

**FLEXSHARES ICAV**

**INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

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## FLEXSHARES ICAV

### MANAGEMENT AND GENERAL INFORMATION

|   |  |   |
|---|--|---|
| <b>Manager:</b>   | Northern Trust Fund Managers (Ireland) Limited <sup>2</sup><br>George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland  |   |
| <b>*Directors:</b>  | Mr. Gerald Brady <sup>1</sup><br>Ms. Claire Cawley <sup>1</sup><br>Mr. Ton Daniels <sup>1</sup><br>Ms. Marie Dzanis<br>Ms. Martha Fee<br>Ms. Deirdre Gormley (resigned 29 July 2021)<br>Mr. Bimal Shah | Irish Resident<br>Irish Resident<br>Dutch Resident<br>UK Resident<br>UK Resident<br>Irish Resident<br>UK Resident |
| <b>Investment Manager, UK<br/>Facilities Agent and Distributor:</b> | Northern Trust Global Investments Limited<br>50 Bank Street<br>Canary Wharf<br>London E14 5NT<br>United Kingdom  |   |
| <b>Depository:</b>  | Northern Trust Fiduciary Services (Ireland) Limited<br>George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland  |   |
| <b>Registered Office:</b>   | George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland   |   |
| <b>Administrator and Registrar:</b>                                 | Northern Trust International Fund Administration Services (Ireland) Limited<br>George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland  |   |
| <b>Independent Auditors:</b>  | KPMG Ireland<br>Chartered Accountants<br>1 Harbourmaster Place<br>International Financial Services Centre<br>Dublin 1<br>Ireland   |   |
| <b>Legal Advisor:</b>   | Maples and Calder (Ireland) LLP<br>75 St Stephen's Green<br>Dublin 2<br>D02 PR50<br>Ireland  |   |
| <b>Secretary of the ICAV:</b>                                       | Northern Trust International Fund Administration Services (Ireland) Limited<br>George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland  |   |

\*All Directors are Non-Executive

<sup>1</sup>Independent Directors

<sup>2</sup>Holders of Authorised non-participating voting shares

The Authorised Participant and appointed Market Maker for the ICAV is BNP Paribas.

## FLEXSHARES ICAV

### GENERAL INFORMATION

For the six months ended 30 September 2021

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 Act 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 30 September 2021 the ICAV comprises of four active Funds (the “Funds”).

| <b>Flexshares ICAV - Fund Name</b>                                 | <b>Central Bank Authorisation Date</b> | <b>Launch Date</b> | <b>Investment Objective</b>  |
|--|--|--------------------|--|
|  |  |                    | 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   |

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 “Depository”) has been appointed by the Manager to act as depository responsible for the safekeeping (amongst other responsibilities) of all of the assets of each Fund under the terms of a depository 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 as specified above.

For investors in Germany, the following Sub-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

### Dealing

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

### Shares

Each Fund may issue one or more classes of Shares. Shares may be issued as Accumulating Shares or Distributing Shares. It is the present intention that only Accumulating Shares will be issued for Flexshares® Developed Markets Low Volatility Climate ESG UCITS ETF and Flexshares® Emerging Markets Low Volatility Climate ESG 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.

## **FLEXSHARES ICAV**

### **GENERAL INFORMATION**

*For the six months ended 30 September 2021*

#### **Dividends**

Dividends were declared and paid during the six months ended 30 September 2021, (note 7).

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 and 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 ICAV

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

#### INVESTMENT REVIEWS

*For the six months ended 30 September 2021*

#### Launch Date

24 February 2021

#### Fund Size

USD 5.47 million

#### Benchmark

iSTOXX Northern Trust Developed Markets Low Volatility Climate ESG Index

#### Performance Data

|                  | Since Inception | 6 Months | 1 Year | 3 Years |
|------------------|-----------------|----------|--------|---------|
| <b>Fund</b>      | 9.44%           | 6.65%    | N/A    | N/A     |
| <b>Benchmark</b> | 9.60%           | 6.78%    | N/A    | N/A     |

#### Fund Review

##### Portfolio Summary

|                |      |
|----------------|------|
| UNITED STATES  | 64.0 |
| JAPAN          | 9.8  |
| SWITZERLAND    | 3.9  |
| CANADA         | 3.7  |
| UNITED KINGDOM | 3.2  |
| HONG KONG      | 2.3  |
| FRANCE         | 2.2  |
| GERMANY        | 2.1  |
| NETHERLANDS    | 2.0  |
| SPAIN          | 1.8  |
| OTHER          | 5.0  |

\*Source FactSet as at 30 Sept 2021. 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 6.65%, underperforming the benchmark return of 6.78%. Ex-post tracking error is not available until Q1 2022.

#### Northern Trust Global Investments Limited

London

October 2021

## FLEXSHARES ICAV

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

#### INVESTMENT REVIEWS

*For the six months ended 30 September 2021*

#### Launch Date

24 February 2021

#### Fund Size

USD 10.2 million

#### Benchmark

iSTOXX Northern Trust Developed Markets High Dividend Climate ESG Index

#### Performance Data

|                  | Since Inception | 6 Months | 1 Year | 3 Years |
|------------------|-----------------|----------|--------|---------|
| <b>Fund</b>      | 8.96%           | 6.00%    | N/A    | N/A     |
| <b>Benchmark</b> | 9.05%           | 6.12%    | N/A    | N/A     |

#### Fund Review

#### Portfolio Summary

|                |      |
|----------------|------|
| UNITED STATES  | 63.9 |
| JAPAN          | 8.2  |
| UNITED KINGDOM | 5.4  |
| CANADA         | 3.2  |
| FRANCE         | 2.8  |
| AUSTRALIA      | 2.7  |
| GERMANY        | 2.6  |
| SWITZERLAND    | 2.4  |
| NETHERLANDS    | 2.3  |
| SPAIN          | 1.8  |
| OTHER          | 4.6  |

\*Source FactSet as at 30 Sept 2021. 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 6.00%, underperforming the benchmark return of 6.12%. Ex-post tracking error is not available until Q1 2022.

#### Northern Trust Global Investments Limited

London

October 2021

## FLEXSHARES ICAV

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

#### INVESTMENT REVIEWS

*For the period since inception to 30 September 2021*

#### Launch Date

23 September 2021

#### Fund Size

USD 4.92 million

#### Benchmark

iSTOXX Northern Trust Emerging Markets Low Volatility Climate ESG Index

#### Performance Data

|                  | Since Inception | 6 Months | 1 Year | 3 Years |
|------------------|-----------------|----------|--------|---------|
| <b>Fund</b>      | -1.62%          | N/A      | N/A    | N/A     |
| <b>Benchmark</b> | -1.60%          | N/A      | N/A    | N/A     |

#### Fund Review

#### Portfolio Summary

|               |      |
|---------------|------|
| CHINA         | 21.0 |
| INDIA         | 18.4 |
| TAIWAN        | 18.1 |
| KOREA         | 14.1 |
| RUSSIA        | 4.7  |
| BRAZIL        | 4.1  |
| THAILAND      | 3.8  |
| UNITED STATES | 3.1  |
| MALAYSIA      | 2.8  |
| MEXICO        | 2.7  |
| OTHER         | 7.4  |

\*Source FactSet as at 30 Sept 2021. 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 September 23<sup>rd</sup> 2021. From inception to the period ending September 30<sup>th</sup> 2021, the fund posted a net total return of -1.62%, underperforming the benchmark return of -1.60%. Ex-post tracking error is not available until Q3 2022.

#### Northern Trust Global Investments Limited

London

October 2021



## FLEXSHARES ICAV

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

#### INVESTMENT REVIEWS

*For the period since inception to 30 September 2021*

#### Launch Date

23 September 2021

#### Fund Size

USD 4.93 million

#### Benchmark

iSTOXX Northern Trust Emerging Markets High Dividend Climate ESG Index

#### Performance Data

|                  | Since Inception | 6 Months | 1 Year | 3 Years |
|------------------|-----------------|----------|--------|---------|
| <b>Fund</b>      | -1.47%          | N/A      | N/A    | N/A     |
| <b>Benchmark</b> | -1.47%          | N/A      | N/A    | N/A     |

#### Fund Review

##### Portfolio Summary

|               |      |
|---------------|------|
| CHINA         | 21.1 |
| TAIWAN        | 18.0 |
| INDIA         | 16.7 |
| KOREA         | 16.6 |
| BRAZIL        | 4.8  |
| RUSSIA        | 3.9  |
| SOUTH AFRICA  | 3.5  |
| THAILAND      | 3.1  |
| UNITED STATES | 3.0  |
| INDONESIA     | 2.5  |
| OTHER         | 6.8  |

\*Source FactSet as at 30 Sept 2021. 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 September 23<sup>rd</sup> 2021. From inception to the period ending September 30<sup>th</sup> 2021, the fund posted a net total return of -1.47%, in line with the benchmark return of -1.47%. Ex-post tracking error is not available until Q3 2022.

#### Northern Trust Global Investments Limited

London

October 2021

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

|  | Notes | FlexShares®<br>Developed<br>Markets Low<br>Volatility Climate<br>ESG UCITS ETF<br>US\$ | FlexShares®<br>Developed<br>Markets High<br>Dividend Climate<br>ESG UCITS ETF<br>US\$ | FlexShares®<br>Emerging Markets<br>Low Volatility<br>Climate ESG<br>UCITS ETF*<br>US\$ | FlexShares®<br>Emerging Markets<br>High Dividend<br>Climate ESG<br>UCITS ETF*<br>US\$ |
|--|-------|--|---|--|---|
| <b>Assets</b>  |       |  |   |  |   |
| Cash and cash equivalents  | 9     | 124,437  | 67,154  | 153,428  | 183,403   |
| Margin cash  | 9     | 12,886   | 5,604   | 10,975   | 15,445  |
| Dividends receivable   |       | 5,520  | 15,494  | 2,955  | 2,665   |
| Other assets   |       | 70,113   | 70,619  | 6,934  | 6,881   |
| Transferable securities: Equities  | 11    | 5,361,453  | 10,147,034  | 4,754,701  | 4,728,169   |
| <b>Total assets</b>  |       | <b>5,574,409</b>   | <b>10,305,905</b>   | <b>4,928,993</b>   | <b>4,936,563</b>  |
| <b>Liabilities</b>   |       |  |   |  |   |
| Financial derivative instruments:  |       |  |   |  |   |
| Unrealised losses on futures contracts   | 11    | 4,770  | 2,056   | 2,600  | 2,860   |
| Investment management fees payable   | 6,10  | 3,565  | 7,343   | 296  | 334   |
| Administration fees payable  | 6,10  | 812  | 1,016   | 24   | 24  |
| Depositary fees payable  | 6,10  | 1,055  | 1,321   | 81   | 81  |
| Audit fees payable   |       | 3,744  | 3,744   | 1,074  | 1,074   |
| Directors fees payable   | 6,10  | 4,912  | 4,912   | 218  | 218   |
| Other liabilities  |       | 83,389   | 83,380  | 5,518  | 5,661   |
| <b>Total liabilities</b>   |       | <b>102,247</b>   | <b>103,772</b>  | <b>9,811</b>   | <b>10,252</b>   |
| <b>Net assets attributable to holders of<br/>redeemable participating shares</b> |       | <b>5,472,162</b>   | <b>10,202,133</b>   | <b>4,919,182</b>   | <b>4,926,311</b>  |
| Classified as equity   |       | 5,472,162  | 10,202,133  | 4,919,182  | 4,926,311   |
| NAV per share  |       | US\$27.36  | US\$26.89   | US\$24.60  | US\$24.63   |

\*Launched on 23 September 2021, therefore no comparatives are presented.

The accompanying notes form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

|  | Notes | FlexShares®<br>Developed<br>Markets Low<br>Volatility Climate<br>ESG UCITS ETF*<br>US\$ | FlexShares®<br>Developed<br>Markets High<br>Dividend Climate<br>ESG UCITS ETF*<br>US\$ |
|--|-------|---|--|
| <b>Assets</b>  |       |   |  |
| 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    | 5,090,329   | 4,289,095  |
| Financial derivative instruments:  |       |   |  |
| Unrealised gain on future contracts  | 11    | 497   | 402  |
| <b>Total assets</b>  |       | <u>5,148,792</u>  | <u>4,335,028</u>   |
| <b>Liabilities</b>   |       |   |  |
| Investment management fees payable   | 6,10  | (1,200)   | (1,171)  |
| Administration fees payable  | 6,10  | (120)   | (101)  |
| Depositary fees payable  | 6,10  | (96)  | (81)   |
| Audit fees payable   |       | (4,527)   | (4,526)  |
| Directors fees payable   | 6,10  | (516)   | (516)  |
| Other liabilities  |       | (11,603)  | (11,598)   |
| <b>Total liabilities</b>   |       | <u>(18,062)</u>   | <u>(17,993)</u>  |
| <b>Net assets attributable to holders of redeemable participating shares</b> |       | <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.

The accompanying notes form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

|   |       | FlexShares®<br>Developed Markets<br>Low Volatility<br>Climate ESG<br>UCITS ETF* | FlexShares®<br>Developed Markets<br>High Dividend<br>Climate UCITS<br>ETF* | FlexShares®<br>Emerging Markets<br>Low Volatility<br>Climate ESG<br>UCITS ETF** | FlexShares®<br>Emerging Markets<br>High Dividend<br>Climate UCITS<br>ETF** |
|---|-------|---|--|---|--|
|   | Notes | US\$  | US\$   | US\$  | US\$   |
| <b>Income</b>   |       |   |  |   |  |
| <i>Revenue from financial instruments at fair value through profit or loss:</i>                                     |       |   |  |   |  |
| Dividend income   |       | 65,329  | 111,826  | 3,590   | 3,753  |
| <i>Gains and losses from financial instruments at fair value through profit or loss:</i>                            |       |   |  |   |  |
| Net realised gains on investments   |       | 147,354   | 123,685  | -   | -  |
| Net unrealised gains/(losses) on investments  |       | 150,663   | (4,547)  | (79,462)  | (72,407)   |
| Realised and unrealised gains/(losses) on futures contracts   |       | 4,170   | 1,297  | (2,600)   | (2,860)  |
| <i>Income and losses from financial instruments that are not at fair value through profit or loss:</i>              |       |   |  |   |  |
| Bank interest income  | 5     | -   | -  | 53  | -  |
| Net realised (losses)/gains on foreign currency   |       | (974)   | (499)  | (238)   | 398  |
| Net unrealised losses on foreign currency   |       | (11)  | (170)  | (1,212)   | (1,022)  |
| Expenses rebate   | 6     | 125,279   | 125,784  | 6,881   | 6,881  |
| <b>Net income/(expenses)</b>  |       | <u>491,810</u>  | <u>357,376</u>   | <u>(72,988)</u>   | <u>(65,257)</u>  |
| <b>Operating expenses</b>   |       |   |  |   |  |
| Investment management fees  | 6,10  | (6,916)   | (10,616)   | (296)   | (333)  |
| Administration fees   | 6,10  | (692)   | (915)  | (24)  | (24)   |
| Depository fees   | 6,10  | (959)   | (1,240)  | (81)  | (81)   |
| Audit fees  |       | (17,701)  | (17,701)   | (1,074)   | (1,074)  |
| Directors' fees   | 6,10  | (4,397)   | (5,870)  | (218)   | (218)  |
| Transaction costs   |       | (1,992)   | (4,397)  | (4,834)   | (4,754)  |
| Other expenses  | 8     | (103,248)   | (103,276)  | (5,487)   | (5,491)  |
| <b>Total operating expenses before tax</b>  |       | <u>(135,905)</u>  | <u>(144,015)</u>   | <u>(12,014)</u>   | <u>(11,975)</u>  |
| <b>Operating profit/(expenses) before tax</b>   |       | 355,905   | 213,361  | (85,002)  | (77,232)   |
| Bank interest expense   | 5     | (104)   | (60)   | (35)  | (177)  |
| Distributions   | 7     | -   | (91,799)   | -   | -  |
| Withholding tax expense   |       | (14,369)  | (19,547)   | (588)   | (709)  |
| <b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b> |       | <u>341,432</u>  | <u>101,955</u>   | <u>(85,625)</u>   | <u>(78,118)</u>  |

\* Launched on 24 February 2021.

