Related Party Disclosures”) as it has the ability to exert significant influence over the activities of the Funds. The following fees were earned by/payable to Northern Trust Global Investments Limited, as Investment Manager, during/as at the year ended 31 March 2022.

	For the year/period ended	As at
	31 March 2022	31 March 2022
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$13,981	US\$5,953
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$31,881	US\$18,193
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF	US\$7,827	US\$6,309
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF	US\$8,840	US\$7,124
FlexShares® Listed Private Equity UCITS ETF	US\$121,710	US\$121,709

The Manager is considered to be a related party in accordance with IAS 24 as it has the ability to exert significant influence over the activities of the Funds. There were no Manager fees earned by/payable to Northern Trust Fund Managers (Ireland) Limited, as Manager, during/as at the year ended 31 March 2022.

The Administrator is considered to be a related party in accordance with IAS 24 as they are part of the same group of companies as the Investment Manager and Manager. The following fees were earned by/payable to Northern Trust International Fund Administration Services (Ireland) Limited, as Administrator, during/as at the year ended 31 March 2022.

	For the year/period ended	As at
	31 March 2022	31 March 2022
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$2,172	US\$(2,329)
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$3,522	US\$(1,356)
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF	US\$1,453	US\$425
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF	US\$1,454	US\$425
FlexShares® Listed Private Equity UCITS ETF	US\$7,849	US\$7,375

The Depositary is considered to be a related party in accordance with IAS 24 as they are part of the same group of companies as the Investment Manager and Manager. The following fees were earned by/payable to Northern Trust Fiduciary Services (Ireland) Limited, as Depositary, during/as at the year ended 31 March 2022.

	For the year/period ended	As at
	31 March 2022	31 March 2022
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$7,454	US\$2,396
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$12,020	US\$3,465
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF	US\$12,163	US\$1,730
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF	US\$9,494	US\$1,730
FlexShares® Listed Private Equity UCITS ETF	US\$9,887	US\$9,887

The Funds have cash balances with The Northern Trust Company, the appointed global sub-custodian of the Depositary. Cash held with The Northern Trust Company for each Fund as at 31 March 2022 is disclosed in the Statement of Financial Position. Bank interest received/paid by each Fund (if any) during the year ended 31 March 2022 in respect of their cash/overdrawn balances held with The Northern Trust Company is disclosed in the Statement of Comprehensive Income.

The following transactions were entered into during the period from 25 June 2020 to period ended 31 March 2021 by the Funds:

The Investment Manager is considered to be a related party in accordance with IAS 24 as it has the ability to exert significant influence over the activities of the Funds. The following fees were earned by/payable to Northern Trust Global Investments Limited, as Investment Manager, during/as at the period ended 31 March 2021.

	For the year/period ended	As at
	31 March 2021	31 March 2021
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$1,200	US\$1,200
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$1,171	US\$1,171

The Manager is considered to be a related party in accordance with IAS 24 as it has the ability to exert significant influence over the activities of the Funds. There were no Manager fees earned by/payable to Northern Trust Fund Managers (Ireland) Limited, as Manager, during/as at the period ended 31 March 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

10. Transactions with Related Parties and Key Management Personnel (continued)

The Administrator is considered to be a related party in accordance with IAS 24 as they are part of the same group of companies as the Investment Manager and Manager. The following fees were earned by/payable to Northern Trust International Fund Administration Services (Ireland) Limited, as Administrator, during/as at the period ended 31 March 2021.

	For the year/period ended	As at
	31 March 2021	31 March 2021
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$120	US\$120
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$101	US\$101

The Depository is considered to be a related party in accordance with IAS 24 as they are part of the same group of companies as the Investment Manager and Manager. The following fees were earned by/payable to Northern Trust Fiduciary Services (Ireland) Limited, as Depository, during/as at the period ended 31 March 2021.

	For the year/period ended	As at
	31 March 2021	31 March 2021
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$96	US\$96
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$81	US\$81

The Funds have cash balances with The Northern Trust Company, the appointed global sub-custodian of the Depository. Cash held with The Northern Trust Company for each Fund as at 31 March 2021 is disclosed in the Statement of Financial Position. Bank interest received/paid by each Fund (if any) during the period ended 31 March 2021 in respect of their cash/overdrawn balances held with The Northern Trust Company is disclosed in the Statement of Comprehensive Income.

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 Company.

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\$4,636 (31 March 2021: US\$516) for the FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF of which US\$892 (31 March 2021: US\$516) was outstanding at year end, US\$4,636 (31 March 2021: US\$516) for the FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF of which US\$892 (31 March 2021: US\$516) was outstanding at year end, US\$4,707 for FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF of which US\$448 was outstanding at year end, US\$4,707 for FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF of which US\$441 was outstanding at year end and US\$1,159 for FlexShares® Listed Private Equity UCITS ETF of which US\$1,159 was outstanding at year end.

11. 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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

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 tables detail the concentration of the investments held by the Funds by asset class as at 31 March 2022:

Concentration of Investments by Asset Classification

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2022 % of net assets	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2022 % of net assets	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF 31 March 2022 % of net assets
Equities	97.87	98.05	97.51
Derivatives	0.12	0.10	0.05
Total	<u>97.99</u>	<u>98.15</u>	<u>97.56</u>

Concentration of Investments by Asset Classification

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF 31 March 2022 % of net assets	FlexShares® Listed Private Equity UCITS ETF 31 March 2022 % of net assets
Equities	96.82	98.43
Derivatives	0.06	0.07
Total	<u>96.88</u>	<u>98.50</u>

The following tables detail the concentration of the investments held by the Funds by asset class as at 31 March 2021:

Concentration of Investments by Asset Classification

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2021 % of net assets	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2021 % of net assets
Equities	99.21	99.35
Derivatives	0.01	0.01
Total	<u>99.22</u>	<u>99.36</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(i) Price Risk (continued)

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 the year end:

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

	31 March 2022 % of Net Assets	31 March 2021 % of Net Assets
United States	63.72	60.93
Japan	7.94	9.57
Other countries/territories	26.33	28.72
Total	<u>97.99</u>	<u>99.22</u>

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

	31 March 2022 % of Net Assets	31 March 2021 % of Net Assets
United States	64.09	59.34
Japan	6.92	8.27
Other countries/territories	27.14	31.75
Total	<u>98.15</u>	<u>99.36</u>

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF

	31 March 2022 % of Net Assets
Taiwan	19.07
India	17.07
Republic of South Korea	13.76
Cayman Islands	10.19
People's Republic of China	8.91
Other countries/territories	28.56
Total	<u>97.56</u>

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF

	31 March 2022 % of Net Assets
Taiwan	18.41
India	16.74
Republic of South Korea	15.29
Cayman Islands	12.84
Brazil	6.96
People's Republic of China	6.86
Other countries/territories	19.78
Total	<u>96.88</u>

FlexShares® Listed Private Equity UCITS ETF

	31 March 2022 % of Net Assets
United States	44.26
Canada	11.96
United Kingdom	9.17
Switzerland	8.67
People's Republic of China	6.66
Sweden	6.17
Other countries/territories	11.61
Total	<u>98.50</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(i) Price Risk (continued)

Notional Value of Investments by Asset Classification

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2022 US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2022 US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF 31 March 2022 US\$
Derivatives	113,269	333,758	56,275

Notional Value of Investments by Asset Classification

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF 31 March 2022 US\$	FlexShares® Listed Private Equity UCITS ETF 31 March 2022 US\$
Derivatives	112,550	2,323,713

Notional Value of Investments by Asset Classification

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2021 US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2021 US\$
Derivatives	39,674	19,837

If the value of the underlying securities held by each Fund as at 31 March 2022 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 Manager believes that a movement of 5% is reasonably possible.

	31 March 2022	31 March 2021
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$275,472	US\$254,541
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$787,324	US\$214,475
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF	US\$226,820	–
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF	US\$227,011	–
FlexShares® Listed Private Equity UCITS ETF	US\$7,262,579	–

(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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iii) Currency Risk (continued)

The following tables set out the Funds' financial assets and financial liabilities exposed to foreign currency risk as at the year end:

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

31 March 2022

All amounts stated in US\$	Monetary	Non Monetary	Monetary	Net Currency
	Assets	Assets	Liabilities	Exposure
Australian Dollar	557	69,691	–	70,248
British Pound Sterling	6,470	203,728	–	210,198
Canadian Dollar	3,858	156,369	–	160,227
Danish Krone	1,798	73,472	(3)	75,267
Euro	19,812	555,759	–	575,571
Hong Kong Dollar	2,222	111,468	–	113,690
Japanese Yen	8,309	446,268	–	454,577
New Zealand Dollar	532	–	–	532
Singaporean Dollar	1,313	43,411	–	44,724
Swedish Krona	385	10,509	–	10,894
Swiss Franc	2,775	213,107	–	215,882
Total	48,031	1,883,782	(3)	1,931,810

31 March 2021

All amounts stated in US\$	Monetary	Non Monetary	Monetary	Net Currency
	Assets	Assets	Liabilities	Exposure
Australian Dollar	1,248	66,820	–	68,068
British Pound Sterling	8,108	180,201	–	188,309
Canadian Dollar	699	158,491	–	159,190
Danish Krone	1,002	56,906	(1)	57,907
Euro	5,754	505,649	–	511,403
Hong Kong Dollar	3,685	117,358	–	121,043
Japanese Yen	5,739	491,234	–	496,973
Singaporean Dollar	591	43,816	–	44,407
Swedish Krona	114	11,874	–	11,988
Swiss Franc	2,802	200,762	(3)	203,561
Total	29,741	1,833,112	(4)	1,862,849

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

31 March 2022

All amounts stated in US\$	Monetary	Non Monetary	Monetary	Net Currency
	Assets	Assets	Liabilities	Exposure
Australian Dollar	27,003	560,932	–	587,935
British Pound Sterling	21,464	659,130	–	680,594
Canadian Dollar	8,915	618,089	–	627,004
Danish Krone	2,759	250,930	(3)	253,686
Euro	31,614	1,513,254	–	1,544,868
Hong Kong Dollar	1,641	–	–	1,641
Japanese Yen	43,622	1,110,577	–	1,154,199
New Zealand Dollar	268	–	–	268
Norwegian Krona	4,489	–	–	4,489
Singaporean Dollar	417	–	–	417
Swedish Krona	9,761	299,764	–	309,525
Swiss Franc	4,835	323,662	(6)	328,491
Total	156,788	5,336,338	(9)	5,493,117

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iii) Currency Risk (continued)

31 March 2021

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Australian Dollar	4,919	109,030	–	113,949
British Pound Sterling	3,959	190,509	–	194,468
Canadian Dollar	431	135,126	–	135,557
Danish Krone	51	38,174	–	38,225
Euro	2,831	463,575	–	466,406
Hong Kong Dollar	743	65,670	–	66,413
Japanese Yen	1,999	357,391	–	359,390
Norwegian Krona	1	2,397	–	2,398
Singaporean Dollar	457	17,916	–	18,373
Swedish Krona	57	41,754	–	41,811
Swiss Franc	1,962	156,787	(2)	158,747
Total	17,410	1,578,330	(2)	1,595,738