\*\* Launched on 23 September 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 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF COMPREHENSIVE INCOME

For the period from 25 June 2020 to 31 March 2021

|  | Notes | FlexShares®<br>Developed Markets<br>Low Volatility<br>Climate ESG<br>UCITS ETF*<br>US\$ | FlexShares®<br>Developed Markets<br>High Dividend<br>Climate UCITS<br>ETF*<br>US\$ |
|--|-------|---|--|
| <b>Income</b>  |       |   |  |
| <i>Revenue from financial instruments at fair value through profit or loss:</i>                          |       |   |  |
| Dividend income  |       | 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 (losses)/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 gains/(losses) on foreign currency  |       | (116)   | (144)  |
| Net unrealised gains/(losses) on foreign currency  |       | (388)   | (141)  |
| Expenses rebate  | 6     | 19,518  | 19,413   |
| <b>Net income</b>  |       | <u>154,392</u>  | <u>142,797</u>   |
| <b>Operating expenses</b>  |       |   |  |
| Investment management fees   | 6,10  | (1,200)   | (1,171)  |
| Administration fees  | 6,10  | (120)   | (101)  |
| Depositary fees  | 6,10  | (96)  | (81)   |
| Audit fees   |       | (4,527)   | (4,527)  |
| Directors' fees  | 6,10  | (516)   | (516)  |
| Transaction costs  |       | (1,743)   | (1,715)  |
| Other expenses   | 8     | (14,263)  | (14,194)   |
| <b>Total operating expenses before tax</b>   |       | <u>(22,465)</u>   | <u>(22,305)</u>  |
| <b>Operating profit before tax</b>   |       | 131,927   | 120,492  |
| Withholding tax (expense)  |       | (2,921)   | (5,165)  |
| <b>Increase in net assets attributable to holders of redeemable participating shares from operations</b> |       | <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 form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CHANGES IN NET ASSETS

For the six months ended 30 September 2021

|   | FlexShares®<br>Developed<br>Markets Low<br>Volatility Climate<br>ESG UCITS ETF*<br>US\$ | FlexShares®<br>Developed<br>Markets High<br>Dividend Climate<br>ESG UCITS ETF*<br>US\$ | FlexShares®<br>Emerging Markets<br>Low Volatility<br>Climate ESG<br>UCITS ETF**<br>US\$ | FlexShares®<br>Emerging Markets<br>High Dividend<br>Climate ESG<br>UCITS ETF**<br>US\$ |
|---|---|--|---|--|
| <b>Net assets attributable to holders of redeemable participating shares at the beginning of the period</b> | 5,130,730   | 4,317,035  | -   | -  |
| Increase/(decrease) in net assets attributable to redeemable participating shares                           | 341,432   | 101,955  | (85,625)  | (78,118)   |
| Issue of redeemable participating shares  | -   | 5,783,143  | 5,004,807   | 5,004,429  |
| Total contributions and redemptions by holders of redeemable participating shares                           | -   | 5,783,143  | 5,004,807   | 5,004,429  |
| <b>Net assets attributable to holders of redeemable participating shares at the end of the period</b>       | <b>5,472,162</b>  | <b>10,202,133</b>  | <b>4,919,182</b>  | <b>4,926,311</b>   |

\* Launched on 24 February 2021.

\*\* Launched on 23 September 2021.

The accompanying notes form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CHANGES IN NET ASSETS

For the period from 25 June 2020 to 31 March 2021

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

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

The accompanying notes form an integral part of these financial statements.

FLEXSHARES ICAV

STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

|   | <b>FlexShares®<br/>Developed<br/>Markets Low<br/>Volatility<br/>Climate ESG<br/>UCITS ETF*<br/>US\$</b> | <b>FlexShares®<br/>Developed<br/>Markets High<br/>Dividend<br/>Climate ESG<br/>UCITS ETF*<br/>US\$</b> | <b>FlexShares®<br/>Emerging<br/>Markets Low<br/>Volatility<br/>Climate ESG<br/>UCITS ETF**<br/>US\$</b> | <b>FlexShares®<br/>Emerging<br/>Markets High<br/>Dividend<br/>Climate ESG<br/>UCITS ETF**<br/>US\$</b> |
|---|---|--|---|--|
| <b>Cash flows from operating activities</b>   |   |  |   |  |
| Increase/(Decrease)in net assets attributable to holders of redeemable participating shares from operations | 341,432   | 101,955  | (85,625)  | (78,118)   |
| Purchase of investments   | (2,167,844)   | (8,718,096)  | (4,838,997)   | (4,805,330)  |
| Dividend income received  | 66,588  | 107,747  | 635   | 1,088  |
| Withholding tax paid  | (14,369)  | (19,547)   | (588)   | (709)  |
| <i>Adjustments for:</i>   |   |  |   |  |
| Withholding tax   | 14,369  | 19,547   | 588   | 709  |
| Net (gains)/losses on investments   | (290,758)   | (110,810)  | 86,896  | 80,021   |
| Net increase in debtors   | (50,595)  | (51,206)   | (6,934)   | (6,881)  |
| Net increase in margin cash   | (11,111)  | (3,782)  | (10,975)  | (15,445)   |
| Dividend income   | (65,329)  | (111,826)  | (3,590)   | (3,753)  |
| Net increase in creditors and accrued expenses  | 79,415  | 83,723   | 7,211   | 7,392  |
| <b>Net cash used in operating activities</b>  | <u>(2,098,202)</u>  | <u>(8,702,295)</u>   | <u>(4,851,379)</u>  | <u>(4,821,026)</u>   |
| <b>Cash flows from investing activities</b>   |   |  |   |  |
| Sale of investments   | 2,192,745   | 2,973,425  | -   | -  |
| <b>Net cash generated from investing activities</b>   | <u>2,192,745</u>  | <u>2,973,425</u>   | <u>-</u>  | <u>-</u>   |
| <b>Cash flows from financing activities</b>   |   |  |   |  |
| Proceeds from issue of redeemable shares  | -   | 5,783,143  | 5,004,807   | 5,004,429  |
| <b>Net cash generated from financing activities</b>   | <u>-</u>  | <u>5,783,143</u>   | <u>5,004,807</u>  | <u>5,004,429</u>   |
| <b>Net increase in cash</b>   | 94,543  | 54,273   | 153,428   | 183,403  |
| <b>Cash and cash equivalents at the beginning of the period</b>   | <u>29,894</u>   | <u>12,881</u>  | <u>-</u>  | <u>-</u>   |
| <b>Cash and cash equivalents at the end of the period</b>   | <u><u>124,437</u></u>   | <u><u>67,154</u></u>   | <u><u>153,428</u></u>   | <u><u>183,403</u></u>  |
| <b>Supplementary information</b>  |   |  |   |  |
| Bank interest paid  | (92)  | -  | -   | -  |
| Dividends received  | 52,219  | 88,200   | 47  | 379  |

\* Launched on 24 February 2021.

\*\* Launched on 23 September 2021.

The accompanying notes form an integral part of these financial statements.



FLEXSHARES ICAV

STATEMENT OF CASH FLOWS

For the period from 25 June 2020 to 31 March 2021

|   | FlexShares®<br>Developed<br>Markets Low<br>Volatility Climate<br>ESG UCITS ETF*<br>US\$ | FlexShares®<br>Developed<br>Markets High<br>Dividend Climate<br>ESG UCITS ETF*<br>US\$ |
|---|---|--|
| <b>Cash flows from operating activities</b>   |   |  |
| Increase in net assets attributable to holders of redeemable participating shares 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   | 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   |
| <b>Net cash used in operating activities</b>  | <u>(4,971,830)</u>  | <u>(4,188,827)</u>   |
| <b>Cash flows from financing activities</b>   |   |  |
| Proceeds from issue of redeemable shares  | 5,001,724   | 4,201,708  |
| <b>Net cash generated from financing activities</b>   | <u>5,001,724</u>  | <u>4,201,708</u>   |
| <b>Net increase in cash</b>   | 29,894  | 12,881   |
| <b>Cash and cash equivalents at the beginning of the period*</b>                                  | <u>-</u>  | <u>-</u>   |
| <b>Cash and cash equivalents at the end of the period*</b>  | <u><u>29,894</u></u>  | <u><u>12,881</u></u>   |
| <b>Supplementary information</b>  |   |  |
| Dividends received  | 6,290   | 11,145   |

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

The accompanying notes form an integral part of these financial statements.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

*For the six months ended 30 September 2021*

**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”), the class specific characteristics of a Class may be varied or abrogated by the ICAV, subject to the Central Bank Rules.

The ICAV’s Sub-Funds are registered in Ireland, United Kingdom, Germany, Netherlands and Sweden. Flexshares® Developed Markets Low Volatility Climate ESG UCITS ETF and Flexshares® Developed Markets High Dividend Climate ESG UCITS ETF are listed on the following stock exchanges: Deutsche Börse, Euronext Amsterdam, Euronext Dublin and London Stock Exchange. Flexshares® Emerging Markets Low Volatility Climate ESG UCITS ETF and Flexshares® Emerging Markets High Dividend Climate ESG UCITS ETF are listed on the following stock exchanges: Duetsche Börse and Euronext Amsterdam.

As at 30 September 2021, the ICAV comprises of four active Funds (the “Funds”).

**2. Basis of Preparation**

These financial statements for the six months ended 30 September 2021 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 Act 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”).

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**

Management has a reasonable expectation that the Funds have adequate resources to continue in operational existence for the foreseeable future. Therefore, the Funds continue to adopt the going concern basis of accounting in preparing their financial statements.

**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:

- 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).
- 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. Management 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 to be the US dollar (US\$), as the US dollar most faithfully represents the economic effects of their underlying transactions, events and conditions.

Management has 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 six months ended 30 September 2021

**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 judgement in applying accounting policies is included in Note 5 - *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.

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 six months ended 30 September 2021

5. Significant Accounting Policies (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 fair value hierarchy as at the beginning of the reporting period during which the change has occurred.

(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 six months ended 30 September 2021, there were no financial assets or liabilities subject to enforceable master netting arrangements or similar arrangements which would require disclosure.

**Dividend Income and Bank Interest**

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 within profit or loss 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 is insufficient to cover the expenses incurred by the Funds.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 September 2021*

**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 within profit or loss 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**

Any of the Funds distributions will be recognised in the Statement of Comprehensive Income.

**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.

**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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

5. Significant Accounting Policies (continued)

**Taxation (continued)**

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 period.

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**

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, Depository, 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 that will also be 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 Total Expense Ratio 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:

| <b>Fund</b>  | <b>Share Class</b>           | <b>Total Expense Ratio</b> |
|--|------------------------------|----------------------------|
| 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      |

The Total Expense Ratio (“TER”), which is expressed as a percentage of the Net Asset Value of the relevant Share Class of the Fund, represents the total expenses which will be borne by each share class of the Fund.

Any extraordinary expenses will be charged to the Fund in addition and will reduce the Net Asset Value of the relevant Share Class of the Fund accordingly.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

## 6. Fees and Expenses (continued)

### Total Expense Ratio (continued)

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.

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, Manager, Administrator and Depositary for the period are disclosed in the Statement of Comprehensive Income.

## 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.

#### For the period ended 30 September 2021

|  | Currency | For Period<br>Ended | XD Date           | Payment<br>Date   | Distribution<br>Per Share |
|--|----------|---------------------|-------------------|-------------------|---------------------------|
| <b>FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF</b> |          |                     |                   |                   |                           |
| USD Distributing Share Class   | USD      | 31 May 2021         | 17 June 2021      | 30 June 2021      | US\$34,507                |
| USD Distributing Share Class   | USD      | 31 August 2021      | 16 September 2021 | 29 September 2021 | US\$57,292                |

## 8. Other Expenses

#### For the period ended 30 September 2021

|                               | FlexShares®<br>Developed Markets<br>Low Volatility Climate<br>ESG UCITS ETF<br>US\$ | FlexShare®<br>Developed Markets<br>High Dividend Climate<br>ESG UCITS ETF<br>US\$ | FlexShares®<br>Emerging Markets<br>Low Volatility Climate<br>ESG UCITS ETF<br>US\$ | FlexShares®<br>Emerging Markets<br>High Dividend Climate<br>ESG UCITS ETF<br>US\$ |
|-------------------------------|---|---|--|---|
| <b>Other expenses</b>         |   |   |  |   |
| Corporate secretarial fees    | 1,373   | 1,373   | 111  | 111   |
| Directors insurance           | 473   | 473   | 2  | 2   |
| Legal fees                    | 5,412   | 5,412   | 269  | 269   |
| Professional services fees    | 16,981  | 16,980  | 1,842  | 1,843   |
| Registration and Filing Fee   | 19,737  | 19,736  | 962  | 962   |
| General expenses <sup>1</sup> | 59,272  | 59,302  | 2,301  | 2,304   |
| <b>Total</b>                  | <b>103,248</b>  | <b>103,276</b>  | <b>5,487</b>   | <b>5,491</b>  |

<sup>1</sup> Included within General expenses are tax agent fees and various listing fees.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

## 8. Other Expenses (continued)

For the period ended 31 March 2021

|                               | FlexShares®<br>Developed Markets<br>Low Volatility<br>Climate<br>ESG UCITS ETF*<br>US\$ | FlexShare®<br>Developed Markets<br>High Dividend<br>Climate<br>ESG UCITS ETF*<br>US\$ |
|-------------------------------|---|---|
| <b>Other expenses</b>         |   |   |
| Corporate secretarial fees    | (263)   | (262)   |
| Directors insurance           | (66)  | (66)  |
| Legal fees                    | (635)   | (635)   |
| Registration and Filing Fee   | (2,273)   | (2,273)   |
| General expenses <sup>1</sup> | (11,026)  | (10,958)  |
| <b>Total</b>                  | <u>(14,263)</u>   | <u>(14,194)</u>   |

<sup>1</sup> Included within General expenses are tax agent fees and various listing fees.

## 9. Cash and Cash Equivalents

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.

## 10. Transactions with Related Parties and Key Management Personnel

The following transactions were entered into during the period ended 30 September 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 30 September 2021.

|  | For the period ended<br>30 September 2021 | As at 30<br>September 2021 |
|--|---|----------------------------|
| FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF | US\$6,916                                 | US\$3,565                  |
| FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF  | US\$10,616                                | US\$7,343                  |
| FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF  | US\$296                                   | US\$296                    |
| FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF   | US\$333                                   | US\$334                    |

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. The following fees were earned by/payable to Northern Trust Fund Managers (Ireland) Limited, as Manager, during/as at the period ended 30 September 2021.

|  | For the period ended<br>30 September 2021 | As at 30<br>September 2021 |
|--|---|----------------------------|
| FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF | US\$0                                     | US\$0                      |
| FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF  | US\$0                                     | US\$0                      |
| FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF  | US\$0                                     | US\$0                      |
| FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF   | US\$0                                     | US\$0                      |

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 30 September 2021.

|  | For the period ended<br>30 September 2021 | As at 30<br>September 2021 |
|--|---|----------------------------|
| FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF | US\$692                                   | US\$812                    |
| FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF  | US\$915                                   | US\$1,016                  |
| FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF  | US\$24                                    | US\$24                     |
| FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF   | US\$24                                    | US\$24                     |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

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

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 period ended 30 September 2021.

|  | <b>For the period ended<br/>30 September 2021</b> | <b>As at 30<br/>September 2021</b> |
|--|---|------------------------------------|
| FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF | US\$959   | US\$1,055                          |
| FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF  | US\$1,240   | US\$1,321                          |
| FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF  | US\$81  | US\$81                             |
| FlexShares® Emerging 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 Depositary. Cash held with The Northern Trust Company for each Fund as at 30 September 2021 is disclosed in the Statement of Financial Position. Bank interest received/paid by each Fund (if any) during the period ended 30 September 2021 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.

**Investment management fees**

|  | <b>For the period ended<br/>31 March 2021</b> | <b>As at 31 March<br/>2021</b> |
|--|---|--------------------------------|
| 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. The following fees were earned by/payable to Northern Trust Fund Managers (Ireland) Limited, as Manager, during/as at the period ended 31 March 2021.

**Management fees**

|  | <b>For the period ended<br/>31 March 2021</b> | <b>As at 31 March<br/>2021</b> |
|--|---|--------------------------------|
| FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF | US\$0   | US\$0                          |
| FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF  | US\$0   | US\$0                          |

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.

**Administration fees**

|  | <b>For the period ended<br/>31 March 2021</b> | <b>As at 31 March<br/>2021</b> |
|--|---|--------------------------------|
| 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 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 period ended 31 March 2021.

**Depositary fee**

|  | <b>For the period ended<br/>31 March 2021</b> | <b>As at 31 March<br/>2021</b> |
|--|---|--------------------------------|
| 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 Depositary. 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

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

## 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.

No remuneration was paid to the Group Directors during the period.

Long term incentives awarded are delivered in the form of non-cash instruments and these restricted stock shares are recognised over the period that the restricted stock vests.

## Independent Non-Executive Directors' remuneration:

During the period the ICAV was charged a Directors fee by its Independent Non-Executive Directors amounting to US\$4,397 for the FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF of which US\$4,912 (31 March 2021: US\$516) was outstanding at period end, US\$5,870 for the FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF of which US\$4,912 (31 March 2021: US\$516) was outstanding at period end, US\$218 for FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF of which US\$218 (31 March 2021: N/A) was outstanding at period end and US\$218 for FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF of which US\$218 (31 March 2021: N/A) was outstanding at period end.