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF

31 March 2022

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Brazilian Real	5,367	212,647	–	218,014
Chilean Peso	45	60,843	–	60,888
Columbian Peso	–	15,304	–	15,304
Egyptian Pound	–	33,926	–	33,926
Euro	1,066	42,856	(1)	43,921
Hong Kong Dollar	6,344	896,403	–	902,747
Hungarian Forint	1,728	17,000	–	18,728
Indian Rupee	9,184	793,698	–	802,882
Indonesian Rupiah	1,111	96,070	–	97,181
Korean Won	11,899	639,626	–	651,525
Malaysian Ringgit	421	138,055	–	138,476
Mexico Nuevo Peso	2,901	100,547	–	103,448
Pakistan Rupee	793	30,936	–	31,729
Philippine Peso	330	31,692	–	32,022
South African Rand	1,798	110,730	–	112,528
Taiwanese Dollars	5,808	886,749	–	892,557
Thai Baht	1,777	207,311	–	209,088
Turkish Lira	2,723	24,942	–	27,665
Total	53,295	4,339,335	(1)	4,392,629

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iii) Currency Risk (continued)

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF

31 March 2022

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Brazilian Real	7,663	326,344	–	334,007
Chilean Peso	381	49,082	–	49,463
Euro	1,233	17,756	(1)	18,988
Hong Kong Dollar	6,238	892,316	–	898,554
Indian Rupee	16,107	784,452	–	800,559
Indonesian Rupiah	154	98,416	–	98,570
Korean Won	34,710	716,748	–	751,458
Malaysian Ringgit	1	123,818	–	123,819
Mexico Nuevo Peso	1,820	73,372	–	75,192
Pakistan Rupee	244	7,023	–	7,267
Philippine Peso	–	9,066	–	9,066
South African Rand	4,571	221,205	–	225,776
Taiwanese Dollars	7,010	862,869	–	869,879
Thai Baht	1,176	164,487	–	165,663
Turkish Lira	2,247	25,339	–	27,586
Total	83,555	4,372,293	(1)	4,455,847

FlexShares® Private Equity Listed UCITS ETF

31 March 2022

All amounts stated in US\$	Monetary Assets	Non Monetary Assets	Monetary Liabilities	Net Currency Exposure
Australian Dollar	403	–	–	403
British Pound Sterling	296,363	18,747,479	–	19,043,842
Canadian Dollar	281,685	17,628,991	–	17,910,676
Euro	350,401	21,672,546	(137)	22,022,810
Hong Kong Dollar	118	–	–	118
Japanese Yen	3	–	(5)	(2)
Swedish Krona	146,920	9,100,550	(65)	9,247,405
Swiss Franc	216,149	12,791,439	(344)	13,007,244
Total	1,292,042	79,941,005	(551)	81,232,496

If the exchange rates as at 31 March 2022 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 Manager believes that a movement of 5% is reasonably possible.

All amount stated in US\$	31 March 2022	31 March 2021
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF	US\$96,591	US\$93,142
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF	US\$274,656	US\$79,787
FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF	US\$219,631	–
FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF	US\$222,792	–
FlexShares® Listed Private Equity UCITS ETF	US\$4,061,625	–

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iv) Credit Risk (continued)

The following tables set out the carrying amounts of the Funds' financial assets exposed to credit risk as at the year end.

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2022 US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2022 US\$	FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF 31 March 2022 US\$
Cash & cash equivalents	178,387	306,865	101,864
Margin cash	10,037	27,380	5,331
Dividends receivable	10,122	57,277	15,474
Other assets	37,450	42,363	111,593
Unrealised gains on futures contracts	6,614	16,340	2,275
Total	242,610	450,225	236,537

	FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF 31 March 2022 US\$	FlexShares® Listed Private Equity UCITS ETF 31 March 2022 US\$
Cash & cash equivalents	125,115	1,735,533
Margin Cash	12,689	444,192
Dividends receivable	21,291	154,768
Other assets	108,897	97,235
Unrealised gains on futures contracts	2,950	96,693
Total	270,942	2,528,421

	FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF 31 March 2021 US\$	FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF 31 March 2021 US\$
Cash & cash equivalents	29,894	12,881
Margin cash	1,775	1,822
Dividends receivable	6,779	11,415
Other assets	19,518	19,413
Unrealised gains on futures contracts	497	402
Total	58,463	45,933

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 Depository'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 2022 the counterparty of the future contracts had the following credit rating from Standard & Poor's: Merrill Lynch International: A+ (31 March 2021: A+).

Depository's Credit Risk Statement

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depository 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 2021: A+).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)

Market Risk (continued)

(iv) Credit Risk (continued)

Depositary's Credit Risk Statement (continued)

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.

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 Depositary and such risk is further managed by the Depositary monitoring the credit quality and financial positions of sub-custodian appointments.

(v) Liquidity Risk

The main liquidity risk of the Funds is the redemption of any shares that investors wish to sell. Redeemable shares of the Funds have been classified as equity in accordance with IAS 32. The Prospectus provides for the daily creation and cancellation of shares and the Funds are therefore exposed to the liquidity risk of meeting Shareholder redemptions at any time. The Fund's financial instruments include investments in equities and investment funds, 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.

The following tables show the residual contractual maturities of the Funds' financial liabilities as at the Statement of Financial Position date.

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

31 March 2022

	Less than 1 month US\$	1-3 months US\$
Expenses payable and other liabilities	123,075	-
Total	<u>123,075</u>	<u>-</u>

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

31 March 2022

	Less than 1 month US\$	1-3 months US\$
Expenses payable and other liabilities	136,867	-
Total	<u>136,867</u>	<u>-</u>

For the year ended 31 March 2022

11. Financial Instruments and Associated Risks (continued)**Market Risk (continued)***(v) Liquidity Risk (continued)***FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF****31 March 2022**

	Less than 1 month	1-3 months
	US\$	US\$
Expenses payable and other liabilities	120,762	–
Total	120,762	–

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF**31 March 2022**

	Less than 1 month	1-3 months
	US\$	US\$
Expenses payable and other liabilities	121,704	–
Total	121,704	–

FlexShares® Listed Private Equity UCITS ETF**31 March 2022**

	Less than 1 month	1-3 months
	US\$	US\$
Expenses payable and other liabilities	216,994	–
Total	216,994	–

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF**31 March 2021**

	Less than 1 month	1-3 months
	US\$	US\$
Expenses payable and other liabilities	18,062	–
Total	18,062	–

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF**31 March 2021**

	Less than 1 month	1-3 months
	US\$	US\$
Expenses payable and other liabilities	17,993	–
Total	17,993	–

12. Fair Value Measurement

IFRS 13 requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Inputs that are quoted prices for identical investments in active markets;
- Level 2: Inputs that are quoted prices for similar investments in active markets and model-derived valuations whose significant value drivers are observable; 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

12. Fair Value Measurement (continued)

The framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. For financial assets and liabilities, fair value is the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets and liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at measurement date. The determination of what constitutes observable requires significant judgement by the Funds. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs.

FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

31 March 2022

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	5,497,569	5,264	–	5,502,833
Unrealised gains on futures contracts	6,614	–	–	6,614
Total	5,504,183	5,264	–	5,509,447

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

31 March 2022

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	15,635,379	94,764	–	15,730,143
Unrealised gains on futures contracts	16,340	–	–	16,340
Total	15,651,719	94,764	–	15,746,483

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF

31 March 2022

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	4,534,128	–	–	4,534,128
Unrealised gains on futures contracts	2,275	–	–	2,275
Total	4,536,403	–	–	4,536,403

FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF

31 March 2022

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	4,537,265	–	–	4,537,265
Unrealised gains on futures contracts	2,950	–	–	2,950
Total	4,540,215	–	–	4,540,215

FlexShares® Listed Private Equity UCITS ETF

31 March 2022

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	144,662,683	492,198	–	145,154,881
Unrealised gains on futures contracts	96,693	–	–	96,693
Total	144,759,376	492,198	–	145,251,574

For the year ended 31 March 2022

12. Fair Value Measurement (continued)**FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF****31 March 2021**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	5,090,329	–	–	5,090,329
Unrealised gains on futures contracts	497	–	–	497
Total	<u>5,090,826</u>	<u>–</u>	<u>–</u>	<u>5,090,826</u>

FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF**31 March 2021**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets at fair value through profit or loss:</i>				
Equities	4,289,095	–	–	4,289,095
Unrealised gains on futures contracts	402	–	–	402
Total	<u>4,289,497</u>	<u>–</u>	<u>–</u>	<u>4,289,497</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 2022 or 31 March 2021.

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 2022 and 31 March 2021, 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.

13. 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 Company. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

13. Shares Outstanding (continued)

The following tables set out the movements in the Funds' redeemable participating units during the year ended 31 March 2022.

	Shares in issue 1 April 2021	Shares issued during the year	Shares redeemed during the year	Shares in issue 31 March 2022
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	168,000	403,769	–	571,769
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	–	6,675,149
	Shares in issue 23 February 2021	Shares issued during the year	Shares redeemed during the year	Shares in issue 31 March 2021
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	–	168,000	–	168,000

14. 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.

15. Commitments and Contingencies

The Funds had no significant commitments or contingencies as at 31 March 2022 (31 March 2021: nil).

FLEXSHARES ICAV**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)***For the year ended 31 March 2022***16. 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 2022	31 March 2021
Australian dollar	1.3316	1.3129
Brazilian real	4.7520	5.6430
British pound sterling	0.7595	0.7248
Canadian dollar	1.2491	1.2568
Chilean peso	786.9250	718.4000
Columbian peso	3,753.7050	3,675.0000
Danish krone	6.6854	6.3280
Egyptian pound	18.2800	15.7175
Euro	0.8988	0.8508
Hong Kong dollar	7.8314	7.7744
Hungarian forint	330.0589	308.2150
Indian rupee	75.7750	73.1138
Indonesian rupiah	14,362.5000	14,525.0000
Japanese yen	121.3750	110.5001
Korean won	1,212.0500	1,131.7500
Malaysian ringgit	4.2048	4.1465
Mexican peso	19.9420	20.4605
New Zealand dollar	1.4377	1.4279
Norwegian krone	8.7440	8.5364
Pakistan rupee	183.3500	152.7000
Philippine peso	51.7450	48.5375
Russian ruble	82.3500	75.5188
Singapore dollar	1.3534	1.3436
South African rand	14.6125	14.7663
Swedish krona	9.3194	8.7162
Swiss franc	0.9203	0.9412
Thai baht	33.2500	31.2500
Taiwan dollar	28.6515	28.5330
Turkish lira	14.6678	8.2763

17. Events During the Year

On 29 July 2021, Ms Deirdre Gormley resigned as a Director of the Manager and the ICAV.

On 23 September 2021, the following Funds launched:

- Flexshares® Emerging Markets Low Volatility Climate ESG UCITS ETF and USD Accumulating Share Class.
- Flexshares® Emerging Markets High Dividend Climate ESG UCITS ETF and USD Distributing Share Class.

On 5 November 2021, the ICAV received Central Bank authorisation for the FlexShares® Listed Private Equity UCITS ETF.

On 15 November 2021, Mr Feargal Dempsey was appointed as a Director of the Manager and the ICAV.

On 6 December 2021, Mr Alan Keating was appointed as a Director of the Manager and the ICAV.

On 9 December 2021, FlexShares® Listed Private Equity UCITS ETF and USD Accumulating Share Class launched.

On 13 December 2021, a second Addendum to the Prospectus was issued to incorporate disclosures under the Taxonomy Regulation.

On 31 December 2021, Mr Gerald Brady resigned as a Director of the Manager and the ICAV. Ms Claire Cawley was appointed the new Chairperson following Mr Gerald Brady's resignation.

On 10 January 2022, Mr Cian Farrell was appointed as a Director of the Manager and the ICAV.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

17. Events During the Year (continued)

Coronavirus (“Covid-19”)

While the impact of Covid-19 still is and will continue to have an evolving effect on economies and society, the ICAV continues to perform as designed in line with investment philosophies and without liquidity or quality issues. During the year, the Coronavirus (“Covid-19”) pandemic continued to cause major disruption to the global economy and social fabric of many countries. The ICAV and the Northern Trust Group are closely monitoring their business practices, taking into account guidance from the Centers for the Disease Control and Prevention (“CDC”) and World Health Organisation (“WHO”), regulators, governments and local public health departments. The ICAV has joined with the Group to implement risk mitigation strategies including alternate work schedules and work-from-home (“WFH”) arrangements. A number of internal programs have been implemented to ensure that the Administrator can continue to provide the level of service expected while also providing the necessary support for employees during this pandemic. In addition, operations and client service teams are working hand in hand with Information Technology, Legal, and Risk and Control teams to adapt to the evolving local developments. In addition to ensuring they operate effectively in their current resiliency mode, a global, cross-functional Future of Work taskforce is exploring how to best evolve all aspects of their foundation, including: client service, partner engagement, risk management, efficiency and culture. Our framework will be robust enough to stand the test of time and flexible enough to allow business units and regions to evolve at different speeds and react to local environmental changes. The Group maintains robust Business Continuity Plan to manage its operation in support of its clients. Its service has been designed to be fault tolerant, minimizing the potential for any single points of failure. To achieve this, the Group is utilising its dedicated Business Resiliency Centers, optimising work-from-home arrangements and will invoke transfer-of-work capabilities as required to complete processes across multiple offices, countries and regions. There has been no material impact to the performance of the ICAV and it’s Funds as a result of the Covid-19 pandemic.

Russia

The Russian invasion of Ukraine in late February led to western nations imposing severe economic sanctions on Russia. The ICAV is following all appropriate protocols to abide by the conditions of the sanctions and the ICAV continues to be managed according to stated investment objectives. Northern Trust’s Investment Policy Committee and Tactical Asset Allocation Committee are regularly monitoring the evolving situation. Consistent with our established process, and as conditions warrant, the Investment Committee, a sub-committee of the Board has been in constant contact with Asset Management’s Pricing Valuation Committee to determine Fair Value prices and approaches for all the affected Russian securities. All fair value prices have been applied after approval from the Depositary’s review. On 3 March 2022 all affected securities were fair valued at zero. The total unrealised loss based on reducing the prices from their last traded price to zero was \$83,640 for FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and \$56,248 for FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF. The Directors have moved all Russian income to a receipts basis and will be realised in the Funds upon payments received. As the situation evolves, the Directors are continually monitoring any changes in sanctions to ensure continued compliance.

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

18. Events Since the Year End

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

19. Approval of Financial Statements

The financial statements were approved by the Directors of the ICAV on 27 July 2022.

FLEXSHARES ICAV

SUPPLEMENTARY INFORMATION (UNAUDITED)

For the year ended 31 March 2022

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 shares in issue and is presented rounded to two decimal places.

	Net Asset Value 31 March 2022	Units in Issue 31 March 2022	Net Asset Value per Unit 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
	Net Asset Value 31 March 2021	Units in Issue 31 March 2021	Net Asset Value per Unit 31 March 2021
FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF			
USD Accumulating Share Class	US\$5,130,730	200,000	US\$25.65
FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF			
USD Distributing Share Class	US\$4,317,035	168,000	US\$25.70

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.

FLEXSHARES ICAV

SUPPLEMENTARY INFORMATION (UNAUDITED) (continued)

For the year ended 31 March 2022

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. The ICAV pays the Independent Non-Executive Directors a fixed fee per annum. This fee is not related to the performance of the Funds.

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/ntfmil-ucits-v-remuneration-disclosure-en.pdf>

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	2022	2021
Number of Code Staff	13	11
Fixed remuneration (US\$)	-	-
Variable remuneration (US\$)	-	-

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2022

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: 97.87% (2021: 99.21%)		
	Australia: 1.24% (2021: 1.31%)		
1,603	APA	12,844	0.23
2,133	Australia & New Zealand Banking	44,209	0.79
5,464	Medibank Pvt	12,638	0.22
	Total Australia	69,691	1.24
	Austria: 0.47% (2021: 0.00%)		
251	Verbund	26,671	0.47
	Total Austria	26,671	0.47
	Belgium: 0.25% (2021: 0.00%)		
97	Proximus	1,818	0.03
124	Solvay	12,343	0.22
	Total Belgium	14,161	0.25
	Bermuda: 0.00% (2021: 0.64%)		
	Canada: 2.78% (2021: 3.09%)		
405	Enbridge	18,660	0.33
660	Royal Bank of Canada	72,729	1.29
283	Thomson Reuters	30,753	0.55
431	Toronto-Dominion Bank	34,227	0.61
	Total Canada	156,369	2.78
	Cayman Islands: 0.25% (2021: 0.00%)		
4,600	ESR Cayman	14,303	0.25
	Total Cayman Islands	14,303	0.25
	Denmark: 1.31% (2021: 1.11%)		
40	Novo Nordisk	4,481	0.08
402	Orsted	51,064	0.91
600	Vestas Wind Systems	17,927	0.32
	Total Denmark	73,472	1.31

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.87% (2021: 99.21%) (continued)			
Finland: 0.29% (2021: 1.35%)			
269	Elisa	16,348	0.29
Total Finland		16,348	0.29
France: 2.86% (2021: 1.72%)			
656	AXA	19,390	0.34
7	Compagnie Generale des Etablissements Michelin	958	0.02
116	L'Oreal	46,961	0.84
10	LVMH Moet Hennessy Louis Vuitton	7,225	0.13
1,473	Orange	17,543	0.31
635	Publicis Groupe	39,043	0.69
128	Schneider Electric	21,670	0.39
38	TotalEnergies	1,946	0.03
482	Vivendi	6,350	0.11
Total France		161,086	2.86
Germany: 2.40% (2021: 1.62%)			
208	Allianz	50,116	0.89
13	Deutsche Boerse	2,358	0.04
491	Henkel Pref	33,150	0.59
92	SAP	10,351	0.19
322	Symrise	38,998	0.69
Total Germany		134,973	2.40
Guernsey: 0.00% (2021: 0.26%)			
Hong Kong: 1.73% (2021: 2.28%)			
2,200	AIA	23,162	0.41
2,300	Hang Seng Bank	44,406	0.79
11,000	Hong Kong & China Gas	13,329	0.24
4,000	New World Development	16,268	0.29
Total Hong Kong		97,165	1.73
Ireland: 1.09% (2021: 1.67%)			
30	Accenture	10,117	0.18
141	Kingspan	13,969	0.25
12	Linde	3,879	0.07
368	Seagate Technology	33,083	0.59
Total Ireland		61,048	1.09
Italy: 0.57% (2021: 1.73%)			
2,623	Snam	15,269	0.27

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.87% (2021: 99.21%) (continued)			
Italy: 0.57% (2021: 1.73%) (continued)			
1,935	Terna Rete Elettrica Nazionale	16,763	0.30
Total Italy		32,032	0.57
Japan: 7.94% (2021: 9.57%)			
1,000	Bridgestone	39,201	0.70
700	Canon	17,261	0.31
2,100	Daiwa Securities	11,985	0.21
700	FP	16,817	0.30
800	Hitachi Metals	13,453	0.24
1	Japan Real Estate Investment REIT	5,265	0.09
1,600	Kagome	41,129	0.73
500	Kao	20,700	0.37
700	Marui	12,976	0.23
3,400	Mitsubishi Electric	39,497	0.70
8,000	Mitsubishi UFJ Financial Group	50,113	0.89
3,300	Mizuho Financial	42,604	0.76
700	Nomura Research Institute	23,184	0.41
1,600	Ricoh	14,000	0.25
100	SG	1,905	0.04
400	Sysmex	29,406	0.52
1,600	Takeda Pharmaceutical	46,112	0.82
800	Tokyo Gas	14,711	0.26
1,900	Yamada	5,949	0.11
Total Japan		446,268	7.94
Jersey: 0.06% (2021: 0.21%)			
271	WPP	3,579	0.06
Total Jersey		3,579	0.06
Luxembourg: 0.00% (2021: 0.20%)			
Netherlands: 1.12% (2021: 1.83%)			
23	ASML	15,610	0.28
4,882	Koninklijke	17,073	0.30
523	Koninklijke Philips	16,137	0.29
272	NN	13,879	0.25
Total Netherlands		62,699	1.12
Portugal: 0.27% (2021: 0.00%)			
3,055	Energias de Portugal	15,177	0.27
Total Portugal		15,177	0.27

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

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.87% (2021: 99.21%) (continued)			
Singapore: 0.77% (2021: 0.85%)			
25,000	Singapore Press	43,411	0.77
Total Singapore		43,411	0.77
Spain: 1.33% (2021: 1.40%)			
81	Acciona	15,637	0.28
1,951	Enagas	43,741	0.78
743	Red Electrica	15,385	0.27
Total Spain		74,763	1.33
Sweden: 0.19% (2021: 0.23%)			
2,595	TeliaAB	10,509	0.19
Total Sweden		10,509	0.19
Switzerland: 3.79% (2021: 3.92%)			
9	Givaudan	37,428	0.66
214	Nestle	27,952	0.50
91	Novartis	8,034	0.14
37	Roche	14,734	0.26
9	SGS	25,193	0.45
79	Swisscom	47,645	0.85
105	Zurich Insurance	52,120	0.93
Total Switzerland		213,106	3.79
United Kingdom: 3.56% (2021: 3.30%)			
43	AstraZeneca	5,736	0.10
2,753	Aviva	16,388	0.29
1,193	GlaxoSmithKline	25,874	0.46
9,531	HSBC	65,932	1.17
1,802	Pearson	17,809	0.32
1,627	RELX	51,048	0.91
37	Unilever	1,683	0.03
1,059	United Utilities	15,679	0.28
Total United Kingdom		200,149	3.56
United States: 63.60% (2021: 60.92%)			
297	3M	44,217	0.79
458	Abbott Laboratories	54,209	0.96
407	AbbVie	65,979	1.17
207	Adobe	94,313	1.68
27	Advanced Micro Devices	2,952	0.05
145	Akamai Technologies	17,312	0.31