## 11. 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.

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 we 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

## 30 September 2021

|  | Level 1<br>US\$  | Level 2<br>US\$ | Level 3<br>US\$ | Total<br>US\$    |
|--|------------------|-----------------|-----------------|------------------|
| <i>Financial assets at fair value through profit or loss:</i>      |                  |                 |                 |                  |
| Equities   | 5,361,453        | -               | -               | 5,361,453        |
| <b>Total</b>   | <b>5,361,453</b> | <b>-</b>        | <b>-</b>        | <b>5,361,453</b> |
| <i>Financial liabilities at fair value through profit or loss:</i> |                  |                 |                 |                  |
| Unrealised losses on futures contracts                             | (4,770)          | -               | -               | (4,770)          |
| <b>Total</b>   | <b>(4,770)</b>   | <b>-</b>        | <b>-</b>        | <b>(4,770)</b>   |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

## 11. Fair Value Measurement (continued)

## FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

30 September 2021

|  | Level 1<br>US\$   | Level 2<br>US\$ | Level 3<br>US\$ | Total<br>US\$     |
|--|-------------------|-----------------|-----------------|-------------------|
| <i>Financial assets at fair value through profit or loss:</i>      |                   |                 |                 |                   |
| Equities   | 10,147,034        | -               | -               | 10,147,034        |
| Unrealised gains on futures contracts                              | -                 | -               | -               | -                 |
| Forward currency contracts - unrealised gains                      | -                 | -               | -               | -                 |
| <b>Total</b>   | <u>10,147,034</u> | <u>-</u>        | <u>-</u>        | <u>10,147,034</u> |
| <i>Financial liabilities at fair value through profit or loss:</i> |                   |                 |                 |                   |
| Unrealised losses on futures contracts                             | (2,056)           | -               | -               | (2,056)           |
| <b>Total</b>   | <u>(2,056)</u>    | <u>-</u>        | <u>-</u>        | <u>(2,056)</u>    |

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

30 September 2021

|  | Level 1<br>US\$  | Level 2<br>US\$ | Level 3<br>US\$ | Total<br>US\$    |
|--|------------------|-----------------|-----------------|------------------|
| <i>Financial assets at fair value through profit or loss:</i>      |                  |                 |                 |                  |
| Equities   | 4,754,701        | -               | -               | 4,754,701        |
| <b>Total</b>   | <u>4,754,701</u> | <u>-</u>        | <u>-</u>        | <u>4,754,701</u> |
| <i>Financial liabilities at fair value through profit or loss:</i> |                  |                 |                 |                  |
| Unrealised losses on futures contracts                             | (2,600)          | -               | -               | (2,600)          |
| <b>Total</b>   | <u>(2,600)</u>   | <u>-</u>        | <u>-</u>        | <u>(2,600)</u>   |

## FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

30 September 2021

|  | Level 1<br>US\$  | Level 2<br>US\$ | Level 3<br>US\$ | Total<br>US\$    |
|--|------------------|-----------------|-----------------|------------------|
| <i>Financial assets at fair value through profit or loss:</i>      |                  |                 |                 |                  |
| Equities   | 4,728,169        | -               | -               | 4,728,169        |
| <b>Total</b>   | <u>4,728,169</u> | <u>-</u>        | <u>-</u>        | <u>4,728,169</u> |
| <i>Financial liabilities at fair value through profit or loss:</i> |                  |                 |                 |                  |
| Unrealised losses on futures contracts                             | (2,860)          | -               | -               | (2,860)          |
| <b>Total</b>   | <u>(2,860)</u>   | <u>-</u>        | <u>-</u>        | <u>(2,860)</u>   |

## FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

31 March 2021

|   | Level 1<br>US\$  | Level 2<br>US\$ | Level 3<br>US\$ | Total<br>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              |
| <b>Total</b>  | <u>5,090,826</u> | <u>-</u>        | <u>-</u>        | <u>5,090,826</u> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

## 11. Fair Value Measurement (continued)

## FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

31 March 2021

|   | Level 1<br>US\$  | Level 2<br>US\$ | Level 3<br>US\$ | Total<br>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              |
| <b>Total</b>  | <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 financial instruments classified as Level 2 or Level 3 as at 30 September 2021.

There were no transfers between levels during the period ended 30 September 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 period 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 six months ended 30 September 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.

## 12. 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.

The following tables set out the movements in the Funds' redeemable participating shares during the period ended 30 September 2021.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

## 12. Shares Outstanding (continued)

|   | Shares in issue<br>1 April 2021 | Shares issued<br>during the<br>period | Shares<br>redeemed<br>during the<br>period | Shares in issue<br>30 September<br>2021 |
|---|---------------------------------|---------------------------------------|--|---|
| <b>FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF</b> |                                 |                                       |  |   |
| USD Accumulating Share Class  | 200,000                         | -                                     | -  | 200,000                                 |
| <b>FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF</b>  |                                 |                                       |  |   |
| USD Distributing Share Class  | 168,000                         | 211,415                               | -  | 379,415                                 |
| <b>FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF</b>  |                                 |                                       |  |   |
| USD Accumulating Share Class  | -                               | 200,000                               | -  | 200,000                                 |
| <b>FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF</b>   |                                 |                                       |  |   |
| USD Distributing Share Class  | -                               | 200,000                               | -  | 200,000                                 |

The following tables set out the movements in the Funds' redeemable participating shares during the period ended 31 March 2021.

|   | Shares in<br>24 February | Shares issued<br>during the<br>period | Shares redeemed<br>during the period | Shares in issue<br>31 March 2021 |
|---|--------------------------|---------------------------------------|--------------------------------------|----------------------------------|
| <b>FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF</b> |                          |                                       |                                      |                                  |
| USD Accumulating Share Class  | -                        | 200,000                               | -                                    | 200,000                          |
| <b>FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF</b>  |                          |                                       |                                      |                                  |
| USD Distributing Share Class  | -                        | 168,000                               | -                                    | 168,000                          |

## 13. 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.

## 14. Commitments and Contingencies

The Funds had no significant commitments or contingencies as at 30 September 2021.

## 15. 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.

## 30 September 2021

## FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF

|                        |        |                    |          |
|------------------------|--------|--------------------|----------|
| Australian dollar      | 1.3844 | Japanese yen       | 111.5748 |
| British pound sterling | 0.7416 | New Zealand dollar | 1.4496   |
| Canadian dollar        | 1.2669 | Singapore dollar   | 1.3576   |
| Danish Krone           | 6.4161 | Swedish krona      | 8.7485   |
| Euro                   | 0.8629 | Swiss franc        | 0.9329   |
| Hong Kong dollar       | 7.7847 |                    |          |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2021

## 15. Exchange Rates (continued)

## 30 September 2021

## FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

|                        |          |                      |        |
|------------------------|----------|----------------------|--------|
| Australian dollar      | 1.3844   | New Zealand dollar   | 1.4496 |
| British pound sterling | 0.7416   | Norwegian krone      | 8.7293 |
| Canadian dollar        | 1.2669   | Singapore dollar     | 1.3576 |
| Danish Krone           | 6.4161   | Swedish krona        | 8.7486 |
| Euro                   | 0.8629   | Swiss franc          | 0.9329 |
| Hong Kong dollar       | 7.7847   | United States Dollar | 1.0000 |
| Japanese yen           | 111.5750 |                      |        |

## 30 September 2021

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

|                  |          |                    |             |
|------------------|----------|--------------------|-------------|
| Brazilian Real   | 5.4489   | Korean Won         | 1,183.9998  |
| Chilean Peso     | 812.1193 | Malaysian \$       | 4.1772      |
| Hungarian Forint | 309.9487 | Taiwan Dollar      | 27.8605     |
| Indian Rupee     | 74.2275  | Mex Nuevo Peso     | 20.5445     |
| Euro             | 0.8629   | Turkish Lira       | 8.8843      |
| Hong Kong dollar | 7.7846   | South African Rand | 15.0450     |
| Egyptian Pound   | 15.7200  | Indo Rupiah        | 14,312.5000 |
| Philippine Peso  | 51.0100  | Pakistan Rupee     | 170.2500    |
| Russian Ruble    | 72.7850  | Thai Bahts         | 33.8350     |

## 30 September 2021

## FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF

|                  |             |                      |         |
|------------------|-------------|----------------------|---------|
| Brazilian Real   | 5.4489      | Malaysian \$         | 4.1865  |
| Chilean Peso     | 812.2000    | Philippine Peso      | 51.0100 |
| Colombian Peso   | 3,811.9300  | Russian Ruble        | 72.7850 |
| Hong Kong dollar | 7.7847      | Thai Bahts           | 33.8350 |
| Indo Rupiah      | 14,312.5000 | Turkish Lira         | 8.8843  |
| Indian Rupee     | 74.2275     | Taiwan Dollar        | 27.8605 |
| Korean Won       | 1,184.0000  | United States Dollar | 1.0000  |
| Mex Nuevo Peso   | 20.5445     | South African Rand   | 15.0450 |

## US dollar

## 31 March 2021

|                        |        |                  |          |
|------------------------|--------|------------------|----------|
| Australian dollar      | 1.3129 | Hong Kong dollar | 7.7744   |
| British pound sterling | 0.7248 | Japanese yen     | 110.5001 |
| Canadian dollar        | 1.2568 | Singapore dollar | 1.3436   |
| Danish Krone           | 6.3280 | Swedish krona    | 8.7162   |
| Euro                   | 0.8508 | Swiss franc      | 0.9412   |

## 16. Events during the Period

While the impact of Covid-19 still is and will continue to have an evolving effect on economies and society, the Funds continue to perform as designed in line with their indices and investment philosophies and without liquidity or quality issues.

FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF and FlexShares® Emerging Markets High Dividend Climate ESG UCITS ETF launched on 23 September 2021.

Effective as of 29 July 2021, Deirdre Gormley resigned as a director of the Manager and the ICAV.

There have been no other significant events affecting the Funds during the six month period.

## 17. Events Since the Period End

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

On 17 November 2021, Feargal Dempsey was appointed as a director of the board.

There have been no other significant events affecting the Funds subsequent to the six month period.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 September 2021*

**18. Approval of Financial Statements**

The financial statements were approved by the Directors of the ICAV on 24 November 2021.

## FLEXSHARES ICAV

### SUPPLEMENTARY INFORMATION

For the six months ended 30 September 2021

#### 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 period 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<br>30 September 2021 | Shares in issue<br>30 September 2021 | Net asset value<br>per Share<br>30 September  |
|---|--------------------------------------|--------------------------------------|---|
| <b>FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF</b> |                                      |                                      |   |
| USD Accumulating Share Class  | US\$5,472,162                        | 200,000                              | US\$27.36                                     |
| <b>FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF</b>  |                                      |                                      |   |
| USD Distributing Share Class  | US\$10,202,133                       | 379,415                              | US\$26.89                                     |
| <b>FlexShares® Emerging Markets Low Volatility Climate ESG UCITS ETF</b>  |                                      |                                      |   |
| USD Accumulating Share Class  | US\$4,919,182                        | 200,000                              | US\$24.60                                     |
| <b>FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF</b>  |                                      |                                      |   |
| USD Distributing Share Class  | US\$4,926,311                        | 200,000                              | US\$24.63                                     |
|   | Net asset value<br>31 March 2021     | Shares in issue<br>31 March 2021     | Net asset value<br>per Share<br>31 March 2021 |
| <b>FlexShares® Developed Markets Low Volatility Climate ESG UCITS ETF</b> |                                      |                                      |   |
| USD Accumulating Share Class  | US\$5,130,730                        | 200,000                              | US\$25.65                                     |
| <b>FlexShares® Developed Markets High Dividend Climate ESG UCITS ETF</b>  |                                      |                                      |   |
| 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.

#### Remuneration Disclosures

The ICAV has a remuneration policy 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>.