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

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Equities: 97.87% (2021: 99.21%) (continued)		
	United States: 63.60% (2021: 60.92%) (continued)		
26	Alphabet	72,618	1.29
15	Amazon	48,899	0.87
264	Amgen	63,841	1.14
56	Anthem	27,508	0.49
1,376	Apple	240,263	4.27
11	Applied Materials	1,450	0.03
1,661	AT&T	39,249	0.70
226	Automatic Data Processing	51,424	0.91
452	Bank of America	18,631	0.33
487	Bank of New York Mellon Corp	24,170	0.43
218	Baxter International	16,904	0.30
82	Becton Dickinson	21,812	0.39
77	Biogen	16,216	0.29
27	Bristol-Myers Squibb	1,972	0.03
19	Broadcom	11,964	0.21
75	Church & Dwight	7,454	0.13
90	Cigna	21,565	0.38
688	Cisco Systems Inc/Delaware	38,363	0.68
206	Clorox	28,640	0.51
177	Coca-Cola	10,974	0.20
606	Colgate-Palmolive	45,953	0.82
95	Costco Wholesale	54,706	0.97
1,400	CSX	52,430	0.93
20	Dollar General	4,453	0.08
739	eBay	42,315	0.75
114	Electronic Arts	14,422	0.26
32	Eli Lilly and Company	9,164	0.16
17	Enphase Energy	3,430	0.06
28	Equinix Reits	20,765	0.37
64	Estee Lauder Cos	17,429	0.31
195	Eversource Energy	17,197	0.31
227	Exxon Mobil	18,748	0.33
265	General Mills	17,946	0.32
720	Gilead Sciences	42,804	0.76
539	Hartford Financial Services Group	38,706	0.69
91	Home Depot	27,239	0.48
1,231	HP	44,685	0.79
206	Illinois Tool Works	43,136	0.77
423	Intel	20,964	0.37
162	Intercontinental Exchange	21,403	0.38
418	International Business Machines	54,348	0.97
759	Johnson & Johnson	134,518	2.39
273	JPMorgan Chase	37,215	0.66
253	Kellogg	16,316	0.29
133	Kimberly-Clark	16,380	0.29
19	Lowe's Cos	3,842	0.07
281	Mastercard	100,424	1.79
346	McDonald's	85,559	1.52
107	Merck	8,779	0.16
185	Meta Platforms	41,137	0.73
971	Microsoft	299,369	5.32
55	Moody's	18,558	0.33

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FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.87% (2021: 99.21%) (continued)			
United States: 63.60% (2021: 60.92%) (continued)			
85	Nasdaq	15,147	0.27
162	Newmont	12,871	0.23
45	Nike	6,055	0.11
175	Norfolk Southern	49,914	0.89
1,607	NortonLifeLock	42,618	0.76
192	NVIDIA	52,389	0.93
464	Omnicom	39,384	0.70
759	Oracle	62,792	1.12
115	Packaging of America	17,953	0.32
287	PepsiCo	48,038	0.85
316	Pfizer	16,359	0.29
653	Procter & Gamble	99,778	1.77
354	Prologis	57,164	1.02
41	Qualcomm	6,266	0.11
15	Regeneron Pharmaceuticals	10,476	0.19
57	S&P Global	23,380	0.42
172	State Street	14,985	0.27
240	Target	50,933	0.91
23	Tesla	24,785	0.44
23	Texas Instruments	4,220	0.07
19	Thermo Fisher Scientific	11,222	0.20
73	Tractor Supply	17,036	0.30
300	Union Pacific	81,963	1.46
337	United Parcel Service	72,273	1.29
62	UnitedHealth	31,618	0.56
50	Veeva Systems	10,623	0.19
227	Verisk Analytics	48,721	0.87
931	Verizon Communications	47,425	0.84
164	Vertex Pharmaceuticals	42,799	0.76
102	Visa	22,621	0.40
332	Walmart	49,441	0.88
99	Waste Management	15,692	0.28
601	Williams Cos	20,079	0.36
74	Workday	17,720	0.32
334	Yum China	13,874	0.25
Total United States		3,575,853	63.60
Total Equities		5,502,833	97.87
Total Financial assets at fair value through profit or loss		5,502,833	97.87

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Financial Derivative Instruments Dealt on a Regulated Market

Unrealised Gain on Futures Contracts: 0.12% (2021: 0.01%)

Counterparty	Description	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
Merrill Lynch	Mini CME S&P 500 Index Future June 2022	USD	5	6,614	0.12
Total Unrealised Gains on Futures Contracts				<u>6,614</u>	<u>0.12</u>
Total Financial Derivative Instruments Dealt on a Regulated Market				<u>6,614</u>	<u>0.12</u>

	Fair Value US\$	% of Net Assets
Total Value of Investments	5,509,447	97.99
Cash and Cash Equivalents	178,387	3.17
Margin Cash	10,037	0.18
Other Net Liabilities	(75,503)	(1.34)
Net Assets Attributable to Holders of Redeemable Participating Shares	<u>5,622,368</u>	<u>100.00</u>

Portfolio Classification	% of Total Assets
Transferable securities admitted to an official stock exchange listing	95.78
Financial derivative instruments dealt on a regulated market	0.12
Other current assets	4.10
	<u>100.00</u>

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2022

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: 98.05% (2021: 99.35%)		
	Australia: 3.50% (2021: 2.53%)		
3,427	Aurizon	9,496	0.06
3,734	Australia & New Zealand Banking	77,392	0.48
917	BHP	35,636	0.22
7,588	Fortescue Metals	117,725	0.74
3,188	JB Hi-Fi	129,804	0.81
7,226	Magellan Financial	86,497	0.54
1,167	Rio Tinto	104,383	0.65
	Total Australia	560,933	3.50
	Belgium: 0.00% (2021: 0.67%)		
	Canada: 3.85% (2021: 3.13%)		
594	Canadian National Railway	79,752	0.50
1,712	Enbridge	78,881	0.49
1,818	Royal Bank of Canada	200,336	1.25
608	Thomson Reuters	66,069	0.41
2,431	Toronto-Dominion Bank	193,051	1.20
	Total Canada	618,089	3.85
	Cayman Islands: 0.00% (2021: 0.56%)		
	Curacao: 0.00% (2021: 0.74%)		
	Denmark: 1.56% (2021: 0.88%)		
201	Novo Nordisk	22,516	0.14
1,002	Orsted	127,278	0.79
120	ROCKWOOL International	40,064	0.25
2,044	Vestas Wind Systems	61,072	0.38
	Total Denmark	250,930	1.56
	Finland: 0.61% (2021: 1.45%)		
9,422	Nordea Bank	98,334	0.61
	Total Finland	98,334	0.61
	France: 2.96% (2021: 2.52%)		
1,949	AXA	57,608	0.36
1,759	BNP Paribas	101,635	0.63
2,539	La Francaise des Jeux	101,588	0.63
10	L'Oreal	4,048	0.03
38	LVMH Moet Hennessy Louis Vuitton	27,457	0.17

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 98.05% (2021: 99.35%) (continued)			
France: 2.96% (2021: 2.52%) (continued)			
1,608	Publicis Groupe	98,868	0.62
411	Schneider Electric	69,583	0.44
257	TotalEnergies	13,162	0.08
Total France		473,949	2.96
Germany: 2.14% (2021: 2.26%)			
545	Allianz	131,315	0.82
181	Deutsche Post	8,770	0.06
858	GEA Group	35,618	0.22
32	Porsche Automobil Pref	3,130	0.02
1,457	SAP	163,929	1.02
Total Germany		342,762	2.14
Hong Kong: 0.00% (2021: 0.96%)			
Ireland: 1.22% (2021: 2.72%)			
109	Accenture	36,758	0.23
485	Kingspan	48,049	0.30
62	Linde	20,040	0.12
1,016	Seagate Technology	91,338	0.57
Total Ireland		196,185	1.22
Italy: 0.00% (2021: 0.64%)			
Japan: 6.92% (2021: 8.27%)			
2,500	Bridgestone	98,002	0.61
8,500	Casio Computer	98,604	0.61
1,500	Daiwa Securities	8,561	0.05
3,100	Dentsu	128,214	0.80
200	Fujitsu	30,344	0.19
1,000	Hitachi	50,793	0.32
18	Japan Real Estate Investment REIT	94,764	0.59
2,200	Kao	91,081	0.57
10,900	Konica Minolta	46,339	0.29
1,400	Mitsubishi Electric	16,264	0.10
1,400	Nippon Yusen	124,111	0.77
2,900	Nomura Research Institute	96,049	0.60
137	Sony	14,369	0.09
20,500	Sumitomo Chemical	94,921	0.59
4,100	Takeda Pharmaceutical	118,161	0.74
Total Japan		1,110,577	6.92

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Equities: 98.05% (2021: 99.35%) (continued)		
	Jersey: 0.00% (2021: 0.24%)		
	Malta: 0.42% (2021: 0.00%)		
6,107	Kindred Group	67,627	0.42
	Total Malta	67,627	0.42
	Netherlands: 1.68% (2021: 1.49%)		
75	ASML	50,904	0.32
1,777	Koninklijke Philips	54,827	0.34
990	Randstad	60,187	0.37
2,202	Signify	103,956	0.65
	Total Netherlands	269,874	1.68
	Norway: 0.00% (2021: 0.06%)		
	Singapore: 0.00% (2021: 0.42%)		
	Spain: 1.62% (2021: 1.71%)		
4,836	Enagas	108,423	0.68
1,271	Endesa	27,965	0.17
25,366	Telefonica	123,859	0.77
	Total Spain	260,247	1.62
	Sweden: 1.45% (2021: 0.97%)		
4,587	Electrolux	70,433	0.44
2,793	Getinge	112,986	0.71
3,220	Swedbank	48,718	0.30
	Total Sweden	232,137	1.45
	Switzerland: 2.02% (2021: 3.63%)		
562	Nestle	73,406	0.46
370	Novartis	32,668	0.20
126	Roche	50,174	0.31
178	Swisscom	107,351	0.67
121	Zurich Insurance	60,063	0.38
	Total Switzerland	323,662	2.02
	United Kingdom: 4.11% (2021: 4.17%)		
33,003	abrdn	93,381	0.58
197	AstraZeneca	26,280	0.16
7,000	Aviva	41,668	0.26
1,783	Berkeley Group	87,800	0.55

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

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 98.05% (2021: 99.35%) (continued)			
United Kingdom: 4.11% (2021: 4.17%) (continued)			
126	Diageo	6,409	0.04
6,662	GlaxoSmithKline	144,484	0.90
1,873	HSBC	12,957	0.08
13,779	Legal & General	49,347	0.31
17,824	M&G	51,911	0.32
2,637	Persimmon	74,683	0.47
269	Rio Tinto	21,538	0.14
248	Unilever	11,282	0.07
22,747	Vodafone	37,389	0.23
Total United Kingdom		659,129	4.11
United States: 63.99% (2021: 59.33%)			
39	3M	5,806	0.04
284	Abbott Laboratories	33,614	0.21
1,685	AbbVie	273,155	1.70
31	Alphabet	86,583	0.54
65	Amazon	211,897	1.32
856	American Express	160,072	1.00
749	Amgen	181,123	1.13
6,575	Annaly Capital Management REIT	46,288	0.29
174	Anthem	85,472	0.53
5,089	Apple	888,590	5.54
83	Applied Materials	10,939	0.07
4,762	AT&T	112,526	0.70
573	Automatic Data Processing	130,380	0.81
5,354	Bank of America	220,692	1.38
107	Bank of New York Mellon Corp	5,310	0.03
1,113	Best Buy	101,172	0.63
10	BlackRock	7,642	0.05
205	Bristol-Myers Squibb	14,971	0.09
69	Broadcom	43,448	0.27
1,324	Cardinal Health	75,071	0.47
297	Cigna	71,164	0.44
3,809	Cisco Systems Inc/Delaware	212,390	1.32
2,655	Citigroup	141,777	0.88
3,802	Coca-Cola	235,724	1.47
1,543	Colgate-Palmolive	117,006	0.73
527	CSX	19,736	0.12
880	CVS Health	89,065	0.56
1,851	eBay	105,988	0.66
128	Eli Lilly and Company	36,655	0.23
2,196	Exelon	104,596	0.65
777	Exxon Mobil	64,172	0.40
1,589	Hartford Financial Services Group	114,106	0.71
3,153	Healthpeak Properties	108,243	0.68
3,263	Hewlett Packard Enterprise	54,525	0.34
216	Home Depot	64,655	0.40
3,086	HP	112,022	0.70
2,706	Intel	134,109	0.84
1,196	International Business Machines	155,504	0.97