## FLEXSHARES ICAV

### SUPPLEMENTARY INFORMATION

*For the six months ended 30 September 2021*

#### **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.

|   |             |
|---|-------------|
| <b>Senior Management and other Code Staff</b> | <b>2021</b> |
| <b>Number of Code Staff</b>                   | <b>11</b>   |
| <b>Fixed remuneration (US\$m)</b>             | <b>0</b>    |
| <b>Variable remuneration (US\$m)</b>          | <b>0</b>    |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings | Financial assets at fair value through profit or loss  | Fair Value<br>US\$ | % of<br>Net Assets |
|----------|--|--------------------|--------------------|
|          | <b>Investments in Transferable Securities admitted to an official stock exchange listing</b> |                    |                    |
|          | <b>Equities: 97.97% (31 Mar 2021: 99.21%)</b>  |                    |                    |
|          | <b>Australia: 1.25% (31 Mar 2021: 1.31%)</b>   |                    |                    |
| 5,185    | APA  | 32,660             | 0.60               |
| 431      | Australia & New Zealand Banking  | 8,764              | 0.16               |
| 68       | Commonwealth Bank of Australia   | 5,125              | 0.09               |
| 1,088    | Medibank Pvt   | 2,821              | 0.05               |
| 1,024    | Westpac Banking  | 19,232             | 0.35               |
|          | <b>Total Australia</b>   | <b>68,602</b>      | <b>1.25</b>        |
|          | <b>Bermuda: 0.26% (31 Mar 2021: 0.64%)</b>   |                    |                    |
| 3,000    | Hongkong Land  | 14,400             | 0.26               |
|          | <b>Total Bermuda</b>   | <b>14,400</b>      | <b>0.26</b>        |
|          | <b>Canada: 3.64% (31 Mar 2021: 3.09%)</b>  |                    |                    |
| 322      | Bank of Nova Scotia  | 19,815             | 0.36               |
| 176      | Canadian National Railway  | 20,392             | 0.37               |
| 660      | Royal Bank of Canada   | 65,659             | 1.20               |
| 424      | Thomson Reuters  | 46,873             | 0.86               |
| 705      | Toronto-Dominion Bank  | 46,662             | 0.85               |
|          | <b>Total Canada</b>  | <b>199,401</b>     | <b>3.64</b>        |
|          | <b>Denmark: 0.68% (31 Mar 2021: 1.11%)</b>   |                    |                    |
| 105      | Coloplast  | 16,471             | 0.30               |
| 27       | Novo Nordisk   | 2,615              | 0.05               |
| 451      | Vestas Wind Systems  | 18,100             | 0.33               |
|          | <b>Total Denmark</b>   | <b>37,186</b>      | <b>0.68</b>        |
|          | <b>Finland: 0.79% (31 Mar 2021: 1.35%)</b>   |                    |                    |
| 179      | Elisa  | 11,128             | 0.20               |
| 460      | Kone   | 32,403             | 0.59               |
|          | <b>Total Finland</b>   | <b>43,531</b>      | <b>0.79</b>        |
|          | <b>France: 2.14% (31 Mar 2021: 1.72%)</b>  |                    |                    |
| 96       | Alstom   | 3,655              | 0.07               |
| 656      | AXA  | 18,311             | 0.34               |
| 116      | L'Oreal  | 47,974             | 0.88               |
| 10       | LVMH Moet Hennessy Louis Vuitton   | 7,187              | 0.13               |
| 255      | Orange   | 2,764              | 0.05               |
| 243      | Publicis Groupe  | 16,407             | 0.30               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings | Financial assets at fair value through profit or loss     | Fair Value<br>US\$ | % of<br>Net Assets |
|----------|---|--------------------|--------------------|
|          | <b>Equities: 97.97% (31 Mar 2021: 99.21%) (continued)</b> |                    |                    |
|          | <b>France: 2.14% (31 Mar 2021: 1.72%) (continued)</b>     |                    |                    |
| 633      | Suez  | 14,441             | 0.26               |
| 482      | Vivendi   | 6,092              | 0.11               |
|          | <b>Total France</b>                                       | <b>116,831</b>     | <b>2.14</b>        |
|          | <b>Germany: 2.04% (31 Mar 2021: 1.62%)</b>                |                    |                    |
| 61       | Allianz   | 13,774             | 0.25               |
| 458      | Deutsche Post   | 28,918             | 0.53               |
| 413      | Henkel Pref   | 38,378             | 0.70               |
| 23       | SAP   | 3,116              | 0.06               |
| 209      | Symrise   | 27,528             | 0.50               |
|          | <b>Total Germany</b>                                      | <b>111,714</b>     | <b>2.04</b>        |
|          | <b>Guernsey: 0.00% (31 Mar 2021: 0.26%)</b>               |                    |                    |
|          | <b>Hong Kong: 1.95% (31 Mar 2021: 2.28%)</b>              |                    |                    |
| 2,400    | AIA   | 27,732             | 0.51               |
| 2,100    | Hang Seng Bank  | 36,040             | 0.66               |
| 3,000    | New World Development                                     | 12,274             | 0.22               |
| 12,200   | Swire Properties  | 30,591             | 0.56               |
|          | <b>Total Hong Kong</b>                                    | <b>106,637</b>     | <b>1.95</b>        |
|          | <b>Ireland: 2.13% (31 Mar 2021: 1.67%)</b>                |                    |                    |
| 306      | Accenture   | 97,896             | 1.79               |
| 151      | Kingspan  | 15,050             | 0.28               |
| 12       | Linde   | 3,562              | 0.06               |
|          | <b>Total Ireland</b>                                      | <b>116,508</b>     | <b>2.13</b>        |
|          | <b>Italy: 0.51% (31 Mar 2021: 1.73%)</b>                  |                    |                    |
| 2,562    | Snam  | 14,240             | 0.26               |
| 1,935    | Terna Rete Elettrica Nazionale                            | 13,760             | 0.25               |
|          | <b>Total Italy</b>  | <b>28,000</b>      | <b>0.51</b>        |
|          | <b>Japan: 9.60% (31 Mar 2021: 9.57%)</b>                  |                    |                    |
| 700      | Ajinomoto   | 20,741             | 0.38               |
| 1,000    | Bridgestone   | 47,555             | 0.87               |
| 700      | Canon   | 17,193             | 0.31               |
| 600      | FP  | 22,263             | 0.41               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings  | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|---|---|--------------------|--------------------|
| <b>Equities: 97.97% (31 Mar 2021: 99.21%) (continued)</b> |   |                    |                    |
| <b>Japan: 9.60% (31 Mar 2021: 9.57%) (continued)</b>      |   |                    |                    |
| 200   | Fujifilm  | 17,278             | 0.32               |
| 100   | Fujitsu   | 18,203             | 0.33               |
| 100   | GMO Payment Gateway                                   | 12,709             | 0.23               |
| 700   | Hitachi Metals  | 13,533             | 0.25               |
| 1,500   | Japan Post Bank                                       | 12,906             | 0.24               |
| 7   | Japan Real Estate Investment Reits                    | 41,909             | 0.77               |
| 200   | Kagome  | 5,162              | 0.09               |
| 200   | Kao   | 11,929             | 0.22               |
| 700   | Marui   | 13,627             | 0.25               |
| 900   | Mizuho Financial                                      | 12,781             | 0.23               |
| 1,100   | Nomura Research Institute                             | 40,816             | 0.75               |
| 600   | Pan Pacific International                             | 12,465             | 0.23               |
| 1,300   | Ricoh   | 13,376             | 0.24               |
| 800   | Seiko Epson   | 16,197             | 0.30               |
| 500   | SG  | 14,251             | 0.26               |
| 168   | Shimano   | 49,538             | 0.91               |
| 700   | SoftBank  | 9,502              | 0.17               |
| 400   | Systemex  | 49,940             | 0.91               |
| 600   | Toho Gas  | 26,216             | 0.48               |
| 800   | Tokyo Gas   | 14,907             | 0.27               |
| 2,400   | Yamada  | 10,110             | 0.18               |
| <b>Total Japan</b>  |   | <b>525,107</b>     | <b>9.60</b>        |
| <b>Jersey: 0.29% (31 Mar 2021: 0.21%)</b>                 |   |                    |                    |
| 554   | Polymetal International                               | 9,397              | 0.17               |
| 504   | WPP   | 6,799              | 0.12               |
| <b>Total Jersey</b>                                       |   | <b>16,196</b>      | <b>0.29</b>        |
| <b>Luxembourg: 0.00% (31 Mar 2021: 0.22%)</b>             |   |                    |                    |
| <b>Netherlands: 1.98% (31 Mar 2021: 1.83%)</b>            |   |                    |                    |
| 23  | ASML  | 17,217             | 0.31               |
| 976   | Koninklijke Philips                                   | 43,368             | 0.79               |
| 306   | NN  | 16,055             | 0.29               |
| 641   | Signify   | 32,056             | 0.59               |
| <b>Total Netherlands</b>                                  |   | <b>108,696</b>     | <b>1.98</b>        |
| <b>Singapore: 0.69% (31 Mar 2021: 0.85%)</b>              |   |                    |                    |
| 5,100   | Singapore Exchange                                    | 37,491             | 0.69               |
| <b>Total Singapore</b>                                    |   | <b>37,491</b>      | <b>0.69</b>        |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings  | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|---|---|--------------------|--------------------|
| <b>Equities: 97.97% (31 Mar 2021: 99.21%) (continued)</b> |   |                    |                    |
| <b>Spain: 1.73% (31 Mar 2021: 1.40%)</b>                  |   |                    |                    |
| 1,920   | Enagas  | 42,735             | 0.78               |
| 1,398   | Iberdrola   | 14,070             | 0.26               |
| 866   | Naturgy Energy  | 21,829             | 0.40               |
| 775   | Red Electrica   | 15,548             | 0.29               |
| <b>Total Spain</b>  |   | <b>94,182</b>      | <b>1.73</b>        |
| <b>Sweden: 0.24% (31 Mar 2021: 0.23%)</b>                 |   |                    |                    |
| 3,190   | TeliaAB   | 13,172             | 0.24               |
| <b>Total Sweden</b>                                       |   | <b>13,172</b>      | <b>0.24</b>        |
| <b>Switzerland: 3.81% (31 Mar 2021: 3.92%)</b>            |   |                    |                    |
| 9   | Givaudan  | 41,119             | 0.75               |
| 539   | Nestle  | 65,118             | 1.19               |
| 111   | Novartis  | 9,142              | 0.17               |
| 37  | Roche   | 13,563             | 0.25               |
| 6   | SGS   | 17,533             | 0.32               |
| 26  | Swisscom  | 14,978             | 0.27               |
| 115   | Zurich Insurance                                      | 47,289             | 0.86               |
| <b>Total Switzerland</b>                                  |   | <b>208,742</b>     | <b>3.81</b>        |
| <b>United Kingdom: 3.02% (31 Mar 2021: 3.30%)</b>         |   |                    |                    |
| 30  | AstraZeneca   | 3,624              | 0.07               |
| 2,821   | Aviva   | 15,059             | 0.28               |
| 4,023   | ConvaTec  | 11,717             | 0.21               |
| 892   | Direct Line Insurance                                 | 3,483              | 0.06               |
| 1,190   | GlaxoSmithKline                                       | 22,521             | 0.41               |
| 243   | Hargreaves Lansdown                                   | 4,690              | 0.09               |
| 3,625   | Pearson   | 34,791             | 0.64               |
| 1,671   | RELX  | 48,374             | 0.88               |
| 199   | Segro Reits   | 3,206              | 0.06               |
| 52  | St James's Place                                      | 1,057              | 0.02               |
| 59  | Unilever  | 3,186              | 0.06               |
| 1,028   | United Utilities                                      | 13,423             | 0.24               |
| <b>Total United Kingdom</b>                               |   | <b>165,131</b>     | <b>3.02</b>        |
| <b>United States: 61.22% (31 Mar 2021: 60.92%)</b>        |   |                    |                    |
| 96  | Abbott Laboratories                                   | 11,340             | 0.21               |
| 400   | AbbVie  | 43,148             | 0.79               |
| 181   | Adobe   | 104,205            | 1.90               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Equities: 97.97% (31 Mar 2021: 99.21%) (continued)</b>      |   |                    |                    |
| <b>United States: 61.22% (31 Mar 2021: 60.92%) (continued)</b> |   |                    |                    |
| 39   | Alphabet  | 103,947            | 1.90               |
| 19   | Amazon.com  | 62,416             | 1.14               |
| 270  | Amgen   | 57,416             | 1.05               |
| 60   | Anthem  | 22,368             | 0.41               |
| 1,440  | Apple   | 203,760            | 3.72               |
| 1,630  | AT&T  | 44,026             | 0.80               |
| 138  | Autodesk  | 39,353             | 0.72               |
| 242  | Automatic Data Processing                             | 48,381             | 0.88               |
| 432  | Bank of America                                       | 18,338             | 0.34               |
| 218  | Baxter International                                  | 17,534             | 0.32               |
| 82   | Becton Dickinson                                      | 20,157             | 0.37               |
| 101  | Biogen  | 28,582             | 0.52               |
| 16   | Broadcom  | 7,759              | 0.14               |
| 90   | Broadridge Financial Solutions                        | 14,998             | 0.27               |
| 174  | Church & Dwight                                       | 14,367             | 0.26               |
| 90   | Cigna   | 18,014             | 0.33               |
| 1,831  | Cisco Systems Inc/Delaware                            | 99,661             | 1.82               |
| 44   | Citigroup   | 3,088              | 0.06               |
| 201  | Clorox  | 33,288             | 0.61               |
| 163  | Coca-Cola   | 8,553              | 0.16               |
| 571  | Colgate-Palmolive                                     | 43,156             | 0.79               |
| 205  | Costco Wholesale                                      | 92,117             | 1.68               |
| 643  | CSX   | 19,123             | 0.35               |
| 395  | Dell Technologies                                     | 41,096             | 0.75               |
| 20   | Dollar General  | 4,243              | 0.08               |
| 134  | Dollar Tree   | 12,826             | 0.23               |
| 658  | eBay  | 45,843             | 0.84               |
| 124  | Electronic Arts                                       | 17,639             | 0.32               |
| 32   | Eli Lilly   | 7,394              | 0.14               |
| 2  | Equinix Reits   | 1,580              | 0.03               |
| 151  | Estee Lauder Cos                                      | 45,289             | 0.83               |
| 65   | Facebook  | 22,060             | 0.40               |
| 287  | General Mills   | 17,168             | 0.31               |
| 720  | Gilead Sciences                                       | 50,292             | 0.92               |
| 66   | Home Depot  | 21,665             | 0.40               |
| 1,491  | HP  | 40,794             | 0.75               |
| 6  | Humana  | 2,335              | 0.04               |
| 206  | Illinois Tool Works                                   | 42,566             | 0.78               |
| 288  | Intel   | 15,345             | 0.28               |
| 652  | Johnson & Johnson                                     | 105,298            | 1.93               |
| 418  | JPMorgan Chase  | 68,422             | 1.25               |
| 674  | Kellogg Class C                                       | 43,082             | 0.79               |
| 133  | Kimberly-Clark  | 17,615             | 0.32               |
| 10   | Lowe's Cos  | 2,029              | 0.04               |
| 151  | Marsh & McLennan Cos                                  | 22,866             | 0.42               |
| 302  | Mastercard  | 104,999            | 1.92               |
| 346  | McDonald's  | 83,424             | 1.52               |

FLEXSHARES ICAV

APPENDIX I: PORTFOLIO STATEMENTS

FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Equities: 97.97% (31 Mar 2021: 99.21%) (continued)</b>          |   |                    |                    |
| <b>United States: 61.22% (31 Mar 2021: 60.92%) (continued)</b>     |   |                    |                    |
| 579  | Merck   | 43,489             | 0.79               |
| 996  | Microsoft   | 280,792            | 5.13               |
| 52   | Moody's   | 18,466             | 0.34               |
| 529  | Newmont   | 28,725             | 0.52               |
| 63   | Norfolk Southern                                      | 15,073             | 0.28               |
| 809  | Oracle  | 70,488             | 1.29               |
| 108  | Packaging of America                                  | 14,844             | 0.27               |
| 752  | Pfizer  | 32,344             | 0.59               |
| 745  | Procter & Gamble                                      | 104,151            | 1.90               |
| 31   | Qualcomm  | 3,998              | 0.07               |
| 26   | Regeneron Pharmaceuticals                             | 15,735             | 0.29               |
| 171  | Republic Services                                     | 20,530             | 0.38               |
| 58   | S&P Global  | 24,644             | 0.45               |
| 198  | salesforce.com  | 53,702             | 0.98               |
| 9  | SolarEdge Technologies                                | 2,387              | 0.04               |
| 15   | Starbucks   | 1,655              | 0.03               |
| 88   | T Rowe Price  | 17,310             | 0.32               |
| 231  | Target  | 52,846             | 0.97               |
| 115  | Texas Instruments                                     | 22,104             | 0.40               |
| 15   | Thermo Fisher Scientific                              | 8,570              | 0.16               |
| 308  | Union Pacific   | 60,371             | 1.10               |
| 332  | United Parcel Service                                 | 60,457             | 1.11               |
| 59   | UnitedHealth  | 23,054             | 0.42               |
| 875  | Verizon Communications                                | 47,259             | 0.86               |
| 160  | Vertex Pharmaceuticals                                | 29,022             | 0.53               |
| 337  | Visa  | 75,067             | 1.37               |
| 266  | Vmware  | 39,554             | 0.72               |
| 332  | Walmart   | 46,274             | 0.85               |
| 324  | Walt Disney   | 54,811             | 1.00               |
| 330  | Waste Management                                      | 49,288             | 0.90               |
| 141  | Williams Cos  | 3,657              | 0.07               |
| 246  | Yum China   | 14,294             | 0.26               |
| <b>Total United States</b>   |   | <b>3,349,926</b>   | <b>61.22</b>       |
| <b>Total Equities</b>  |   | <b>5,361,453</b>   | <b>97.97</b>       |
| <b>Total Financial assets at fair value through profit or loss</b> |   | <b>5,361,453</b>   | <b>97.97</b>       |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

**Financial Derivative Instruments Dealt on a Regulated Market****Unrealised Gain on Futures Contracts: 0.00% (31 Mar 2021: 0.01%)****Unrealised Loss on Futures Contracts: (0.09%) (31 Mar 2021: 0.00%)**

| <b>Counterparty</b>  | <b>Description</b>          | <b>Currency</b> | <b>No. of<br/>Contracts</b> | <b>Unrealised<br/>Loss<br/>US\$</b> | <b>% of<br/>Net Assets</b>   |
|--|-----------------------------|-----------------|-----------------------------|-------------------------------------|------------------------------|
| Merrill Lynch  | CME S&P Micro December 2021 | USD             | 5                           | (4,770)                             | (0.09)                       |
| <b>Total Unrealised Loss on Futures Contracts</b>                            |                             |                 |                             | <b>(4,770)</b>                      | <b>(0.09)</b>                |
| <b>Total Financial Derivative Instruments Dealt on a Regulated Market</b>    |                             |                 |                             | <b>(4,770)</b>                      | <b>(0.09)</b>                |
|  |                             |                 |                             | <b>Fair Value<br/>US\$</b>          | <b>% of<br/>Net Assets</b>   |
| <b>Total Value of Investments</b>  |                             |                 |                             | <b>5,356,683</b>                    | <b>97.88</b>                 |
| Cash and Cash Equivalents  |                             |                 |                             | 124,437                             | 2.27                         |
| Margin Cash  |                             |                 |                             | 12,886                              | 0.24                         |
| Other Net Liabilities  |                             |                 |                             | (21,844)                            | (0.39)                       |
| <b>Net Assets Attributable to Holders of Redeemable Participating Shares</b> |                             |                 |                             | <b>5,472,162</b>                    | <b>100.00</b>                |
| <b>Portfolio Classification</b>  |                             |                 |                             |                                     | <b>% of Total<br/>Assets</b> |
| Transferable securities admitted to an official stock exchange listing       |                             |                 |                             |                                     | 96.18                        |
| Financial derivative instruments dealt on a regulated market                 |                             |                 |                             |                                     | -                            |
| Other current assets   |                             |                 |                             |                                     | 3.82                         |
|  |                             |                 |                             |                                     | <b>100.00</b>                |



## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings | Financial assets at fair value through profit or loss  | Fair Value<br>US\$ | % of<br>Net Assets |
|----------|--|--------------------|--------------------|
|          | <b>Investments in Transferable Securities admitted to an official stock exchange listing</b> |                    |                    |
|          | <b>Equities: 99.46% (31 Mar 2021: 99.35%)</b>  |                    |                    |
|          | <b>Australia: 2.73% (31 Mar 2021: 2.53%)</b>   |                    |                    |
| 24,526   | Aurizon  | 67,145             | 0.66               |
| 1,770    | Australia & New Zealand Banking  | 35,991             | 0.35               |
| 93       | BHP  | 2,527              | 0.02               |
| 98       | Commonwealth Bank of Australia   | 7,386              | 0.07               |
| 4,102    | Fortescue Metals   | 44,328             | 0.44               |
| 1,935    | JB Hi-Fi   | 63,625             | 0.62               |
| 62       | Magellan Financial   | 1,584              | 0.02               |
| 776      | Rio Tinto  | 56,155             | 0.55               |
|          | <b>Total Australia</b>   | <b>278,741</b>     | <b>2.73</b>        |
|          | <b>Belgium: 0.70% (31 Mar 2021: 0.67%)</b>   |                    |                    |
| 907      | Ageas  | 45,011             | 0.44               |
| 1,349    | Proximus SADP  | 26,797             | 0.26               |
|          | <b>Total Belgium</b>   | <b>71,808</b>      | <b>0.70</b>        |
|          | <b>Canada: 3.14% (31 Mar 2021: 3.13%)</b>  |                    |                    |
| 787      | BCE  | 39,417             | 0.38               |
| 1,237    | Royal Bank of Canada   | 123,060            | 1.21               |
| 473      | Thomson Reuters  | 52,290             | 0.51               |
| 1,603    | Toronto-Dominion Bank  | 106,099            | 1.04               |
|          | <b>Total Canada</b>  | <b>320,866</b>     | <b>3.14</b>        |
|          | <b>Cayman Islands: 0.00% (31 Mar 2021: 0.56%)</b>  |                    |                    |
|          | <b>Curacao: 0.00% (31 Mar 2021: 0.74%)</b>   |                    |                    |
|          | <b>Denmark: 1.47% (31 Mar 2021: 0.88%)</b>   |                    |                    |
| 46       | Coloplast  | 7,216              | 0.07               |
| 134      | Novo Nordisk   | 12,978             | 0.13               |
| 492      | Orsted   | 65,088             | 0.64               |
| 63       | ROCKWOOL International   | 27,042             | 0.27               |
| 925      | Vestas Wind Systems  | 37,123             | 0.36               |
|          | <b>Total Denmark</b>   | <b>149,447</b>     | <b>1.47</b>        |
|          | <b>Finland: 0.00% (31 Mar 2021: 1.45%)</b>   |                    |                    |