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APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 98.05% (2021: 99.35%) (continued)			
United States: 63.99% (2021: 59.33%) (continued)			
2,973	Interpublic Group	105,393	0.66
688	Iron Mountain	38,122	0.24
1,665	Johnson & Johnson	295,088	1.84
639	JPMorgan Chase	87,109	0.54
6,515	Kinder Morgan	123,199	0.77
859	Lowe's Cos	173,681	1.08
8,401	Lumen Technologies	94,679	0.59
684	Mastercard	244,448	1.52
837	McDonald's	206,973	1.29
166	Meta Platforms	36,912	0.23
1,795	MetLife	126,153	0.79
2,527	Microsoft	779,099	4.86
311	Newmont	24,709	0.15
1,362	Nike	183,271	1.14
440	Norfolk Southern	125,497	0.78
4,231	NortonLifeLock	112,206	0.70
1,262	NVIDIA	344,349	2.15
1,463	Omnicom	124,179	0.77
2,159	Oracle	178,614	1.11
225	PepsiCo	37,661	0.24
4,439	Pfizer	229,807	1.43
1,478	Principal Financial	108,500	0.68
494	Procter & Gamble	75,483	0.47
34	Prologis	5,490	0.03
1,037	Prudential Financial	122,542	0.76
267	Qualcomm	40,803	0.26
730	Quest Diagnostics	99,908	0.62
97	Republic Services	12,853	0.08
269	Stanley Black & Decker	37,604	0.24
72	Starbucks	6,550	0.04
2,355	Synchrony Financial	81,978	0.51
641	Target	136,033	0.85
79	Tesla	85,130	0.53
1,003	Texas Instruments	184,030	1.15
65	Thermo Fisher Scientific	38,392	0.24
845	Union Pacific	230,863	1.44
75	United Parcel Service	16,085	0.10
343	UnitedHealth	174,920	1.09
1,222	Visa	271,003	1.69
1,120	Walgreens Boots Alliance	50,142	0.31
427	Whirlpool	73,777	0.46
733	Williams-Sonoma	106,285	0.66
Total United States		10,265,708	63.99
Total Equities		15,730,143	98.05
Total Financial assets at fair value through profit or loss		15,730,143	98.05

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Financial Derivative Instruments Dealt on a Regulated Market

Unrealised Gains on Futures Contracts: 0.10% (2021: 0.01%)

Counterparty	Description	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
Merrill Lynch	Mini CME S&P 500 Index Future June 2022	USD	10	9,885	0.06
Merrill Lynch	MSCI EAFE Index Future June 2022	USD	1	6,455	0.04
Total Unrealised Gains on Futures Contracts				16,340	0.10
Total Financial Derivative Instruments Dealt on a Regulated Market				16,340	0.10

	Fair Value US\$	% of Net Assets
Total Value of Investments	15,746,483	98.15
Cash and Cash Equivalents	306,865	1.91
Margin Cash	27,380	0.17
Other Net Liabilities	(37,227)	(0.23)
Net Assets Attributable to Holders of Redeemable Participating Shares	16,043,501	100.00

Portfolio Classification	% of Total Assets
Transferable securities admitted to an official stock exchange listing	97.22
Financial derivative instruments dealt on a regulated market	0.10
Other current assets	2.68
	100.00

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APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2022

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: 97.51%		
	Bermuda: 0.52%		
28,000	Kunlun Energy	24,420	0.52
	Total Bermuda	24,420	0.52
	Brazil: 4.57%		
1,516	B3 - Brasil Bolsa Balcao	5,012	0.11
1,400	Banco do Brasil	10,223	0.22
888	Banco Santander Brasil Pref	3,523	0.08
12,896	CCR	37,180	0.80
11,540	Cia Energetica de Minas Gerais Pref	36,937	0.79
1,864	Itau Unibanco Pref	10,779	0.23
4,813	Lojas Renner	27,853	0.60
1,460	Petroleo Brasileiro	10,827	0.23
2,048	Petroleo Brasileiro Pref	14,416	0.31
1,612	Suzano	18,709	0.40
1,776	Telefonica Brasil	20,066	0.43
5,900	TIM Celular	17,122	0.37
	Total Brazil	212,647	4.57
	Cayman Islands: 10.19%		
890	Alibaba	96,832	2.08
400	Anta Sports Products	5,026	0.11
323	Baidu	42,733	0.92
14,000	China Medical System	22,060	0.48
6,000	Hansoh Pharmaceutical	10,052	0.22
1,500	Hengan International	6,934	0.15
2,500	Kingboard	12,163	0.26
3,200	Kingsoft	10,379	0.22
2,500	Li-Ning	21,580	0.46
800	Meituan	15,895	0.34
192	NetEase	17,220	0.37
294	Pinduoduo	11,792	0.25
200	Sunny Optical Technology	3,220	0.07
3,000	Tencent	143,346	3.08
2,913	Vipshop	26,217	0.56
27,000	Want Want China	24,961	0.54
2,000	Xinyi Solar	3,529	0.08
	Total Cayman Islands	473,939	10.19
	Chile: 1.31%		
7,336	Empresas CMPC	13,583	0.29
226,082	Enel Americas	27,293	0.59

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.51% (continued)			
Chile: 1.31% (continued)			
668,631	Enel Chile	19,967	0.43
	Total Chile	60,843	1.31
Colombia: 0.33%			
2,364	Interconexion Electrica	15,304	0.33
	Total Colombia	15,304	0.33
Egypt: 0.73%			
8,272	Commercial International Bank Egypt	20,902	0.45
13,459	Egyptian Financial Group-Hermes	13,024	0.28
	Total Egypt	33,926	0.73
Greece: 0.92%			
12,596	Eurobank Ergasias Services and Holdings	14,891	0.32
784	Hellenic Telecommunications Organization	14,306	0.31
930	OPAP	13,659	0.29
	Total Greece	42,856	0.92
Hong Kong: 3.84%			
11,000	Bank of China Hong Kong	41,717	0.90
11,500	China Overseas Land & Investment	34,435	0.74
26,000	CSPC Pharmaceutical	30,046	0.65
12,000	Guangdong Investment	16,426	0.35
26,000	Lenovo	28,286	0.61
9,000	Wharf	27,466	0.59
	Total Hong Kong	178,376	3.84
Hungary: 0.37%			
462	OTP Bank Nyrt	17,000	0.37
	Total Hungary	17,000	0.37
India: 17.07%			
1,570	Asian Paints	63,814	1.37
116	Bajaj Finance	11,114	0.24
5,321	Bharat Petroleum	25,234	0.54
3,948	Bharti Airtel	39,334	0.85
478	Britannia Industries	20,226	0.43
2,427	Cipla India	32,607	0.70
166	Divi's Laboratories	9,644	0.21

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APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.51% (continued)			
India: 17.07% (continued)			
277	Dr Reddy's Laboratories	15,702	0.34
7,708	GAIL India	15,833	0.34
1,491	Havells India	22,678	0.49
3,323	HCL Technologies	51,035	1.10
2,447	HDFC Bank	47,482	1.02
785	Hero MotoCorp	23,766	0.51
1,324	Hindustan Unilever	35,796	0.77
8,222	Indian Oil	12,907	0.28
4,391	Infosys	110,498	2.38
167	JSW Steel	1,615	0.03
113	Mahindra & Mahindra	1,203	0.03
32	Maruti Suzuki	3,193	0.07
115	Nestle India	26,378	0.57
45	Page Industries	25,649	0.55
515	Pidilite Industries	16,680	0.36
749	Reliance Industries	26,043	0.56
839	Siemens	26,221	0.56
1,519	Sun Pharmaceutical Industries	18,337	0.39
1,899	Tech Mahindra	37,578	0.81
24	UltraTech Cement	2,091	0.04
2,233	United Spirits	26,179	0.56
4,517	Wipro	35,284	0.76
2,517	Zee Entertainment Enterprises	9,578	0.21
Total India		793,699	17.07
Indonesia: 2.07%			
23,800	Bank Central Asia	13,215	0.28
98,100	Bank Rakyat Indonesia Persero	31,829	0.69
224,300	Kalbe Farma	25,144	0.54
11,400	Telkom Indonesia Persero	3,635	0.08
87,300	Unilever Indonesia	22,247	0.48
Total Indonesia		96,070	2.07
Malaysia: 2.97%			
36,100	Astro Malaysia	9,444	0.20
9,600	CIMB Group	12,169	0.26
9,300	IHH Healthcare	13,713	0.29
7,700	MISC	13,460	0.29
900	Nestle Malaysia	28,596	0.62
6,900	Petronas Chemicals	15,754	0.34
2,600	Petronas Dagangan	12,627	0.27
2,600	Public Bank	2,888	0.06
10,342	RHB Bank	14,659	0.32
15,500	Westports	14,745	0.32
Total Malaysia		138,055	2.97

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APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.51% (continued)			
Mexico: 2.16%			
700	Grupo Aeroportuario del Sureste	15,583	0.34
1,200	Grupo Financiero Banorte	8,999	0.19
4,300	Orbia	11,322	0.24
15,736	Wal-Mart de Mexico	64,642	1.39
Total Mexico		100,546	2.16
Pakistan: 0.66%			
14,748	Engro Fertilizers	7,382	0.16
3,181	Engro Pakistan	4,643	0.10
10,554	Fauji Fertilizer	6,546	0.14
20,080	Habib Bank	12,365	0.26
Total Pakistan		30,936	0.66
People's Republic of China: 8.91%			
88,000	Agricultural Bank of China	33,823	0.73
178,000	Bank of China	71,596	1.54
500	BYD	14,327	0.31
128,000	China Construction Bank	96,269	2.07
2,000	China Life Insurance	3,075	0.07
1,500	China Merchants Bank	11,789	0.25
1,200	ENN Energy	18,004	0.39
29,600	Haitong Securities	22,602	0.48
8,800	Huatai Securities	13,552	0.29
128,000	Industrial & Commercial Bank of China	78,617	1.69
200	Nongfu Spring	1,066	0.02
7,000	Ping An Insurance Group of China	49,742	1.07
Total People's Republic of China		414,462	8.91
Philippines: 0.68%			
8,100	Bank of the Philippine Islands	15,591	0.33
2,230	Manila Electric	16,101	0.35
Total Philippines		31,692	0.68
Republic of South Korea: 13.76%			
219	Amorepacific	14,364	0.31
728	Amorepacific	26,368	0.57
119	CJ Logistics	12,714	0.27
423	Coway	23,906	0.51
91	E-Mart	10,586	0.23
40	Hana Financial	1,604	0.04
783	Hankook Tire & Technology	21,738	0.47
1,260	Hanon Systems	12,267	0.26
184	Hyundai Glovis	29,223	0.63

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.51% (continued)			
Republic of South Korea: 13.76% (continued)			
17	Hyundai Motor	1,209	0.03
183	Kia	11,173	0.24
7	Krafton	1,591	0.03
331	LG Electronics	32,907	0.71
463	LG Electronics Pref	22,347	0.48
23	LG Household & Health Care	16,282	0.35
29	LG Household & Health Care Pref	12,131	0.26
75	Lotte Chemical	12,964	0.28
167	Naver	46,915	1.01
57	NCSOFT	21,985	0.47
3,719	Samsung Electronics	213,558	4.59
1,319	Samsung Electronics Pref	68,559	1.48
737	Shinhan Financial Group	25,235	0.54
Total Republic of South Korea		639,626	13.76
Russian Federation: 0.00%			
770	Lukoil	–	–
171	Polyus	–	–
150	Rosneft Oil	–	–
19,240	Sberbank of Russia	–	–
729	Severstal	–	–
106	Tatneft	–	–
Total Russian Federation		–	–
South Africa: 2.38%			
371	Aspen Pharmacare	5,043	0.11
23	Capitec Bank	3,686	0.08
105	Impala Platinum	1,617	0.03
767	Kumba Iron Ore	34,400	0.74
3,951	Sanlam	19,522	0.42
1,213	Shoprite	19,645	0.42
280	Standard Bank	3,490	0.08
456	Tiger Brands	5,052	0.11
1,669	Vodacom	18,275	0.39
Total South Africa		110,730	2.38
Taiwan: 19.07%			
25,000	Acer	26,133	0.56
1,000	Asustek Computer	13,036	0.28
14,000	Cathay Financial	31,517	0.68
8,000	Chicony Electronics	25,074	0.54
7,000	China Steel	9,516	0.20
7,000	Chunghwa Telecom	31,028	0.67
17,000	Compal Electronics	15,901	0.34
7,000	CTBC Financial	7,183	0.15
1,000	Delta Electronics	9,371	0.20

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 97.51% (continued)			
Taiwan: 19.07% (continued)			
41,000	E.Sun Financial	47,294	1.02
2,000	Evergreen Marine Taiwan	9,424	0.20
14,000	Far Eastern New Century	14,854	0.32
6,000	Far EastOne Telecommunications	15,392	0.33
7,000	Formosa Chemicals & Fibre	19,301	0.42
13,000	Fubon Financial	34,710	0.75
6,000	Hon Hai Precision Industry	22,198	0.48
16,000	Inventec	13,793	0.30
8,000	Lite-On Technology	19,015	0.41
1,000	MediaTek	31,586	0.68
36,000	Mega Financial	53,903	1.16
9,000	Nan Ya Plastics	29,276	0.63
2,000	President Chain Store	18,359	0.40
1,000	Taiwan Cooperative Financial Holding	1,031	0.02
5,000	Taiwan Mobile	18,324	0.39
15,000	Taiwan Semiconductor Manufacturing	312,549	6.72
12,000	Teco Electric and Machinery	13,465	0.29
5,000	United Microelectronics	9,424	0.20
37,000	Yuanta Financial	34,092	0.73
Total Taiwan		886,749	19.07
Thailand: 4.46%			
4,400	Advanced Info Service	30,833	0.66
38,400	Bangkok Dusit Medical Services	28,872	0.62
62,300	Home Product Center	29,792	0.64
10,000	Indorama Ventures	13,985	0.30
100,000	Land and Houses PCL	28,571	0.62
21,400	PTT	24,779	0.53
7,400	PTT Exploration & Production	32,048	0.69
1,600	Siam Cement PCL	18,430	0.40
Total Thailand		207,310	4.46
Turkey: 0.54%			
3,391	Arcelik	13,987	0.30
17,795	Petkim Petrokimya	10,955	0.24
Total Turkey		24,942	0.54
Total Equities		4,534,128	97.51
Total Financial assets at fair value through profit or loss		4,534,128	97.51

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Financial Derivative Instruments Dealt on a Regulated Market

Unrealised Gain on Futures Contracts: 0.05%

Counterparty	Description	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
Merrill Lynch	MSCI Emerging Markets June 2022	USD	1	2,275	0.05
Total Unrealised Gains on Futures Contracts				<u>2,275</u>	<u>0.05</u>
Total Financial Derivative Instruments Dealt on a Regulated Market				<u>2,275</u>	<u>0.05</u>

	Fair Value US\$	% of Net Assets
Total Value of Investments	4,536,403	97.56
Cash and Cash Equivalents	101,864	2.19
Margin Cash	5,331	0.11
Other Net Assets	6,305	0.14
Net Assets Attributable to Holders of Redeemable Participating Shares	<u>4,649,903</u>	<u>100.00</u>

Portfolio Classification	% of Total Assets
Transferable securities admitted to an official stock exchange listing	95.04
Financial derivative instruments dealt on a regulated market	0.05
Other current assets	4.91
	<u>100.00</u>

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2022

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: 96.82%		
	Brazil: 6.96%		
1,216	B3 - Brasil Bolsa Balcao	4,020	0.08
5,576	Banco do Brasil	40,717	0.87
900	Banco Santander Brasil Pref	3,570	0.08
12,664	CCR	36,511	0.78
2,900	Centrais Eletricas Brasileiras	23,178	0.49
11,440	Cia Energetica de Minas Gerais Pref	36,617	0.78
5,700	Companhia Siderúrgica Nacional	31,223	0.67
5,560	Itau Unibanco Pref	32,153	0.68
6,146	Lojas Renner	35,568	0.76
4,100	Marfrig Global Foods	18,464	0.39
1,260	Petroleo Brasileiro	9,344	0.20
1,848	Petroleo Brasileiro Pref	13,008	0.28
2,100	Telefonica Brasil	23,727	0.51
3,708	Vibra Energia	18,244	0.39
	Total Brazil	326,344	6.96
	Cayman Islands: 12.84%		
931	Alibaba	101,293	2.16
400	Anta Sports Products	5,026	0.11
14,000	China Medical System	22,060	0.47
8,000	China Resources Land	37,286	0.80
25,300	CIFI	14,893	0.32
9,000	Country Garden	6,930	0.15
5,000	Hengan International	23,112	0.49
5,500	Kingboard	26,758	0.57
1,800	Kingsoft	5,838	0.12
6,000	Li-Ning	51,791	1.10
800	Meituan	15,895	0.34
710	NetEase	63,680	1.36
11,000	Sunac China Holdings	6,433	0.14
200	Sunny Optical Technology	3,220	0.07
4,300	Tencent	205,462	4.38
2,000	Topsports	1,673	0.04
11,000	Want Want China	10,169	0.22
	Total Cayman Islands	601,519	12.84
	Chile: 1.05%		
15,808	Cencosud	31,137	0.67
9,692	Empresas CMPC	17,945	0.38
	Total Chile	49,082	1.05

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APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 96.82% (continued)			
Greece: 0.38%			
1,209	OPAP	17,757	0.38
Total Greece		17,757	0.38
Hong Kong: 2.87%			
11,000	Bank of China Hong Kong	41,717	0.89
11,500	China Overseas Land & Investment	34,435	0.74
26,000	CSPC Pharmaceutical	30,046	0.64
26,000	Lenovo	28,286	0.60
Total Hong Kong		134,484	2.87
India: 16.74%			
1,383	Asian Paints	56,213	1.20
633	Bajaj Finance	60,647	1.29
5,230	Bharat Petroleum	24,802	0.53
2,428	Cipla India	32,621	0.70
175	Dr Reddy's Laboratories	9,920	0.21
8,632	GAIL India	17,731	0.38
1,511	Havells India	22,983	0.49
3,199	HCL Technologies	49,130	1.05
2,439	HDFC Bank	47,327	1.01
801	Hero MotoCorp	24,251	0.52
1,387	Hindustan Unilever	37,499	0.80
261	Housing Development Finance	8,233	0.18
1,091	ICICI Bank	10,515	0.22
16,297	Indian Oil	25,583	0.55
4,867	Indus Towers	14,262	0.30
4,368	Infosys	109,919	2.35
142	Mahindra & Mahindra	1,511	0.03
31	Maruti Suzuki	3,093	0.07
67	Nestle India	15,368	0.33
44	Page Industries	25,079	0.53
14,842	Power Finance	22,055	0.47
5,684	REC	9,230	0.20
746	Reliance Industries	25,939	0.55
843	Siemens	26,346	0.56
194	Sun Pharmaceutical Industries	2,342	0.05
1,897	Tech Mahindra	37,538	0.80
30	UltraTech Cement	2,614	0.06
439	Vedanta Liimited	2,337	0.05
4,568	Wipro	35,682	0.76
6,223	Zee Entertainment Enterprises	23,681	0.50
Total India		784,451	16.74
Indonesia: 2.10%			
75,500	Astra International	34,563	0.74
23,100	Bank Central Asia	12,827	0.27

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

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	Equities: 96.82% (continued)		
	Indonesia: 2.10% (continued)		
222,600	Kalbe Farma	24,953	0.53
12,000	Telkom Indonesia Persero	3,826	0.08
87,300	Unilever Indonesia	22,247	0.48
	Total Indonesia	98,416	2.10
	Malaysia: 2.64%		
36,000	Astro Malaysia	9,418	0.20
18,600	Hartalega Holdings	21,454	0.46
51,600	Kossan Rubber Industries	24,053	0.51
2,600	Public Bank	2,888	0.06
14,400	RHB Bank	20,411	0.44
46,100	Top Glove Corp	21,050	0.45
25,800	Westports	24,544	0.52
	Total Malaysia	123,818	2.64
	Mexico: 1.57%		
8,500	Grupo Financiero Banorte	63,743	1.36
2,344	Wal-Mart de Mexico	9,629	0.21
	Total Mexico	73,372	1.57
	Pakistan: 0.15%		
11,323	Fauji Fertilizer	7,023	0.15
	Total Pakistan	7,023	0.15
	People's Republic of China: 6.86%		
90,000	Agricultural Bank of China	34,591	0.74
34,000	Bank of China	13,676	0.29
2,000	BYD	57,308	1.22
126,000	China Construction Bank	94,764	2.02
1,500	China Merchants Bank	11,789	0.25
1,300	ENN Energy	19,505	0.42
35,000	Industrial & Commercial Bank of China	21,497	0.46
200	Nongfu Spring	1,066	0.02
10,000	PICC Property & Casualty	10,241	0.22
8,000	Ping An Insurance Group of China	56,848	1.22
	Total People's Republic of China	321,285	6.86

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 96.82% (continued)			
Philippines: 0.19%			
4,710	Bank of the Philippine Islands	9,066	0.19
Total Philippines		9,066	0.19
Republic of South Korea: 15.29%			
426	Coway	24,076	0.51
311	DB Insurance	17,936	0.38
459	GS Engineering & Construction	17,572	0.38
823	Hana Financial	33,000	0.70
800	Hankook Tire & Technology	22,210	0.47
1,537	Hanon Systems	14,964	0.32
710	Hyundai Engineering & Construction	28,059	0.60
183	Hyundai Glovis	29,064	0.62
53	Hyundai Mobis	9,401	0.20
577	KB Financial	29,182	0.62
418	Kia	25,520	0.55
102	Kumho Petrochemical	13,044	0.28
45	LG Chem Pref	10,136	0.22
330	LG Electronics	32,808	0.70
459	LG Electronics Pref	22,154	0.47
92	Lotte Chemical	15,902	0.34
60	NCSOft	23,143	0.49
117	POSCO	28,283	0.60
3,786	Samsung Electronics	217,405	4.64
366	Samsung Electronics Pref	19,024	0.41
741	Samsung Securities	25,616	0.55
743	Shinhan Financial Group	25,440	0.54
337	SK Hynix	32,809	0.70
Total Republic of South Korea		716,748	15.29
Russian Federation: 0.00%			
450	Gazprom	–	–
648	Lukoil	–	–
248	Rosneft Oil	–	–
19,280	Sberbank of Russia	–	–
159	Severstal	–	–
239	Tatneft	–	–
Total Russian Federation		–	–
South Africa: 4.72%			
159	Anglo American Platinum	21,833	0.47
17	Capitec Bank	2,724	0.06
17,759	Growthpoint Properties REIT	17,890	0.38
2,144	Impala Platinum	33,017	0.70
760	Kumba Iron Ore	34,086	0.73
55,993	Redefine Properties	17,703	0.38
7,993	Sibanye Stillwater	32,711	0.70