FLEXSHARES ICAV

APPENDIX I: PORTFOLIO STATEMENTS

FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

As at 30 September 2021

| Holdings  | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|---|---|--------------------|--------------------|
| <b>Equities: 99.46% (31 Mar 2021: 99.35%) (continued)</b> |   |                    |                    |
| <b>France: 2.82% (31 Mar 2021: 2.52%)</b>                 |   |                    |                    |
| 1,571   | AXA   | 43,852             | 0.43               |
| 216   | L'Oreal   | 89,331             | 0.88               |
| 26  | LVMH Moët Hennessy Louis Vuitton                      | 18,685             | 0.18               |
| 623   | Orange  | 6,752              | 0.07               |
| 1,117   | Publicis Groupe                                       | 75,420             | 0.74               |
| 58  | Sanofi  | 5,585              | 0.05               |
| 289   | Schneider Electric                                    | 48,197             | 0.47               |
| <b>Total France</b>                                       |   | <b>287,822</b>     | <b>2.82</b>        |
| <b>Germany: 2.57% (31 Mar 2021: 2.26%)</b>                |   |                    |                    |
| 188   | Allianz   | 42,452             | 0.42               |
| 1,157   | Deutsche Post   | 73,053             | 0.72               |
| 248   | Porsche Automobil Pref                                | 24,701             | 0.24               |
| 897   | SAP   | 121,506            | 1.19               |
| <b>Total Germany</b>                                      |   | <b>261,712</b>     | <b>2.57</b>        |
| <b>Hong Kong: 0.16% (31 Mar 2021: 0.96%)</b>              |   |                    |                    |
| 4,000   | New World Development                                 | 16,366             | 0.16               |
| <b>Total Hong Kong</b>                                    |   | <b>16,366</b>      | <b>0.16</b>        |
| <b>Ireland: 1.99% (31 Mar 2021: 2.72%)</b>                |   |                    |                    |
| 317   | Accenture   | 101,415            | 0.99               |
| 338   | Kingspan  | 33,688             | 0.33               |
| 398   | Trane Technologies                                    | 68,715             | 0.67               |
| <b>Total Ireland</b>                                      |   | <b>203,818</b>     | <b>1.99</b>        |
| <b>Italy: 0.00% (31 Mar 2021: 0.64%)</b>                  |   |                    |                    |
| <b>Japan: 8.13% (31 Mar 2021: 8.27%)</b>                  |   |                    |                    |
| 1,400   | Asics   | 32,147             | 0.32               |
| 1,600   | Bridgestone   | 76,089             | 0.75               |
| 1,000   | Chugai Pharmaceutical                                 | 36,773             | 0.36               |
| 600   | Daito Trust Construction                              | 70,123             | 0.69               |
| 200   | Hitachi   | 11,902             | 0.12               |
| 11  | Japan Real Estate Investment REIT                     | 65,857             | 0.65               |
| 1,200   | Kao   | 71,575             | 0.70               |
| 2,000   | Mitsui Chemicals                                      | 67,488             | 0.66               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings  | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|---|---|--------------------|--------------------|
| <b>Equities: 99.46% (31 Mar 2021: 99.35%) (continued)</b> |   |                    |                    |
| <b>Japan: 8.13% (31 Mar 2021: 8.27%) (continued)</b>      |   |                    |                    |
| 14,300  | Nomura  | 70,952             | 0.69               |
| 2,200   | Nomura Research Institute                             | 81,631             | 0.80               |
| 1,700   | Recruit   | 104,095            | 1.02               |
| 1,000   | Seiko Epson   | 20,246             | 0.19               |
| 3,100   | Sekisui House   | 65,334             | 0.64               |
| 137   | Sony  | 15,293             | 0.15               |
| 1,200   | Takeda Pharmaceutical                                 | 39,783             | 0.39               |
| <b>Total Japan</b>  |   | <b>829,288</b>     | <b>8.13</b>        |
| <b>Jersey: 0.00% (31 Mar 2021: 0.24%)</b>                 |   |                    |                    |
| <b>Netherlands: 2.31% (31 Mar 2021: 1.49%)</b>            |   |                    |                    |
| 50  | ASML  | 37,428             | 0.37               |
| 813   | ASR Nederland   | 37,237             | 0.36               |
| 1,573   | Koninklijke Philips                                   | 69,895             | 0.69               |
| 667   | NN  | 34,995             | 0.34               |
| 492   | Randstad  | 33,129             | 0.32               |
| 474   | Signify   | 23,704             | 0.23               |
| <b>Total Netherlands</b>                                  |   | <b>236,388</b>     | <b>2.31</b>        |
| <b>New Zealand: 0.58% (31 Mar 2021: 0.00%)</b>            |   |                    |                    |
| 5,004   | Contact Energy  | 29,169             | 0.29               |
| 6,507   | Mercury NZ  | 29,178             | 0.29               |
| <b>Total New Zealand</b>                                  |   | <b>58,347</b>      | <b>0.58</b>        |
| <b>Norway: 0.64% (31 Mar 2021: 0.06%)</b>                 |   |                    |                    |
| 2,951   | Gjensidige Forsikring                                 | 65,516             | 0.64               |
| <b>Total Norway</b>                                       |   | <b>65,516</b>      | <b>0.64</b>        |
| <b>Singapore: 0.00% (31 Mar 2021: 0.42%)</b>              |   |                    |                    |
| <b>Spain: 1.81% (31 Mar 2021: 1.71%)</b>                  |   |                    |                    |
| 2,201   | Enagas  | 48,989             | 0.48               |
| 2,492   | Naturgy Energy  | 62,816             | 0.62               |
| 15,362  | Telefonica  | 72,052             | 0.71               |
| <b>Total Spain</b>  |   | <b>183,857</b>     | <b>1.81</b>        |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings | Financial assets at fair value through profit or loss     | Fair Value<br>US\$ | % of<br>Net Assets |
|----------|---|--------------------|--------------------|
|          | <b>Equities: 99.46% (31 Mar 2021: 99.35%) (continued)</b> |                    |                    |
|          | <b>Sweden: 0.73% (31 Mar 2021: 0.97%)</b>                 |                    |                    |
| 2,468    | Electrolux  | 57,070             | 0.56               |
| 1,418    | Husqvarna   | 17,027             | 0.17               |
|          | <b>Total Sweden</b>                                       | <b>74,097</b>      | <b>0.73</b>        |
|          | <b>Switzerland: 2.34% (31 Mar 2021: 3.63%)</b>            |                    |                    |
| 94       | Geberit   | 69,428             | 0.68               |
| 387      | Nestle  | 46,754             | 0.46               |
| 266      | Novartis  | 21,908             | 0.21               |
| 84       | Roche   | 30,791             | 0.30               |
| 346      | Swiss Re  | 29,724             | 0.29               |
| 98       | Zurich Insurance  | 40,299             | 0.40               |
|          | <b>Total Switzerland</b>                                  | <b>238,904</b>     | <b>2.34</b>        |
|          | <b>United Kingdom: 5.42% (31 Mar 2021: 4.17%)</b>         |                    |                    |
| 16,029   | abrdn   | 55,242             | 0.54               |
| 81       | AstraZeneca   | 9,784              | 0.10               |
| 4,646    | Aviva   | 24,801             | 0.24               |
| 1,141    | Coca-Cola Europacific Partners                            | 63,086             | 0.62               |
| 4,421    | GlaxoSmithKline   | 83,669             | 0.82               |
| 8,392    | Legal & General   | 31,807             | 0.31               |
| 22,127   | M&G   | 60,744             | 0.60               |
| 3,528    | Pearson   | 33,860             | 0.33               |
| 1,075    | Persimmon   | 38,672             | 0.38               |
| 2,793    | RELX  | 80,855             | 0.79               |
| 179      | Rio Tinto   | 11,859             | 0.12               |
| 2,627    | Tesco   | 8,972              | 0.09               |
| 225      | Unilever  | 12,150             | 0.12               |
| 24,243   | Vodafone  | 37,036             | 0.36               |
|          | <b>Total United Kingdom</b>                               | <b>552,537</b>     | <b>5.42</b>        |
|          | <b>United States: 61.92% (31 Mar 2021: 59.33%)</b>        |                    |                    |
| 22       | 3M  | 3,859              | 0.04               |
| 181      | Abbott Laboratories                                       | 21,382             | 0.21               |
| 781      | AbbVie  | 84,246             | 0.83               |
| 13       | Alphabet  | 34,649             | 0.34               |
| 48       | Amazon  | 157,682            | 1.55               |
| 579      | American Express  | 97,000             | 0.95               |
| 17       | American Tower REIT                                       | 4,512              | 0.04               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings | Financial assets at fair value through profit or loss          | Fair Value<br>US\$ | % of<br>Net Assets |
|----------|--|--------------------|--------------------|
|          | <b>Equities: 99.46% (31 Mar 2021: 99.35%) (continued)</b>      |                    |                    |
|          | <b>United States: 61.92% (31 Mar 2021: 59.33%) (continued)</b> |                    |                    |
| 492      | Amgen  | 104,624            | 1.03               |
| 3,714    | Annaly Capital Management REIT                                 | 31,272             | 0.31               |
| 129      | Anthem   | 48,091             | 0.47               |
| 3,500    | Apple  | 495,251            | 4.85               |
| 53       | Applied Materials  | 6,823              | 0.07               |
| 3,139    | AT&T   | 84,784             | 0.83               |
| 415      | Automatic Data Processing                                      | 82,967             | 0.81               |
| 331      | AvalonBay Communities REIT                                     | 73,363             | 0.72               |
| 975      | Bank of America  | 41,389             | 0.41               |
| 1,394    | Bank of New York Mellon Corp                                   | 72,265             | 0.71               |
| 652      | Best Buy   | 68,923             | 0.68               |
| 315      | Boston Properties REIT   | 34,130             | 0.33               |
| 40       | Broadcom   | 19,397             | 0.19               |
| 1,128    | Cardinal Health  | 55,791             | 0.55               |
| 185      | Cigna  | 37,030             | 0.36               |
| 2,672    | Cisco Systems  | 145,437            | 1.43               |
| 1,825    | Citigroup  | 128,079            | 1.26               |
| 414      | Coca-Cola  | 21,723             | 0.21               |
| 970      | Colgate-Palmolive  | 73,313             | 0.72               |
| 39       | Costco Wholesale   | 17,525             | 0.17               |
| 615      | CVS Health   | 52,189             | 0.51               |
| 1,092    | eBay   | 76,080             | 0.75               |
| 593      | Eli Lilly and Company  | 137,013            | 1.34               |
| 1,685    | Exelon   | 81,453             | 0.80               |
| 123      | Facebook   | 41,745             | 0.41               |
| 1,182    | Gilead Sciences  | 82,563             | 0.81               |
| 513      | Hartford Financial Services Group                              | 36,038             | 0.35               |
| 2,112    | Hewlett Packard Enterprise                                     | 30,096             | 0.29               |
| 504      | Home Depot   | 165,443            | 1.62               |
| 2,478    | HP   | 67,798             | 0.66               |
| 91       | Humana   | 35,413             | 0.35               |
| 84       | Illinois Tool Works  | 17,357             | 0.17               |
| 2,579    | Intel  | 137,409            | 1.35               |
| 790      | International Business Machines                                | 109,755            | 1.08               |
| 182      | International Paper  | 10,177             | 0.10               |
| 120      | Intuit   | 64,741             | 0.63               |
| 417      | Johnson & Johnson  | 67,346             | 0.66               |
| 431      | JPMorgan Chase   | 70,550             | 0.69               |
| 1,549    | KeyCorp  | 33,489             | 0.33               |
| 274      | Kimberly-Clark   | 36,289             | 0.36               |
| 3,981    | Kinder Morgan  | 66,602             | 0.65               |
| 126      | Lam Research   | 71,713             | 0.70               |
| 632      | Lowe's Cos   | 128,208            | 1.26               |
| 2,433    | Lumen Technologies   | 30,145             | 0.30               |

FLEXSHARES ICAV

APPENDIX I: PORTFOLIO STATEMENTS

FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Equities: 99.46% (31 Mar 2021: 99.35%) (continued)</b>          |   |                    |                    |
| <b>United States: 61.92% (31 Mar 2021: 59.33%) (continued)</b>     |   |                    |                    |
| 433  | Mastercard  | 150,545            | 1.47               |
| 66   | McDonald's  | 15,913             | 0.15               |
| 1,115  | Merck   | 83,748             | 0.82               |
| 1,282  | MetLife   | 79,138             | 0.77               |
| 1,699  | Microsoft   | 478,982            | 4.69               |
| 161  | Motorola Solutions                                    | 37,404             | 0.36               |
| 157  | Norfolk Southern                                      | 37,562             | 0.36               |
| 2,555  | NortonLifeLock  | 64,642             | 0.63               |
| 732  | NVIDIA  | 151,641            | 1.48               |
| 879  | Omnicom   | 63,692             | 0.63               |
| 1,495  | Oracle  | 130,259            | 1.28               |
| 662  | Paychex   | 74,442             | 0.73               |
| 577  | Pfizer  | 24,817             | 0.24               |
| 329  | Procter & Gamble                                      | 45,994             | 0.45               |
| 762  | Prudential Financial                                  | 80,162             | 0.79               |
| 119  | Public Storage REIT                                   | 35,355             | 0.35               |
| 103  | Qualcomm  | 13,285             | 0.13               |
| 524  | Quest Diagnostics                                     | 76,142             | 0.75               |
| 179  | Stanley Black & Decker                                | 31,380             | 0.31               |
| 74   | Starbucks   | 8,163              | 0.08               |
| 868  | State Street  | 73,537             | 0.72               |
| 105  | Synchrony Financial                                   | 5,132              | 0.05               |
| 433  | Target  | 99,057             | 0.97               |
| 672  | Texas Instruments                                     | 129,165            | 1.27               |
| 40   | Thermo Fisher Scientific                              | 22,853             | 0.22               |
| 708  | TJX Cos   | 46,714             | 0.46               |
| 584  | Union Pacific   | 114,470            | 1.12               |
| 41   | United Parcel Service                                 | 7,466              | 0.07               |
| 130  | UnitedHealth  | 50,796             | 0.50               |
| 817  | ViacomCBS   | 32,280             | 0.32               |
| 233  | Visa  | 51,901             | 0.51               |
| 17   | Waste Management                                      | 2,539              | 0.02               |
| 1,868  | Weyerhaeuser  | 66,445             | 0.65               |
| 288  | Whirlpool   | 58,712             | 0.58               |
| 1,564  | Williams Cos  | 40,570             | 0.40               |
| 425  | Williams-Sonoma                                       | 75,365             | 0.74               |
| 508  | Yum! Brands   | 62,133             | 0.61               |
| <b>Total United States</b>   |   | <b>6,317,520</b>   | <b>61.92</b>       |
| <b>Total Equities</b>  |   | <b>10,147,034</b>  | <b>99.46</b>       |
| <b>Total Financial assets at fair value through profit or loss</b> |   | <b>10,147,034</b>  | <b>99.46</b>       |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

**Financial Derivative Instruments Dealt on a Regulated Market**

Unrealised Gain on Futures Contracts: 0.00% (31 Mar 2021: 0.01%)

Unrealised Loss on Futures Contracts: (0.02%) (31 Mar 2021: 0.00%)

| Counterparty   | Description                 | Country | Currency | No. of<br>Contracts | Unrealised<br>Loss<br>US\$ | % of<br>Net Assets           |
|--|-----------------------------|---------|----------|---------------------|----------------------------|------------------------------|
| Merill Lynch   | CME Micro S&P December 2021 | US      | US\$     | 2                   | (2,056)                    | (0.02)                       |
| <b>Total Unrealised Losses on Futures Contracts</b>                          |                             |         |          |                     | <b>(2,056)</b>             | <b>(0.02)</b>                |
| <b>Total Financial Derivative Instruments Dealt on a Regulated Market</b>    |                             |         |          |                     | <b>(2,056)</b>             | <b>(0.02)</b>                |
|  |                             |         |          |                     | <b>Fair Value<br/>US\$</b> | <b>% of<br/>Net Assets</b>   |
| <b>Total Value of Investments</b>  |                             |         |          |                     | <b>10,144,978</b>          | <b>99.44</b>                 |
| Cash and Cash Equivalents  |                             |         |          |                     | 67,154                     | 0.66                         |
| Margin Cash  |                             |         |          |                     | 5,604                      | 0.05                         |
| Other Net Liabilities  |                             |         |          |                     | (15,603)                   | (0.15)                       |
| <b>Net Assets Attributable to Holders of Redeemable Participating Shares</b> |                             |         |          |                     | <b>10,202,133</b>          | <b>100.00</b>                |
| <b>Portfolio Classification</b>  |                             |         |          |                     |                            | <b>% of Total<br/>Assets</b> |
| Transferable securities admitted to an official stock exchange listing       |                             |         |          |                     |                            | 98.46                        |
| Other current assets   |                             |         |          |                     |                            | 1.54                         |
|  |                             |         |          |                     |                            | <b>100.00</b>                |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Investments in Transferable Securities admitted to an official stock exchange listing</b> |   |                    |                    |
| <b>Equities: 96.66%</b>  |   |                    |                    |
| <b>Brazil: 3.92%</b>   |   |                    |                    |
| 2,016  | B3 - Brasil Bolsa Balcao                              | 4,713              | 0.10               |
| 399  | Banco Santander Brasil                                | 1,218              | 0.02               |
| 588  | Banco Santander Brasil Pref                           | 2,026              | 0.04               |
| 9,996  | CCR   | 21,464             | 0.44               |
| 11,340   | Cia Energetica de Minas Gerais Pref                   | 29,199             | 0.59               |
| 11,340   | Cia Paranaense de Energia Pref                        | 15,151             | 0.31               |
| 2,604  | Itau Unibanco   | 12,903             | 0.26               |
| 3,864  | Itau Unibanco Pref                                    | 20,515             | 0.42               |
| 2,016  | Itausa Pref   | 4,122              | 0.08               |
| 3,528  | Lojas Americanas Pref                                 | 3,121              | 0.06               |
| 3,276  | Lojas Renner  | 20,694             | 0.42               |
| 1,260  | Petroleo Brasileiro                                   | 6,509              | 0.13               |
| 1,848  | Petroleo Brasileiro Pref                              | 9,235              | 0.19               |
| 1,512  | Suzano  | 15,129             | 0.31               |
| 3,276  | Telefonica Brasil                                     | 25,774             | 0.53               |
| 168  | WEG   | 1,222              | 0.02               |
| <b>Total Brazil</b>  |   | <b>192,995</b>     | <b>3.92</b>        |
| <b>Cayman Islands: 0.45%</b>   |   |                    |                    |
| 1,400  | China Literature                                      | 10,682             | 0.22               |
| 2,800  | Kingsoft  | 11,168             | 0.23               |
| <b>Total Cayman Islands</b>  |   | <b>21,850</b>      | <b>0.45</b>        |
| <b>Chile: 0.03%</b>  |   |                    |                    |
| 688  | Empresas CMPC   | 1,294              | 0.03               |
| <b>Total Chile</b>   |   | <b>1,294</b>       | <b>0.03</b>        |
| <b>Egypt: 0.76%</b>  |   |                    |                    |
| 10,624   | Commercial International Bank Egypt                   | 28,831             | 0.59               |
| 10,651   | Egyptian Financial Group-Hermes                       | 8,239              | 0.17               |
| <b>Total Egypt</b>   |   | <b>37,070</b>      | <b>0.76</b>        |
| <b>Greece: 0.32%</b>   |   |                    |                    |
| 847  | Hellenic Telecommunications Organization              | 15,922             | 0.32               |
| <b>Total Greece</b>  |   | <b>15,922</b>      | <b>0.32</b>        |



## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|----------|---|--------------------|--------------------|
|          | <b>Equities: 96.66% (continued)</b>                   |                    |                    |
|          | <b>Hongkong: 0.47%</b>                                |                    |                    |
| 7,000    | Wharf   | 23,244             | 0.47               |
|          | <b>Total Hong Kong</b>                                | <b>23,244</b>      | <b>0.47</b>        |
|          | <b>Hungary: 0.37%</b>                                 |                    |                    |
| 1,832    | MOL Hungarian Oil & Gas                               | 15,273             | 0.31               |
| 53       | OTP Bank Nyrt   | 3,112              | 0.06               |
|          | <b>Total Hungary</b>                                  | <b>18,385</b>      | <b>0.37</b>        |
|          | <b>India: 17.74%</b>                                  |                    |                    |
| 1,752    | Asian Paints  | 76,583             | 1.56               |
| 100      | Bajaj Finance   | 10,331             | 0.21               |
| 2,431    | Bharat Petroleum                                      | 14,155             | 0.29               |
| 321      | Britannia Industries                                  | 17,077             | 0.35               |
| 2,316    | Cipla India   | 30,688             | 0.62               |
| 552      | Colgate-Palmolive India                               | 12,415             | 0.25               |
| 491      | Divi's Laboratories                                   | 31,742             | 0.65               |
| 418      | Dr Reddy's Laboratories                               | 27,485             | 0.56               |
| 7,390    | GAIL India  | 15,815             | 0.32               |
| 1,937    | Havells India   | 35,832             | 0.73               |
| 3,323    | HCL Technologies                                      | 57,283             | 1.16               |
| 684      | HDFC Asset Management                                 | 26,803             | 0.54               |
| 194      | HDFC Bank   | 4,169              | 0.08               |
| 718      | Hero MotoCorp   | 27,399             | 0.56               |
| 1,305    | Hindustan Unilever                                    | 47,501             | 0.97               |
| 9,786    | Indian Oil  | 16,519             | 0.34               |
| 4,818    | Infosys   | 108,735            | 2.21               |
| 1,772    | Lupin   | 22,717             | 0.46               |
| 126      | Nestle India  | 33,009             | 0.67               |
| 61       | Page Industries                                       | 26,055             | 0.53               |
| 990      | Pidilite Industries                                   | 31,769             | 0.65               |
| 263      | Reliance Industries                                   | 8,926              | 0.18               |
| 956      | Siemens   | 27,425             | 0.56               |
| 2,022    | Sun Pharmaceutical Industries                         | 22,290             | 0.45               |
| 2,141    | Tech Mahindra   | 39,822             | 0.81               |
| 105      | UltraTech Cement                                      | 10,462             | 0.21               |
| 1,613    | United Spirits  | 18,538             | 0.38               |
| 2,583    | UPL   | 24,627             | 0.50               |
| 4,517    | Wipro   | 38,587             | 0.78               |
| 1,925    | Zee Entertainment Enterprises                         | 7,863              | 0.16               |
|          | <b>Total India</b>                                    | <b>872,622</b>     | <b>17.74</b>       |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings                            | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|-------------------------------------|---|--------------------|--------------------|
| <b>Equities: 96.66% (continued)</b> |   |                    |                    |
| <b>Indonesia: 1.27%</b>             |   |                    |                    |
| 4,300                               | Bank Central Asia                                     | 10,515             | 0.21               |
| 287,400                             | Kalbe Farma   | 28,714             | 0.59               |
| 6,400                               | Telkom Indonesia Persero                              | 1,650              | 0.03               |
| 78,500                              | Unilever Indonesia                                    | 21,665             | 0.44               |
| <b>Total Indonesia</b>              |   | <b>62,544</b>      | <b>1.27</b>        |
| <b>Malaysia: 2.67%</b>              |   |                    |                    |
| 78,800                              | Astro Malaysia  | 19,386             | 0.39               |
| 1,800                               | IHH Healthcare  | 2,881              | 0.06               |
| 7,700                               | Malayan Banking                                       | 14,806             | 0.30               |
| 8,500                               | MISC  | 14,030             | 0.29               |
| 700                                 | Nestle Malaysia                                       | 22,255             | 0.45               |
| 5,800                               | Petronas Chemicals                                    | 12,053             | 0.25               |
| 2,300                               | Petronas Dagangan                                     | 10,504             | 0.21               |
| 2,600                               | Public Bank   | 2,528              | 0.05               |
| 2,000                               | RHB Bank  | 2,608              | 0.05               |
| 24,000                              | Sime Darby  | 13,013             | 0.26               |
| 16,500                              | Westports   | 17,736             | 0.36               |
| <b>Total Malaysia</b>               |   | <b>131,800</b>     | <b>2.67</b>        |
| <b>Mexico: 2.58%</b>                |   |                    |                    |
| 42,756                              | America Movil   | 38,001             | 0.77               |
| 4,284                               | Arca Continental                                      | 26,249             | 0.54               |
| 2,016                               | Coca-Cola Femsa                                       | 11,414             | 0.23               |
| 15,036                              | Wal-Mart de Mexico                                    | 51,326             | 1.04               |
| <b>Total Mexico</b>                 |   | <b>126,990</b>     | <b>2.58</b>        |
| <b>Pakistan: 0.41%</b>              |   |                    |                    |
| 14,748                              | Engro Fertilizers                                     | 6,088              | 0.12               |
| 4,085                               | Engro Pakistan  | 6,712              | 0.14               |
| 5,685                               | Fauji Fertilizer                                      | 3,408              | 0.07               |
| 4,375                               | MCB Bank  | 3,872              | 0.08               |
| <b>Total Pakistan</b>               |   | <b>20,080</b>      | <b>0.41</b>        |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings                                  | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|---|---|--------------------|--------------------|
| <b>Equities: 96.66% (continued)</b>       |   |                    |                    |
| <b>People's Republic of China: 23.02%</b> |   |                    |                    |
| 88,000                                    | Agricultural Bank of China                            | 30,296             | 0.61               |
| 994                                       | Alibaba   | 147,162            | 2.99               |
| 1,000                                     | Anta Sports Products                                  | 18,858             | 0.38               |
| 140,000                                   | Bank of China   | 49,636             | 1.01               |
| 11,000                                    | Bank of China Hong Kong                               | 33,206             | 0.67               |
| 500                                       | BYD   | 15,608             | 0.32               |
| 128,000                                   | China Construction Bank                               | 91,750             | 1.86               |
| 1,500                                     | China Merchants Bank                                  | 11,956             | 0.24               |
| 13,000                                    | China Overseas Land & Investment                      | 29,625             | 0.60               |
| 2,000                                     | China Resources Gas                                   | 10,508             | 0.21               |
| 8,000                                     | China Resources Land                                  | 33,759             | 0.69               |
| 4,400                                     | China Vanke   | 12,039             | 0.24               |
| 7,000                                     | Country Garden  | 7,239              | 0.15               |
| 26,000                                    | CSPC Pharmaceutical                                   | 31,195             | 0.63               |
| 1,100                                     | ENN Energy  | 18,143             | 0.37               |
| 10,000                                    | Guangdong Investment                                  | 13,051             | 0.27               |
| 13,200                                    | Haitong Securities                                    | 12,090             | 0.25               |
| 4,000                                     | Hansoh Pharmaceutical                                 | 10,174             | 0.21               |
| 4,000                                     | Hengan International                                  | 21,427             | 0.44               |
| 10,200                                    | Huatai Securities                                     | 15,749             | 0.32               |
| 128,000                                   | Industrial & Commercial Bank of China                 | 71,197             | 1.45               |
| 30,000                                    | Kunlun Energy   | 31,292             | 0.64               |
| 26,000                                    | Lenovo  | 27,955             | 0.57               |
| 500                                       | Longfor   | 2,306              | 0.05               |
| 900                                       | Meituan   | 28,510             | 0.58               |
| 451                                       | NetEase   | 38,515             | 0.78               |
| 135                                       | Pinduoduo   | 12,240             | 0.25               |
| 6,500                                     | Ping An Insurance Group of China                      | 44,463             | 0.90               |
| 200                                       | Sunny Optical Technology                              | 5,262              | 0.11               |
| 4,000                                     | Tencent   | 237,082            | 4.82               |
| 994                                       | Vipshop   | 11,073             | 0.23               |
| 12,000                                    | Want Want China                                       | 9,079              | 0.18               |
| <b>Total People's Republic of China</b>   |   | <b>1,132,445</b>   | <b>23.02</b>       |
| <b>Philippines: 0.08%</b>                 |   |                    |                    |
| 2,560                                     | Bank of the Philippine Islands                        | 4,088              | 0.08               |
| <b>Total Philippines</b>                  |   | <b>4,088</b>       | <b>0.08</b>        |
| <b>Republic of South Korea: 13.59%</b>    |   |                    |                    |
| 492                                       | Amorepacific  | 20,382             | 0.41               |
| 32  | CJ CheilJedang  | 11,068             | 0.22               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Equities: 96.66% (continued)</b>                |   |                    |                    |
| <b>Republic of South Korea: 13.59% (continued)</b> |   |                    |                    |
| 407  | Coway   | 25,506             | 0.52               |
| 106  | E-Mart  | 14,727             | 0.30               |
| 612  | Hankook Tire & Technology                             | 22,356             | 0.46               |
| 848  | Hanon Systems   | 11,209             | 0.23               |
| 388  | Hyundai Engineering & Construction                    | 16,844             | 0.34               |
| 639  | KB Financial  | 29,845             | 0.61               |
| 93   | Kia   | 6,378              | 0.13               |
| 185  | LG Electronics  | 19,922             | 0.40               |
| 392  | LG Electronics Pref                                   | 21,785             | 0.44               |
| 15   | LG Household & Health Care                            | 16,938             | 0.34               |
| 19   | LG Household & Health Care Pref                       | 10,302             | 0.21               |
| 65   | Lotte Chemical  | 13,258             | 0.27               |
| 159  | Naver   | 52,105             | 1.06               |
| 52   | NCSOFT  | 26,483             | 0.54               |
| 44   | POSCO   | 12,264             | 0.25               |
| 3,864  | Samsung Electronics                                   | 241,826            | 4.92               |
| 1,295  | Samsung Electronics Pref                              | 76,125             | 1.55               |
| 22   | Samsung SDS   | 2,982              | 0.06               |
| 172  | S-Oil   | 15,980             | 0.33               |
| <b>Total Republic of South Korea</b>               |   | <b>668,285</b>     | <b>13.59</b>       |
| <b>Romania: 0.20%</b>                              |   |                    |                    |
| 1,416  | NEPI Rockcastle                                       | 9,839              | 0.20               |
| <b>Total Romania</b>                               |   | <b>9,839</b>       | <b>0.20</b>        |
| <b>Russian Federation: 4.53%</b>                   |   |                    |                    |
| 489  | Lukoil  | 46,572             | 0.95               |
| 4,710  | Novolipetsk Steel                                     | 14,040             | 0.28               |
| 149  | Polyus  | 24,484             | 0.50               |
| 2,165  | Rosneft Oil   | 18,323             | 0.37               |
| 18,250   | Sberbank of Russia                                    | 85,452             | 1.74               |
| 7,090  | Sberbank of Russia Pref                               | 31,012             | 0.63               |
| 51   | Severstal   | 1,065              | 0.02               |
| 257  | Tatneft   | 1,865              | 0.04               |
| <b>Total Russian Federation</b>                    |   | <b>222,813</b>     | <b>4.53</b>        |
| <b>South Africa: 1.83%</b>                         |   |                    |                    |
| 1,241  | Aspen Pharmacare                                      | 22,348             | 0.45               |
| 111  | Impala Platinum                                       | 1,267              | 0.02               |
| 545  | Kumba Iron Ore  | 17,966             | 0.37               |
| 53   | Naspers   | 8,781              | 0.18               |
| 253  | Sibanye Stillwater                                    | 782                | 0.02               |
| 531  | Standard Bank   | 5,053              | 0.10               |
| 298  | Tiger Brands  | 3,709              | 0.08               |
| 1,596  | Vodacom   | 15,280             | 0.31               |
| 3,717  | Woolworths  | 14,591             | 0.30               |
| <b>Total South Africa</b>                          |   | <b>89,777</b>      | <b>1.83</b>        |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings                            | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|-------------------------------------|---|--------------------|--------------------|
| <b>Equities: 96.66% (continued)</b> |   |                    |                    |
| <b>Taiwan: 17.47%</b>               |   |                    |                    |
| 24,000                              | Acer  | 21,321             | 0.43               |
| 1,000                               | Asustek Computer                                      | 11,683             | 0.24               |
| 1,000                               | Catcher Technology                                    | 6,012              | 0.12               |
| 13,000                              | Cathay Financial                                      | 27,017             | 0.55               |
| 25,000                              | Chang Hwa Commercial Bank                             | 14,761             | 0.30               |
| 7,000                               | Chunghwa Telecom                                      | 27,763             | 0.57               |
| 29,000                              | CTBC Financial  | 23,837             | 0.48               |
| 1,000                               | Delta Electronics                                     | 9,045              | 0.18               |
| 22,000                              | E.Sun Financial                                       | 20,768             | 0.42               |
| 2,000                               | Evergreen Marine Taiwan                               | 9,045              | 0.18               |
| 13,000                              | Far Eastern New Century                               | 13,928             | 0.28               |
| 22,000                              | First Financial                                       | 17,807             | 0.36               |
| 13,000                              | Formosa Chemicals & Fibre                             | 39,149             | 0.80               |
| 11,000                              | Formosa Taffeta                                       | 11,864             | 0.24               |
| 13,000                              | Fubon Financial                                       | 35,789             | 0.73               |
| 6,000                               | Hon Hai Precision Industry                            | 22,613             | 0.46               |
| 26,000                              | Hua Nan Financial                                     | 19,038             | 0.39               |
| 13,000                              | Lite-On Technology                                    | 29,163             | 0.59               |
| 1,000                               | MediaTek  | 32,483             | 0.66               |
| 35,000                              | Mega Financial  | 40,263             | 0.82               |
| 2,000                               | President Chain Store                                 | 20,100             | 0.41               |
| 36,000                              | SinoPac Financial                                     | 17,961             | 0.37               |
| 4,000                               | Taiwan High Speed Rail                                | 4,250              | 0.09               |
| 5,000                               | Taiwan Mobile   | 17,749             | 0.36               |
| 15,000                              | Taiwan Semiconductor Manufacturing                    | 312,270            | 6.35               |
| 11,000                              | Teco Electric and Machinery                           | 12,338             | 0.25               |
| 4,000                               | United Microelectronics                               | 9,189              | 0.19               |
| 36,000                              | Yuanta Financial                                      | 31,916             | 0.65               |
| <b>Total Taiwan</b>                 |   | <b>859,122</b>     | <b>17.47</b>       |
| <b>Thailand: 3.69%</b>              |   |                    |                    |
| 5,400                               | Advanced Info Service                                 | 31,281             | 0.64               |
| 41,200                              | Bangkok Dusit Medical Services                        | 27,763             | 0.56               |
| 2,700                               | Berli Jucker  | 2,633              | 0.05               |
| 100                                 | Delta Electronics Thailand                            | 1,389              | 0.03               |
| 62,300                              | Home Product Center                                   | 25,042             | 0.51               |
| 115,900                             | IRPC  | 14,250             | 0.29               |
| 21,400                              | PTT   | 24,667             | 0.50               |
| 8,000                               | PTT Exploration & Production                          | 27,782             | 0.56               |
| 1,400                               | Siam Cement PCL                                       | 16,634             | 0.34               |
| 2,900                               | Siam Commercial Bank PCL                              | 10,457             | 0.21               |
| <b>Total Thailand</b>               |   | <b>181,898</b>     | <b>3.69</b>        |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$  | % of<br>Net Assets         |                    |
|--|---|---------------------|----------------------------|--------------------|
| <b>Equities: 96.66% (continued)</b>  |   |                     |                            |                    |
| <b>Turkey: 1.26%</b>   |   |                     |                            |                    |
| 6,655  | Arcelik   | 24,450              | 0.50                       |                    |
| 2,025  | Eregli Demir ve Celik Fabrikalari                     | 3,795               | 0.08                       |                    |
| 9,540  | Iskenderun Demir ve Celik                             | 12,295              | 0.25                       |                    |
| 5,750  | Turkcell Iletisim Hizmetleri                          | 9,922               | 0.20                       |                    |
| 30,456   | Turkiye Vakiflar Bankasi                              | 11,176              | 0.23                       |                    |
| <b>Total Turkey</b>  |   | <b>61,638</b>       | <b>1.26</b>                |                    |
| <b>Total Equities</b>  |   | <b>4,754,701</b>    | <b>96.66</b>               |                    |
| <b>Total Financial assets at fair value through profit or loss</b>           |   | <b>4,754,701</b>    | <b>96.66</b>               |                    |
| <b>Financial Derivative Instruments Dealt on a Regulated Market</b>          |   |                     |                            |                    |
| <b>Unrealised Loss on Futures Contracts: (0.05%)</b>                         |   |                     |                            |                    |
| Counterparty   | Currency  | No. of<br>Contracts | Unrealised<br>Loss<br>US\$ | % of<br>Net Assets |
| Merrill Lynch  | USD   | 2                   | (2,600)                    | (0.05)             |
| <b>Total Unrealised Loss on Futures Contracts</b>                            |   |                     | <b>(2,600)</b>             | <b>(0.05)</b>      |
| <b>Total Financial Derivative Instruments Dealt on a Regulated Market</b>    |   |                     | <b>(2,600)</b>             | <b>(0.05)</b>      |
| <b>Total Value of Investments</b>  |   | <b>4,752,101</b>    | <b>96.61</b>               |                    |
| Cash and Cash Equivalents  |   | 153,428             | 3.12                       |                    |
| Margin Cash  |   | 10,975              | 0.22                       |                    |
| Other Net Assets   |   | 2,678               | 0.05                       |                    |
| <b>Net Assets Attributable to Holders of Redeemable Participating Shares</b> |   | <b>4,919,182</b>    | <b>100.00</b>              |                    |
| <b>Portfolio Classification</b>  |   |                     |                            |                    |
| Transferable securities admitted to an official stock exchange listing       |   |                     | 96.46                      |                    |
| Financial derivative instruments dealt on a regulated market                 |   |                     | -                          |                    |
| Other current assets   |   |                     | 3.54                       |                    |
|  |   |                     | <b>100.00</b>              |                    |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Investments in Transferable Securities admitted to an official stock exchange listing</b> |   |                    |                    |
| <b>Equities: 95.98%</b>  |   |                    |                    |
| <b>Bermuda: 0.10%</b>  |   |                    |                    |
| 1,400  | Hopson Development                                    | 4,982              | 0.10               |
| <b>Total Bermuda</b>   |   | <b>4,982</b>       | <b>0.10</b>        |
| <b>Brazil: 4.62%</b>   |   |                    |                    |
| 2,016  | B3 - Brasil Bolsa Balcao                              | 4,714              | 0.10               |
| 3,276  | Banco do Brasil                                       | 17,375             | 0.36               |
| 10,164   | CCR   | 21,824             | 0.44               |
| 2,016  | Centrais Eletricas Brasileiras                        | 14,248             | 0.29               |
| 2,184  | Cia Brasileira de Distribuicao                        | 10,317             | 0.21               |
| 11,340   | Cia Energetica de Minas Gerais Pref                   | 29,199             | 0.59               |
| 13,272   | Cia Paranaense de Energia Pref                        | 17,732             | 0.36               |
| 5,460  | Itau Unibanco Pref                                    | 28,989             | 0.59               |
| 3,360  | Lojas Renner  | 21,225             | 0.43               |
| 3,108  | Petrobras Distribuidora                               | 13,398             | 0.27               |
| 1,260  | Petroleo Brasileiro                                   | 6,509              | 0.13               |
| 1,848  | Petroleo Brasileiro Pref                              | 9,235              | 0.19               |
| 4,452  | WEG   | 32,380             | 0.66               |
| <b>Total Brazil</b>  |   | <b>227,145</b>     | <b>4.62</b>        |
| <b>Cayman Islands: 15.65%</b>  |   |                    |                    |
| 962  | Alibaba   | 142,424            | 2.89               |
| 3,000  | Anta Sports Products                                  | 56,573             | 1.15               |
| 11,000   | China Medical System                                  | 20,065             | 0.41               |
| 8,000  | China Resources Land                                  | 33,759             | 0.69               |
| 22,000   | CIFI  | 14,978             | 0.30               |
| 28,000   | Country Garden  | 28,954             | 0.59               |
| 1,000  | Country Garden Services                               | 7,900              | 0.16               |
| 4,500  | Hengan International                                  | 24,105             | 0.49               |
| 5,000  | Kingboard   | 22,641             | 0.46               |
| 2,600  | Kingsoft  | 10,370             | 0.21               |
| 1,000  | Meituan   | 31,678             | 0.64               |
| 677  | NetEase   | 57,816             | 1.17               |
| 11,500   | Shimao  | 21,066             | 0.43               |
| 200  | Sunny Optical Technology                              | 5,262              | 0.11               |
| 4,100  | Tencent   | 243,009            | 4.93               |
| 39,000   | Want Want China                                       | 29,508             | 0.60               |
| 10,000   | Xinyi Solar   | 20,502             | 0.42               |
| <b>Total Cayman Islands</b>  |   | <b>770,610</b>     | <b>15.65</b>       |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings                            | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|-------------------------------------|---|--------------------|--------------------|
| <b>Equities: 95.98% (continued)</b> |   |                    |                    |
| <b>Chile: 0.53%</b>                 |   |                    |                    |
| 1,430                               | CAP   | 15,177             | 0.31               |
| 5,862                               | Empresas CMPC   | 11,028             | 0.22               |
| <b>Total Chile</b>                  |   | <b>26,205</b>      | <b>0.53</b>        |
| <b>Colombia: 0.38%</b>              |   |                    |                    |
| 525                                 | Corp Financiera Colombiana                            | 3,966              | 0.08               |
| 2,609                               | Grupo de Inversiones Suramericana                     | 14,647             | 0.30               |
| <b>Total Colombia</b>               |   | <b>18,613</b>      | <b>0.38</b>        |
| <b>Hong Kong: 2.47%</b>             |   |                    |                    |
| 11,000                              | Bank of China Hong Kong                               | 33,206             | 0.67               |
| 13,000                              | China Overseas Land & Investment                      | 29,625             | 0.60               |
| 26,000                              | CSPC Pharmaceutical                                   | 31,195             | 0.63               |
| 26,000                              | Lenovo  | 27,955             | 0.57               |
| <b>Total Hong Kong</b>              |   | <b>121,981</b>     | <b>2.47</b>        |
| <b>India: 16.02%</b>                |   |                    |                    |
| 398                                 | Ambuja Cements  | 2,146              | 0.04               |
| 1,764                               | Asian Paints  | 77,108             | 1.56               |
| 2,214                               | Aurobindo Pharma                                      | 21,619             | 0.44               |
| 444                                 | Bajaj Finance   | 45,868             | 0.93               |
| 620                                 | Britannia Industries                                  | 32,984             | 0.67               |
| 418                                 | Dr Reddy's Laboratories                               | 27,485             | 0.56               |
| 8,712                               | GAIL India  | 18,644             | 0.38               |
| 1,964                               | Havells India   | 36,331             | 0.74               |
| 1,122                               | HCL Technologies                                      | 19,341             | 0.39               |
| 190                                 | HDFC Bank   | 4,083              | 0.08               |
| 733                                 | Hero MotoCorp   | 27,971             | 0.57               |
| 136                                 | Housing Development Finance                           | 5,046              | 0.10               |
| 11,731                              | Indian Oil  | 19,803             | 0.40               |
| 8,609                               | Indus Towers  | 35,803             | 0.73               |
| 4,862                               | Infosys   | 109,728            | 2.23               |
| 127                                 | Nestle India  | 33,270             | 0.68               |
| 62                                  | Page Industries                                       | 26,482             | 0.54               |
| 890                                 | Piramal Enterprises                                   | 31,124             | 0.63               |
| 7,515                               | Power Grid of India                                   | 19,226             | 0.39               |
| 13,515                              | REC   | 28,741             | 0.58               |
| 267                                 | Reliance Industries                                   | 9,062              | 0.18               |
| 974                                 | Siemens   | 27,942             | 0.57               |



## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings                                 | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Equities: 95.98% (continued)</b>      |   |                    |                    |
| <b>India: 16.02% (continued)</b>         |   |                    |                    |
| 2,160                                    | Tech Mahindra   | 40,175             | 0.82               |
| 18                                       | UltraTech Cement                                      | 1,794              | 0.04               |
| 2,618                                    | UPL   | 24,961             | 0.51               |
| 4,568                                    | Wipro   | 39,023             | 0.79               |
| 5,725                                    | Zee Entertainment Enterprises                         | 23,385             | 0.47               |
| <b>Total India</b>                       |   | <b>789,145</b>     | <b>16.02</b>       |
| <b>Indonesia: 2.44%</b>                  |   |                    |                    |
| 87,200                                   | Astra International                                   | 33,509             | 0.68               |
| 4,200                                    | Bank Central Asia                                     | 10,271             | 0.21               |
| 92,200                                   | Bank Rakyat Indonesia Persero                         | 24,801             | 0.50               |
| 286,600                                  | Kalbe Farma   | 28,635             | 0.58               |
| 6,100                                    | Telkom Indonesia Persero                              | 1,573              | 0.03               |
| 78,100                                   | Unilever Indonesia                                    | 21,554             | 0.44               |
| <b>Total Indonesia</b>                   |   | <b>120,343</b>     | <b>2.44</b>        |
| <b>Malaysia: 1.76%</b>                   |   |                    |                    |
| 79,900                                   | Astro Malaysia  | 19,658             | 0.40               |
| 34,700                                   | Kossan Rubber Industries                              | 19,147             | 0.39               |
| 2,600                                    | Public Bank   | 2,528              | 0.05               |
| 12,100                                   | Sime Darby  | 6,561              | 0.13               |
| 30,500                                   | Top Glove Corp  | 20,982             | 0.43               |
| 16,700                                   | Westports   | 17,951             | 0.36               |
| <b>Total Malaysia</b>                    |   | <b>86,827</b>      | <b>1.76</b>        |
| <b>Mexico: 1.77%</b>                     |   |                    |                    |
| 4,368                                    | Arca Continental                                      | 26,764             | 0.54               |
| 3,108                                    | Coca-Cola Femsa                                       | 17,597             | 0.36               |
| 14,868                                   | Fibra Uno Administracionde REIT                       | 16,935             | 0.34               |
| 7,644                                    | Wal-Mart de Mexico                                    | 26,093             | 0.53               |
| <b>Total Mexico</b>                      |   | <b>87,389</b>      | <b>1.77</b>        |
| <b>People's Republic of China: 5.59%</b> |   |                    |                    |
| 34,000                                   | Bank of China   | 12,054             | 0.24               |
| 2,000                                    | BYD   | 62,431             | 1.27               |
| 131,000                                  | China Construction Bank                               | 93,900             | 1.91               |
| 1,500                                    | China Merchants Bank                                  | 11,956             | 0.24               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings   | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|--|---|--------------------|--------------------|
| <b>Equities: 95.98% (continued)</b>                  |   |                    |                    |
| <b>People's Republic of China: 5.59% (continued)</b> |   |                    |                    |
| 600  | Huatai Securities                                     | 926                | 0.02               |
| 35,000   | Industrial & Commercial Bank of China                 | 19,468             | 0.40               |
| 20,000   | PICC Property & Casualty                              | 19,397             | 0.39               |
| 7,000  | Ping An Insurance Group of China                      | 47,883             | 0.97               |
| 4,000  | Shandong Weigao Medical Polymer                       | 7,153              | 0.15               |
| <b>Total People's Republic of China</b>              |   | <b>275,168</b>     | <b>5.59</b>        |
| <b>Philippines: 0.10%</b>                            |   |                    |                    |
| 1,300  | International Container Terminal Services             | 4,970              | 0.10               |
| <b>Total Philippines</b>                             |   | <b>4,970</b>       | <b>0.10</b>        |
| <b>Republic of South Korea: 17.96%</b>               |   |                    |                    |
| 409  | Coway   | 25,632             | 0.52               |
| 353  | DB Insurance  | 18,962             | 0.38               |
| 459  | GS Engineering & Construction                         | 16,573             | 0.34               |
| 594  | Hana Financial  | 23,278             | 0.47               |
| 634  | Hankook Tire & Technology                             | 23,159             | 0.47               |
| 1,195  | Hanon Systems   | 15,795             | 0.32               |
| 548  | Hyundai Engineering & Construction                    | 23,790             | 0.48               |
| 103  | Hyundai Mobis   | 22,009             | 0.45               |
| 389  | Hyundai Steel   | 15,557             | 0.32               |
| 641  | KB Financial  | 29,939             | 0.61               |
| 100  | Kia   | 6,858              | 0.14               |
| 128  | Kumho Petrochemical                                   | 20,432             | 0.41               |
| 252  | LG  | 19,794             | 0.40               |
| 335  | LG Electronics  | 36,075             | 0.73               |
| 393  | LG Electronics Pref                                   | 21,841             | 0.44               |
| 2  | LG Household & Health Care                            | 2,258              | 0.05               |
| 77   | Lotte Chemical  | 15,706             | 0.32               |
| 3,361  | Mirae Asset Securities                                | 24,583             | 0.50               |
| 82   | Naver   | 26,872             | 0.55               |
| 3  | NCSOFT  | 1,528              | 0.03               |
| 1,715  | NH Investment & Securities                            | 18,685             | 0.38               |
| 22   | POSCO   | 6,132              | 0.12               |
| 455  | Posco International                                   | 9,185              | 0.19               |
| 390  | Samsung Card  | 11,133             | 0.23               |
| 3,611  | Samsung Electronics                                   | 225,992            | 4.59               |
| 424  | Samsung Electronics Pref                              | 24,924             | 0.51               |
| 295  | Samsung Life Insurance                                | 18,288             | 0.37               |
| 710  | Samsung Securities                                    | 28,724             | 0.58               |
| 584  | SK Hynix  | 50,804             | 1.03               |
| <b>Total Republic of South Korea</b>                 |   | <b>884,305</b>     | <b>17.96</b>       |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings                            | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |
|-------------------------------------|---|--------------------|--------------------|
| <b>Equities: 95.98% (continued)</b> |   |                    |                    |
| <b>Russian Federation: 3.72%</b>    |   |                    |                    |
| 808                                 | Lukoil  | 76,953             | 1.56               |
| 4,030                               | Mobile TeleSystems                                    | 18,249             | 0.37               |
| 18,440                              | Sberbank of Russia                                    | 86,341             | 1.75               |
| 239                                 | Tatneft   | 1,735              | 0.04               |
| <b>Total Russian Federation</b>     |   | <b>183,278</b>     | <b>3.72</b>        |
| <b>South Africa: 3.32%</b>          |   |                    |                    |
| 161                                 | Anglo American Platinum                               | 13,959             | 0.28               |
| 5,397                               | FirstRand   | 23,141             | 0.47               |
| 15,109                              | Growthpoint Properties REIT                           | 14,361             | 0.29               |
| 191                                 | Impala Platinum                                       | 2,179              | 0.04               |
| 546                                 | Kumba Iron Ore  | 17,999             | 0.37               |
| 655                                 | Mr Price  | 8,760              | 0.18               |
| 61                                  | Naspers   | 10,106             | 0.21               |
| 4,451                               | Sanlam  | 18,910             | 0.38               |
| 6,537                               | Sibanye Stillwater                                    | 20,213             | 0.41               |
| 1,695                               | Standard Bank   | 16,131             | 0.33               |
| 1,872                               | Vodacom   | 17,922             | 0.36               |
| <b>Total South Africa</b>           |   | <b>163,681</b>     | <b>3.32</b>        |
| <b>Taiwan: 17.31%</b>               |   |                    |                    |
| 26,000                              | Acer  | 23,097             | 0.47               |
| 3,000                               | Catcher Technology                                    | 18,036             | 0.37               |
| 13,000                              | Cathay Financial                                      | 27,017             | 0.55               |
| 9,000                               | CTBC Financial  | 7,398              | 0.15               |
| 1,000                               | Delta Electronics                                     | 9,045              | 0.18               |
| 24,000                              | E.Sun Financial                                       | 22,656             | 0.46               |
| 3,000                               | Feng TAY Enterprise                                   | 23,151             | 0.47               |
| 1,000                               | Formosa Chemicals & Fibre                             | 3,011              | 0.06               |
| 14,000                              | Formosa Taffeta                                       | 15,100             | 0.31               |
| 24,000                              | Fubon Financial                                       | 66,072             | 1.34               |
| 6,000                               | Hon Hai Precision Industry                            | 22,613             | 0.46               |
| 12,000                              | Lite-On Technology                                    | 26,920             | 0.55               |
| 1,000                               | MediaTek  | 32,483             | 0.66               |
| 36,000                              | Mega Financial  | 41,413             | 0.84               |
| 5,000                               | Micro-Star International                              | 23,241             | 0.47               |
| 2,000                               | Nanya Technology                                      | 4,731              | 0.10               |
| 2,000                               | Taiwan Mobile   | 7,100              | 0.14               |
| 17,000                              | Taiwan Semiconductor Manufacturing                    | 353,906            | 7.18               |
| 14,000                              | Teco Electric and Machinery                           | 15,703             | 0.32               |