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 96.82% (continued)			
South Africa: 4.72% (continued)			
3,216	Standard Bank	40,086	0.85
1,932	Vodacom	21,155	0.45
Total South Africa		221,205	4.72
Taiwan: 18.41%			
25,000	Acer	26,133	0.56
2,000	Asustek Computer	26,072	0.56
5,000	Catcher Technology	25,217	0.54
13,000	Cathay Financial	29,266	0.62
7,000	CTBC Financial	7,183	0.15
1,000	Delta Electronics	9,371	0.20
37,000	E.Sun Financial	42,680	0.91
2,000	Evergreen Marine Taiwan	9,424	0.20
17,000	Far Eastern New Century	18,037	0.38
13,000	Fubon Financial	34,710	0.74
2,000	HIWIN	16,753	0.36
6,000	Hon Hai Precision Industry	22,198	0.47
12,000	Lite-On Technology	28,522	0.61
1,000	MediaTek	31,586	0.67
35,000	Mega Financial	52,406	1.12
2,000	Nien Made Enterprise	23,489	0.50
2,000	Taiwan Cooperative Financial Holding	2,063	0.04
17,000	Taiwan Semiconductor Manufacturing	354,222	7.56
14,000	Teco Electric and Machinery	15,709	0.34
29,000	United Microelectronics	54,657	1.17
36,000	Yuanta Financial	33,171	0.71
Total Taiwan		862,869	18.41
Thailand: 3.51%			
4,300	Advanced Info Service	30,132	0.64
1,600	Delta Electronics Thailand	18,671	0.40
63,700	Home Product Center	30,461	0.65
11,700	Indorama Ventures	16,363	0.35
100,800	Land and Houses PCL	28,800	0.62
4,800	Muangthai Capital GDR	7,579	0.16
7,500	PTT Exploration & Production	32,481	0.69
Total Thailand		164,487	3.51
Turkey: 0.54%			
4,040	Arcelik	16,664	0.36

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

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
Equities: 96.82% (continued)					
Turkey: 0.54% (continued)					
426	Ford Otomotiv Sanayi	8,675	0.18		
Total Turkey		25,339	0.54		
Total Equities		4,537,265	96.82		
Total Financial assets at fair value through profit or loss		4,537,265	96.82		
Financial Derivative Instruments Dealt on a Regulated Market					
Unrealised Gain on Futures Contracts: 0.06%					
Counterparty	Description	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
Merrill Lynch	MSCI Emerging Markets June 2022	USD	2	2,950	0.06
Total Unrealised Gains on Futures Contracts				2,950	0.06
Total Financial Derivative Instruments Dealt on a Regulated Market				2,950	0.06
Total Value of Investments		4,540,215	96.88		
Cash and Cash Equivalents		125,115	2.67		
Margin Cash		12,689	0.27		
Other Net Assets		8,484	0.18		
Net Assets Attributable to Holders of Redeemable Participating Shares		4,686,503	100.00		
Portfolio Classification			% of Total Assets		
Transferable securities admitted to an official stock exchange listing			94.37		
Financial derivative instruments dealt on a regulated market			0.06		
Other current assets			5.57		
			100.00		

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED)

As at 31 March 2022

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: 98.43%		
	Belgium: 3.10%		
6,431	Ackermans & van Haaren	1,210,702	0.82
3,635	Gimv	220,829	0.15
30,020	Groupe Bruxelles Lambert	3,143,773	2.13
	Total Belgium	4,575,304	3.10
	Bermuda: 0.59%		
156,980	Oakley Capital Investments Limited	870,155	0.59
	Total Bermuda	870,155	0.59
	Canada: 11.96%		
8,661	Alaris Equity Partners Income	140,138	0.10
249,518	Brookfield Asset Management	14,119,477	9.57
50,233	Onex	3,369,377	2.29
	Total Canada	17,628,992	11.96
	Finland: 0.11%		
59,146	Capman Oyj	163,206	0.11
	Total Finland	163,206	0.11
	France: 4.04%		
42,647	Eurazeo	3,625,270	2.46
22,575	Wendel	2,325,934	1.58
	Total France	5,951,204	4.04
	Georgia: 0.20%		
35,788	Georgia Capital	297,329	0.20
	Total Georgia	297,329	0.20
	Germany: 0.64%		
5,716	Aurelius Equity Opportunities	160,142	0.11
7,242	Deutsche Beteiligungs	231,259	0.15
1,139	MBB	160,188	0.11
15,848	Mutares	394,104	0.27
	Total Germany	945,693	0.64

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 98.43% (continued)			
Guernsey: 2.90%			
189,630	Apax Global Alpha	518,079	0.35
66,794	HarbourVest Global Private Equity	2,299,744	1.56
24,745	NB Private Equity Partners	539,207	0.37
16,122	Princess Private Equity Holding	216,155	0.15
128,013	Syncona	269,677	0.18
64,641	VinaCapital Vietnam Opportunity Fund	430,655	0.29
Total Guernsey		4,273,517	2.90
People's Republic of China: 6.66%			
181,712	Prosus	9,820,984	6.66
Total People's Republic of China		9,820,984	6.66
Sweden: 6.17%			
14,235	Bure Equity	470,763	0.32
207,385	EQT	8,280,357	5.62
36,570	Ratos	191,652	0.13
17,623	VNV Global	95,212	0.06
3,831	Volati	62,566	0.04
Total Sweden		9,100,550	6.17
Switzerland: 8.67%			
1,107	HBM Healthcare Investments	332,010	0.22
9,940	Partners Holding	12,459,429	8.45
Total Switzerland		12,791,439	8.67
United Kingdom: 9.17%			
363,124	3i Group	6,638,520	4.50
44,523	Abrdn Private Equity Opportunities Trust	304,830	0.21
129,018	Agronomics Limited	32,615	0.02
58,841	Alliance Trust	763,884	0.52
68,633	BMO Private Equity Trust	417,489	0.28
359,029	Bridgepoint Group	1,661,595	1.13
0	Brunner Investment Trust	–	–
311,844	HG Capital Trust	1,788,117	1.21
26,332	ICG Enterprise Trust	392,465	0.27
52,417	Intermediate Capital Group	1,232,260	0.83
24,633	Molten Ventures	251,681	0.17
9,461	Pantheon International Fund	39,177	0.03
Total United Kingdom		13,522,633	9.17

FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
Equities: 98.43% (continued)			
United States: 44.22%			
207,309	Apollo Global Management	12,851,085	8.71
11,906	Apollo Investment	157,397	0.11
357,167	Ares Capital	7,482,649	5.07
32,182	Ares Management	2,614,144	1.77
12,396	Bain Capital Specialty Finance	193,254	0.13
12,540	Barings	129,664	0.09
14,201	BlackRock Capital Investment	59,786	0.04
11,091	BlackRock TCP Capital	158,601	0.11
107,404	Blackstone	13,633,864	9.25
17,071	Cannae	408,338	0.28
3,739	Capital Southwest	88,726	0.06
70,865	Carlyle Group	3,466,007	2.35
12,661	Compass Diversified Holdings	300,952	0.20
5,407	Crescent Capital	96,245	0.06
4,691	Fidus Investment	94,664	0.06
54,712	FS KKR Capital	1,248,528	0.85
6,349	Gladstone Capital	74,855	0.05
6,207	Gladstone Investment	100,119	0.07
19,548	Goldman Sachs	383,336	0.26
30,094	Golub Capital	457,730	0.31
6,397	Hamilton Lane	494,424	0.34
22,343	Hercules Capital	403,738	0.27
3,922	Horizon Technology Finance	54,516	0.04
224,941	KKR	13,152,300	8.92
13,360	Main Street Capital	569,670	0.39
4,137	Monroe Capital	44,638	0.03
18,606	New Mountain Finance	257,693	0.17
30,953	Oaktree Specialty Lending	228,124	0.15
75,486	Owl Rock Capital	1,115,683	0.76
9,533	Oxford Square Capital	39,943	0.03
7,348	PennantPark Floating Rate Capital	99,271	0.07
12,509	PennantPark Investment	97,320	0.07
161,344	Prospect Capital	1,335,928	0.91
1,525	Saratoga Investment	41,572	0.03
13,950	Sixth Street Specialty Lending	324,896	0.22
8,113	SLR Investment	147,089	0.10
9,243	SLR Senior Investment	130,881	0.09
3,741	Stellus Capital Investment	51,963	0.03
7,148	StepStone	236,313	0.16
5,973	SuRo Capital	51,547	0.03
10,281	TCG	147,944	0.10
54,381	TPG Class A	1,639,043	1.11
19,095	Trinity Capital	368,724	0.25
6,707	TriplePoint Venture Growth	117,104	0.08
4,218	WhiteHorse Finance	63,607	0.04
	Total United States	65,213,875	44.22
	Total Equities	145,154,881	98.43
	Total Financial assets at fair value through profit or loss	145,154,881	98.43

APPENDIX I - PORTFOLIO STATEMENTS (UNAUDITED) (continued)

As at 31 March 2022

Financial Derivative Instruments Dealt on a Regulated Market

Unrealised Gains on Futures Contracts: 0.07%

Counterparty	Description	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
Merrill Lynch	Euro Stoxx 50 Index Future June 2022	EUR	28	40,520	0.03
Merrill Lynch	Mini CME S&P 500 Index Future June 2022	USD	5	56,173	0.04
Total Unrealised Gains on Futures Contracts				96,693	0.07
Total Financial Derivative Instruments Dealt on a Regulated Market				96,693	0.07

	Fair Value US\$	% of Net Assets
Total Value of Investments	145,251,574	98.50
Cash and Cash Equivalents	1,735,533	1.18
Margin Cash	444,192	0.30
Other Net Assets	35,009	0.02
Net Assets Attributable to Holders of Redeemable Participating Shares	147,466,308	100.00

Portfolio Classification	% of Total Assets
Transferable securities admitted to an official stock exchange listing	98.29
Financial derivative instruments dealt on a regulated market	0.07
Other current assets	1.64
	100.00

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

APPENDIX II - MATERIAL PURCHASES AND SALES (UNAUDITED)

For the year ended 31 March 2022

Asset Name	Acquisitions Nominal	Cost US\$
Johnson & Johnson	759	126,907
Mastercard	248	96,007
Australia & New Zealand Banking	3,762	80,625
Allianz	269	68,331
Koninklijke Philips	1,099	59,846
Walt Disney	324	59,084
HSBC	9,531	57,282
International Business Machines	418	54,240
McDonald's	228	53,524
3M	297	52,682
Prologis	354	52,424
HP	1,566	51,653
Toronto Dominion Bank	751	50,027
Henkel Pref	491	49,247
RELX	1,727	48,446
Norfolk Southern	175	47,892
Automatic Data Processing	248	47,851
Mitsubishi UFJ Financial Group	8,000	47,501
Estee Lauder Cos	151	47,157
Colgate-Palmolive	584	46,933
Takeda Pharmaceutical	1,600	46,430
MSCI	75	46,206
CSX	1,400	46,085
salesforce.com	198	46,024
Mizuho Financial	3,300	45,835
PepsiCo	287	45,657
Zurich Insurance	115	45,581
Dell Technologies	442	44,831
Orsted	402	44,823
APA	6,331	44,791
Pearson	4,020	44,685
Verisk Analytics	227	44,515
Mitsubishi Electric	3,400	44,209

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

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

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

For the year ended 31 March 2022

Asset Name	Disposals Nominal	Proceeds US\$
Accenture	280	93,778
Merck	1,039	83,591
Texas Instruments	415	78,210
Coloplast	435	66,422
Cisco Systems Inc/Delaware	1,143	63,653
Waters	150	54,470
Costco Wholesale	113	54,088
Snam	9,191	52,770
Sherwin - Williams	180	50,771
Deutsche Post	779	49,437
Marsh & McLennan Cos	316	49,358
Verizon Communications	873	49,285
Mettler - Toledo International	34	49,099
Visa	235	48,391
Alphabet	18	47,736
Expeditors International of Washington	408	47,496
Dell Technologies	442	46,881
Intel	722	46,744
ConvaTec	13,707	46,195
Walmart	318	45,014
Shimano	168	44,673
Walt Disney	324	44,508
salesforce.com	198	44,382

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

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

APPENDIX II - MATERIAL PURCHASES AND SALES (UNAUDITED)

For the year ended 31 March 2022

Asset Name	Acquisitions Nominal	Cost US\$
Apple	3,699	541,566
Microsoft	1,856	528,883
Johnson & Johnson	1,665	273,838
NVIDIA	793	253,234
Visa	1,131	238,061
Bank of America	5,019	226,312
Nike	1,362	213,079
Coca-Cola	3,862	212,782
Pfizer	5,016	212,747
McDonald's	837	211,354
UnitedHealth	458	204,831
SAP	1,457	204,419
Union Pacific	850	187,370
Intel	3,443	187,334
Mastercard	509	185,044
Amazon	52	179,779
Telefonica	38,637	175,327
AbbVie	1,500	172,180
Cisco Systems Inc/Delaware	2,814	153,234
Home Depot	465	151,391

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

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

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

For the year ended 31 March 2022

Asset Name	Disposals Nominal	Proceeds US\$
Eli Lilly and Company	767	185,111
Home Depot	483	168,723
Accenture	407	134,857
Merck	1,639	129,860
L'Oreal	275	117,111
Avalonbay Communities REIT	475	114,047
Recruit	2,100	113,466
RELX	3,656	111,642
BHP	3,456	110,457
BlackRock	125	109,376
TJX Cos	1,618	109,134
Paychex	913	108,045
Daito Trust Construction	900	107,267
Intuit	204	106,231
State Street	1,136	105,335
Gilead Sciences	1,547	104,615
Porsche Automobil Pref	1,047	103,947
Walmart	731	103,476
Novartis	1,113	101,602
Sumitomo Mitsui Financial Group	2,800	101,362
Trane Technologies	570	100,216
Bank of New York Mellon	1,732	99,017
Lam Research	173	98,286
Yum! Brands	782	96,825
Geberit	126	96,647
Naturgy Energy Group	3,262	96,090
Seagate Technology	1,091	94,815
Humana	206	93,476
Weyerhaeuser Co	2,473	92,138
Coca-Cola Europacific Partners	1,619	91,781
Nomura	18,700	91,354
Gjensidige Forsikring	3,862	91,207
BCE	1,790	90,589
Telefonica	20,113	87,272
Red Electrica	4,303	87,153

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

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

APPENDIX II - MATERIAL PURCHASES AND SALES (UNAUDITED)

For the period from 23 September 2021 to 31 March 2022

Asset Name	Acquisitions Nominal	Cost US\$
Taiwan Semiconductor Manufacturing	15,000	317,959
Samsung Electronics	3,864	254,513
Tencent	4,000	238,444
Alibaba	994	150,205
Infosys	4,818	114,177
Samsung Electronics Pref	1,681	101,482
Sberbank of Russia	21,780	93,327
China Construction Bank	128,000	90,271
Asian Paints	1,752	79,125
Industrial & Commercial Bank of China	128,000	69,680
Lukoil	770	69,175
Bank of China	183,000	64,360
HCL Technologies	3,323	60,041
Wal-Mart de Mexico	15,736	56,753
Naver	167	56,357
HDFC Bank	2,447	54,722
Fubon Financial	19,000	52,886
Hindustan Unilever	1,401	52,404
Baidu	323	51,992
CTBC Financial	60,000	49,453

*Launched on 23 September 2021.

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

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

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

For the period from 23 September 2021 to 31 March 2022

Asset Name	Disposals Nominal	Proceeds US\$
Tencent	1,000	61,427
CTBC Financial	53,000	52,239
America Movil	42,756	40,935
Sberbank of Russia Pref	7,090	33,988
China Resources Land	8,000	32,447
KB Financial	639	30,062
UPL	2,730	28,815
Arca Continental	4,284	26,503
Rosneft Oil	3,399	25,283
NetEase	259	24,748
Hon Hai Precision Industry	6,000	23,363
HDFC Asset Management	684	21,734
Lupin	1,772	21,574
Aspen Pharmacare	1,241	21,041
Hua Nan Financial	26,000	20,102
First Financial	22,000	19,943
Samsung Electronics Pref	362	19,686
Divi's Laboratories	325	19,034
Bangkok Dusit Medical Services	27,700	19,027
SK Innovation	86	18,093
Hengan International	3,500	17,996
SinoPac Financial	36,000	17,731
Formosa Chemicals & Fibre	6,000	17,688
LG Chem	30	17,382
Malayan Banking	8,800	17,359
Hyundai Engineering & Construction	388	16,913
MOL Hungarian Oil & Gas	1,832	16,192
Polyus	115,900	16,131
Alibaba	104	16,128
Fubon Financial	6,000	16,024
S-Oil	172	15,662
Pidilite Industries	475	15,628
Zee Entertainment Enterprises	4,017	15,583

*Launched on 23 September 2021.

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

APPENDIX II - MATERIAL PURCHASES AND SALES (UNAUDITED)

For the period from 23 September to 31 March 2022

Asset Name	Acquisitions Nominal	Cost US\$
Taiwan Semiconductor Manufacturing	17,000	360,172
Tencent	4,300	256,622
Samsung Electronics	3,786	248,232
Alibaba	974	146,982
Infosys	4,862	115,220
Bajaj Finance	961	99,034
Sberbank of Russia	22,060	94,468
China Construction Bank	131,000	92,387
United Microelectronics	34,000	79,875
Asian Paints	1,764	79,667
Lukoil	808	75,428
Fubon Financial	24,000	66,932
Li-Ning	6,000	65,558
Itau Unibanco Pref	13,160	64,726
NetEase	774	64,528
Anta Sports Products	3,400	62,429
BYD	2,000	62,339
SK Hynix	675	60,011
E.Sun Financial	58,000	58,148
Grupo Financiero Banorte	8,500	56,657

*Launched on 23 September 2021.

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

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

For the period from 23 September to 31 March 2022

Asset Name	Disposals Nominal	Proceeds US\$
CTBC Financial	52,000	51,253
Anta Sports Products	3,000	47,315
Bajaj Finance	328	34,203
Micro-Star International	6,000	33,670
SK Hynix	338	33,580
Piramal Enterprises	890	33,467
Itau Unibanco Pref	7,600	32,631
WEG	4,452	32,356
Britannia Industries	620	32,038
Fubon Financial	11,000	30,261
UPL	2,722	28,731
Bank Rakyat Indonesia Persero	92,200	28,235
Country Garden	28,000	27,637
Arca Continental	4,368	27,023
Naver	82	26,882
Mirae Asset Securities	3,520	25,155
Want Want China	28,000	24,963
PTT Public Company Limited	21,000	24,668
Kasikornbank	5,600	23,790
Hon Hai Precision Industry	6,000	23,363
Samsung Electronics Pref	424	23,058
Feng TAY Enterprise	3,000	22,030
FirstRand	5,397	21,952
HDFC Asset Management	673	21,385
NH Investment & Securities	2,180	21,203
Power Grid of India	7,515	20,777
SK Telecom	411	19,728
E.Sun Financial	21,000	19,566
Aurobindo Pharma	2,214	19,459
CAP	1,706	19,452
Wal-Mart de Mexico	5,600	19,445
Lojas Americanas Pref	16,100	19,432
Kumho Petrochemical	128	19,425
Grupo Aeroportuario del Pacífico	1,405	19,131
Shimao	11,500	19,041
PICC Property & Casualty	4,451	18,363
Sanlam	4,030	18,068

*Launched on 23 September 2021.

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FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF*

APPENDIX II - MATERIAL PURCHASES AND SALES (UNAUDITED)

For the period from 9 December 2021 to 31 March 2022

Asset Name	Acquisitions Nominal	Cost US\$
Prosus	181,712	15,580,352
KKR	224,977	15,459,875
Partners Holding	9,940	14,402,335
Blackstone	122,454	14,279,953
Brookfield Asset Management	250,221	14,251,596
Apollo Global Management	205,093	13,557,758
3i Group	478,930	9,255,824
EQT	207,385	8,441,128
Ares Capital	357,167	7,416,971
Onex	65,720	5,017,779
Ares Management	63,220	4,872,256
Intermediate Capital Group	163,324	4,304,956
Carlyle Group	81,896	4,171,497
Groupe Bruxelles Lambert	35,490	3,938,557
Eurazeo	42,647	3,733,648
HarbourVest Global Private Equity	66,794	2,559,689
Wendel	22,575	2,542,159
Prospect Capital	234,936	2,048,561
Hamilton Lane	20,094	1,888,288
HG Capital Trust	311,844	1,821,673

*Launched on 9 December 2021.

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FLEXSHARES ICAV
FLEXSHARES® LISTED PRIVATE EQUITY UCITS ETF*

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

For the period from 9 December 2021 to 31 March 2022

Asset Name	Disposals Nominal	Proceeds US\$
Intermediate Capital Group	110,907	2,576,479
Ares Management	31,038	2,501,650
3i Group	115,806	2,073,382
Blackstone	15,050	1,849,142
Polar Capital Technology Trust	39,177	1,172,218
Hamilton Lane	13,697	1,094,248
Onex	15,487	1,062,663
3i Infrastructure	182,073	824,846
JAFCO Group	45,400	728,762
Prospect Capital	73,592	601,983
Groupe Bruxelles Lambert	5,470	569,663
Intertrust	26,628	557,802
Pantheon International Fund	136,716	552,747
Owl Rock Capital	37,915	549,386
Carlyle Group	11,031	521,764
StepStone	15,267	518,159
Alliance Trust	36,876	475,439
Edinburgh Investment Trust	50,958	422,115
IP Group	288,643	367,203
Oaktree Specialty Lending	42,677	310,260
Golub Capital	17,214	258,209
Main Street Capital	5,922	248,545

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