## APPENDIX I: PORTFOLIO STATEMENTS

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

As at 30 September 2021

| Holdings  | Financial assets at fair value through profit or loss | Fair Value<br>US\$ | % of<br>Net Assets |                     |                            |                    |
|---|---|--------------------|--------------------|---------------------|----------------------------|--------------------|
| <b>Equities: 95.98% (continued)</b>                                       |   |                    |                    |                     |                            |                    |
| <b>Taiwan: 17.31% (continued)</b>   |   |                    |                    |                     |                            |                    |
| 34,000  | United Microelectronics                               | 78,103             | 1.58               |                     |                            |                    |
| 36,000  | Yuanta Financial                                      | 31,916             | 0.65               |                     |                            |                    |
| <b>Total Taiwan</b>   |   | <b>852,712</b>     | <b>17.31</b>       |                     |                            |                    |
| <b>Thailand: 2.99%</b>  |   |                    |                    |                     |                            |                    |
| 5,400   | Advanced Info Service                                 | 31,281             | 0.63               |                     |                            |                    |
| 400   | Delta Electronics Thailand                            | 5,556              | 0.11               |                     |                            |                    |
| 62,400  | Home Product Center                                   | 25,082             | 0.51               |                     |                            |                    |
| 5,600   | Kasikornbank  | 22,095             | 0.45               |                     |                            |                    |
| 10,600  | Krungthai Card  | 17,152             | 0.35               |                     |                            |                    |
| 16,200  | PTT   | 18,673             | 0.38               |                     |                            |                    |
| 8,000   | PTT Exploration & Production                          | 27,782             | 0.56               |                     |                            |                    |
| <b>Total Thailand</b>   |   | <b>147,621</b>     | <b>2.99</b>        |                     |                            |                    |
| <b>Turkey: 1.28%</b>  |   |                    |                    |                     |                            |                    |
| 5,954   | Anadolu Efes Biracilik Ve Malt Sanayii                | 14,342             | 0.29               |                     |                            |                    |
| 6,699   | Arcelik   | 24,612             | 0.50               |                     |                            |                    |
| 1,278   | Ford Otomotiv Sanayi                                  | 24,037             | 0.49               |                     |                            |                    |
| <b>Total Turkey</b>   |   | <b>62,991</b>      | <b>1.28</b>        |                     |                            |                    |
| <b>Total Equities</b>   |   | <b>4,728,169</b>   | <b>95.98</b>       |                     |                            |                    |
| <b>Total Financial assets at fair value through profit or loss</b>        |   | <b>4,728,169</b>   | <b>95.98</b>       |                     |                            |                    |
| <b>Financial Derivative Instruments Dealt on a Regulated Market</b>       |   |                    |                    |                     |                            |                    |
| <b>Unrealised Loss on Futures Contracts: (0.06%)</b>                      |   |                    |                    |                     |                            |                    |
| Counterparty  | Description   | Country            | Currency           | No. of<br>Contracts | Unrealised<br>Loss<br>US\$ | % of<br>Net Assets |
| Merill Lynch  | MSCI EMI December 2021                                | US                 | US\$               | 3                   | (2,860)                    | (0.06)             |
| <b>Total Unrealised Losses on Futures Contracts</b>                       |   |                    |                    |                     | <b>(2,860)</b>             | <b>(0.06)</b>      |
| <b>Total Financial Derivative Instruments Dealt on a Regulated Market</b> |   |                    |                    |                     | <b>(2,860)</b>             | <b>(0.06)</b>      |

FLEXSHARES ICAV

APPENDIX I: PORTFOLIO STATEMENTS

FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

As at 30 September 2021

|  | Fair Value<br>US\$      | % of<br>Net Assets           |
|--|-------------------------|------------------------------|
| <b>Total Value of Investments</b>  | <b>4,725,309</b>        | <b>95.92</b>                 |
| Cash and Cash Equivalents  | 183,403                 | 3.72                         |
| Margin Cash  | 15,445                  | 0.32                         |
| Other Net Assets   | 2,154                   | 0.04                         |
| <b>Net Assets Attributable to Holders of Redeemable Participating Shares</b> | <b><u>4,926,311</u></b> | <b><u>100.00</u></b>         |
| <b>Portfolio Classification</b>  |                         | <b>% of Total<br/>Assets</b> |
| Transferable securities admitted to an official stock exchange listing       |                         | 95.78                        |
| Other current assets   |                         | <u>4.22</u>                  |
|  |                         | <b><u>100.00</u></b>         |

FLEXSHARES ICAV

APPENDIX II: MATERIAL PURCHASES AND SALES

FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

For the six months ended 30 September 2021

| Asset Name                         | Acquisitions<br>Nominal | Cost<br>US\$ |
|------------------------------------|-------------------------|--------------|
| Johnson & Johnson                  | 652                     | 109,604      |
| Mastercard                         | 248                     | 96,007       |
| Walt Disney                        | 324                     | 59,084       |
| Koninklijke Philips                | 976                     | 55,743       |
| McDonald's                         | 228                     | 53,524       |
| HP                                 | 1,491                   | 49,532       |
| Automatic Data Processing          | 248                     | 47,851       |
| Estee Lauder Cos                   | 151                     | 47,157       |
| Toronto-Dominion Bank              | 705                     | 46,787       |
| RELX                               | 1,671                   | 46,718       |
| salesforce.com                     | 198                     | 46,024       |
| Australia & New Zealand Banking    | 2,060                   | 45,945       |
| Zurich Insurance                   | 115                     | 45,581       |
| Dell Technologies                  | 442                     | 44,831       |
| Union Pacific                      | 200                     | 43,685       |
| Colgate-Palmolive                  | 539                     | 43,501       |
| Japan Real Estate Investment Reits | 7                       | 43,435       |
| Henkel Pref                        | 413                     | 42,303       |
| Cisco Systems Inc/Delaware         | 775                     | 41,621       |
| Pearson                            | 3,625                   | 41,138       |
| Deutsche Post                      | 681                     | 39,648       |
| Clorox                             | 201                     | 37,451       |
| APA                                | 5,185                   | 36,844       |
| Signify                            | 641                     | 34,396       |
| Toho Gas                           | 600                     | 29,817       |
| Enphase Energy                     | 187                     | 28,053       |
| Kellogg Class C                    | 430                     | 27,634       |
| Biogen                             | 101                     | 27,302       |
| AIA                                | 2,200                   | 27,265       |
| Naturgy Energy                     | 866                     | 22,732       |
| Anthem                             | 60                      | 22,538       |

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period 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 period, the largest 20 purchases/disposals are disclosed.

FLEXSHARES ICAV

APPENDIX II: MATERIAL PURCHASES AND SALES

FLEXSHARES® DEVELOPED MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

For the six months ended 30 September 2021

| Asset Name                             | Disposals<br>Nominal | Proceeds<br>US\$ |
|--|----------------------|------------------|
| Texas Instruments                      | 323                  | 60,434           |
| Waters                                 | 150                  | 54,470           |
| Sherwin-Williams                       | 180                  | 50,771           |
| Verizon Communications                 | 873                  | 49,285           |
| Mettler-Toledo International           | 34                   | 49,099           |
| Expeditors International of Washington | 408                  | 47,496           |
| Intel                                  | 722                  | 46,744           |
| Walmart                                | 318                  | 45,014           |
| Merck                                  | 567                  | 43,921           |
| Koninklijke                            | 228                  | 42,081           |
| Henkel Pref                            | 348                  | 41,226           |
| Campbell Soup                          | 824                  | 40,699           |
| Croda International                    | 436                  | 40,598           |
| Citrix Systems                         | 272                  | 38,214           |
| Bristol-Myers Squibb                   | 528                  | 35,532           |
| Kuehne + Nagel International           | 104                  | 35,307           |
| Regeneron Pharmaceuticals              | 60                   | 34,994           |
| ConvaTec                               | 9,684                | 34,943           |
| ASX                                    | 624                  | 34,796           |
| Sega Sammy                             | 2500                 | 33,594           |
| Australia & New Zealand Banking        | 1629                 | 33,089           |
| Euronext                               | 308                  | 32,884           |
| Jardine Matheson                       | 500                  | 32,477           |
| Enphase Energy                         | 187                  | 30,564           |
| Swisscom                               | 51                   | 30,218           |
| Deutsche Boerse                        | 154                  | 27,222           |
| General Mills                          | 441                  | 26,503           |
| Coloplast                              | 159                  | 25,453           |
| Pan Pacific International              | 1100                 | 25,356           |
| Terna - Rete Elettrica Nazionale       | 3211                 | 25,029           |
| Elisa                                  | 430                  | 24,924           |
| Snam                                   | 4292                 | 24,517           |
| Electronic Arts                        | 168                  | 24,040           |
| Deutsche Post                          | 321                  | 22,016           |

The above represents aggregate disposals of a security exceeding 1 per cent of the total value of purchases for the period 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 period, the largest 20 purchases/disposals are disclosed.

FLEXSHARES ICAV

APPENDIX II: MATERIAL PURCHASES AND SALES

FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

For the six months ended 30 September 2021

| Asset Name            | Acquisitions<br>Nominal | Cost<br>US\$ |
|-----------------------|-------------------------|--------------|
| Apple                 | 1,950                   | 279,332      |
| Microsoft             | 966                     | 267,900      |
| SAP                   | 897                     | 128,667      |
| Intel                 | 2,241                   | 123,377      |
| Union Pacific         | 560                     | 123,193      |
| NVIDIA                | 152                     | 113,064      |
| Amazon                | 29                      | 107,373      |
| American Express      | 579                     | 98,273       |
| Mastercard            | 258                     | 95,962       |
| L'Oreal               | 214                     | 94,950       |
| Eli Lilly and Company | 385                     | 91,296       |
| Home Depot            | 282                     | 89,870       |
| AT&T                  | 3,139                   | 89,507       |
| GlaxoSmithKline       | 4,421                   | 87,314       |
| Recruit               | 1,700                   | 86,643       |
| Humana                | 179                     | 79,840       |
| Deutsche Post         | 1,157                   | 79,384       |
| Cisco Systems         | 1,489                   | 79,308       |
| RELX                  | 2,793                   | 78,475       |
| Oracle                | 903                     | 77,292       |

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period 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 period, the largest 20 purchases/disposals are disclosed.



FLEXSHARES ICAV

APPENDIX II: MATERIAL PURCHASES AND SALES

FLEXSHARES® DEVELOPED MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

For the six months ended 30 September 2021

| Asset Name                  | Disposals<br>Nominal | Proceeds<br>US\$ |
|-----------------------------|----------------------|------------------|
| BlackRock                   | 125                  | 109,376          |
| Walmart                     | 731                  | 103,476          |
| Novartis                    | 1,067                | 97,769           |
| Valmet                      | 1,875                | 82,590           |
| Convatec Group              | 21,704               | 78,318           |
| Waste Management            | 534                  | 77,854           |
| Tokyo Electron              | 180                  | 74,361           |
| TOTAL                       | 1,663                | 72,542           |
| Seagate Technology Holdings | 849                  | 71,702           |
| Dai Nippon Printing         | 2,900                | 64,800           |
| Terna                       | 8,227                | 64,068           |
| Rio Tinto                   | 754                  | 61,662           |
| Illinois Tool Works         | 264                  | 60,272           |
| Eisai                       | 700                  | 58,199           |
| Resmed                      | 225                  | 56,966           |
| Principal Financial Group   | 930                  | 56,716           |
| Nitto Denko                 | 700                  | 52,053           |
| GMO Payment Gateway         | 400                  | 50,264           |
| Evolution                   | 283                  | 47,241           |
| Covestro                    | 687                  | 46,439           |
| Gecina                      | 299                  | 45,876           |
| Humana                      | 88                   | 41,439           |
| Schlumberger                | 1,507                | 40,576           |
| Morgan Stanley              | 508                  | 39,920           |
| BCE                         | 761                  | 37,654           |
| Fastenal                    | 704                  | 36,286           |
| Nestle                      | 287                  | 35,814           |
| Public Storage Reits        | 111                  | 34,847           |
| Kimberly-Clark              | 248                  | 34,352           |
| Infratil                    | 6,196                | 32,790           |
| EDP Renováveis              | 1,372                | 32,090           |
| Verizon Communications      | 545                  | 30,768           |
| Deutsche Boerse             | 173                  | 30,580           |
| MGM Resorts International   | 798                  | 30,264           |
| Pandora                     | 262                  | 30,119           |
| Adecco Group                | 447                  | 29,801           |

The above represents aggregate disposals of a security exceeding 1 per cent of the total value of purchases for the period 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 period, the largest 20 purchases/disposals are disclosed.

FLEXSHARES ICAV

APPENDIX II: MATERIAL PURCHASES AND SALES

FLEXSHARES® EMERGING MARKETS LOW VOLATILITY CLIMATE ESG UCITS ETF

For the six months ended 30 September 2021

| <b>Asset Name</b>                     | <b>Acquisitions<br/>Nominal</b> | <b>Cost<br/>US\$</b> |
|---------------------------------------|---------------------------------|----------------------|
| 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              |
| China Construction Bank               | 128,000                         | 90,271               |
| Sberbank of Russia                    | 18,250                          | 82,052               |
| Samsung Electronics Pref              | 1,295                           | 79,127               |
| Asian Paints                          | 1,752                           | 79,125               |
| Industrial & Commercial Bank of China | 128,000                         | 69,680               |
| HCL Technologies                      | 3,323                           | 60,041               |
| Wal-Mart de Mexico                    | 15,036                          | 54,320               |
| Naver                                 | 159                             | 54,124               |
| Hindustan Unilever                    | 1,305                           | 49,399               |
| Bank of China                         | 140,000                         | 49,187               |
| Lukoil                                | 489                             | 45,649               |
| Ping An Insurance Group of China      | 6,500                           | 44,419               |
| Tech Mahindra                         | 2,141                           | 44,299               |
| Wipro                                 | 4,517                           | 41,432               |
| Mega Financial                        | 35,000                          | 40,860               |

There were no disposals for the period.

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period 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 period, the largest 20 purchases/disposals are disclosed.

FLEXSHARES ICAV

APPENDIX II: MATERIAL PURCHASES AND SALES

FLEXSHARES® EMERGING MARKETS HIGH DIVIDEND CLIMATE ESG UCITS ETF

For the six months ended 30 September 2021

| <b>Asset Name</b>                  | <b>Acquisitions<br/>Nominal</b> | <b>Cost<br/>US\$</b> |
|------------------------------------|---------------------------------|----------------------|
| Taiwan Semiconductor Manufacturing | 17,000                          | 360,172              |
| Tencent                            | 4,100                           | 244,405              |
| Samsung Electronics                | 3,611                           | 237,849              |
| Alibaba                            | 962                             | 145,503              |
| Infosys                            | 4,862                           | 115,220              |
| China Construction Bank            | 131,000                         | 92,387               |
| Sberbank of Russia                 | 18,440                          | 82,907               |
| United Microelectronics            | 34,000                          | 79,875               |
| Asian Paints                       | 1,764                           | 79,667               |
| Lukoil                             | 808                             | 75,428               |
| Fubon Financial                    | 24,000                          | 66,932               |
| BYD                                | 2,000                           | 62,339               |
| Anta Sports Products               | 3,000                           | 56,175               |
| NetEase                            | 677                             | 55,259               |
| SK Hynix                           | 584                             | 52,432               |
| Ping An Insurance Group of China   | 7,000                           | 47,836               |
| Bajaj Finance                      | 444                             | 47,702               |
| Tech Mahindra                      | 2,160                           | 44,692               |
| Mega Financial                     | 36,000                          | 42,027               |
| Wipro                              | 4,568                           | 41,900               |

There were no disposals for the period.

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period 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 period, the largest 20 purchases/disposals are disclosed.