

INTERNATIONAL FLAVORS & FRAGRANCES INC
Form 11-K
June 29, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001 – 04858

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

International Flavors & Fragrances Inc.
Retirement Investment Fund Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

International Flavors & Fragrances Inc.
521 West 57th Street
New York, NY 10019

INTERNATIONAL FLAVORS & FRAGRANCES INC.
RETIREMENT INVESTMENT FUND PLAN
TABLE OF CONTENTS TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2017 AND 2016

Table of Contents	
<u>Report of Independent Registered Public Accounting Firm</u>	Page <u>3</u>
Financial Statements:	
<u>Statements of Net Assets Available for Benefits as of December 31, 2017 and 2016</u>	<u>4</u>
<u>Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2017 and 2016</u>	<u>5</u>
<u>Notes to Financial Statements</u>	<u>6</u>
Supplemental Schedule:	
<u>Part 1 – Schedule H, Line 4i – Schedule of Assets (Held at End of Year) - December 31, 2017</u>	<u>15</u>
<u>Signatures</u>	<u>16</u>
Exhibit:	
Exhibit 23.1 – Consent of Independent Registered Public Accounting Firm- Smolin, Lupin & Co., P.A.	

(*) Other supplemental schedules required by 29 CFR2520.103-10 of the Department of Labor’s Rule and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended have been omitted as they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Administrative Committee and Participants

International Flavors & Fragrances Inc. Retirement Investment Fund Plan

New York, New York

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the International Flavors & Fragrances Inc. Retirement Investment Fund Plan (the "Plan") as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes. In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental information contained in the schedule of assets (held at year end) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Smolin, Lupin & Co., P.A.

We have served as the Plan's auditor since 2007.

Fairfield, New Jersey

June 29, 2018

INTERNATIONAL FLAVORS & FRAGRANCES INC.
 RETIREMENT INVESTMENT FUND PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 DECEMBER 31, 2017 AND 2016

Assets	2017	2016
Investments at fair value:		
Vanguard Inflation-Protected Securities Fund: Admiral Shares	\$2,104,352	\$2,038,149
Vanguard Total Bond Market Index Fund: Institutional Shares	18,231,285	14,784,197
Vanguard Total International Stock Index Fund: Institutional Shares	23,018,034	15,211,671
Vanguard Total Stock Market Index Fund: Institutional Shares	59,500,228	46,677,051
Vanguard Target Retirement Income Trust II	9,659,651	4,224,649
Vanguard Target Retirement Trust II:		
2010 Trust II	—	6,346,214
2015 Trust II	20,053,970	16,289,264
2020 Trust II	45,407,229	34,671,317
2025 Trust II	53,191,137	42,786,941
2030 Trust II	47,567,873	35,816,425
2035 Trust II	44,657,740	34,988,170
2040 Trust II	29,337,122	22,589,378
2045 Trust II	16,542,794	12,071,785
2050 Trust II	8,344,986	5,579,607
2055 Trust II	4,051,206	2,134,026
2060 Trust II	1,293,481	998,462
Vanguard Retirement Savings Trust III	9,654,994	9,700,781
Vanguard Brokerage Option	12,432,147	10,308,803
Vanguard Federal Money Market Fund	7,136,683	8,540,652
Total investments at fair value	412,184,912	325,757,542
Plan interest in IFF Stock Fund - Master Trust	16,294,994	12,553,261
Total investments	428,479,906	338,310,803
Notes receivable from participants	4,737,911	5,151,604
Employer contributions receivable	206,848	265,355
Net assets available for benefits	\$433,424,665	\$343,727,762

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

INTERNATIONAL FLAVORS & FRAGRANCES INC.
 RETIREMENT INVESTMENT FUND PLAN
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Contributions:		
Company contributions	\$8,488,174	\$8,415,360
Participant contributions	14,946,776	15,454,972
TOTAL CONTRIBUTIONS	23,434,950	23,870,332
Investment income:		
Dividends	2,083,242	1,753,666
Interest	198,306	205,136
Net appreciation of investments	51,474,287	21,299,255
Net Investment Income	53,755,835	23,258,057
Plan interest in IFF Stock Fund - Master Trust investment income	3,927,474	156,701
TOTAL INVESTMENT INCOME	57,683,309	23,414,758
Interest income on notes receivable from participants	186,616	179,856
Asset transfers	32,392,797	7,392,054
TOTAL ADDITIONS	113,697,672	54,857,000
Benefits distributed	(23,703,361)	(21,225,440)
Administrative fees	(297,408)	(269,550)
TOTAL DISBURSEMENTS	(24,000,769)	(21,494,990)
Net increase in participants' balances during the year	89,696,903	33,362,010
Net assets available for benefits:		
Beginning of year	343,727,762	310,365,752
END OF YEAR	\$433,424,665	\$343,727,762

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

INTERNATIONAL FLAVORS & FRAGRANCES INC.
RETIREMENT INVESTMENT FUND PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1. DESCRIPTION OF THE PLAN

The following description of the International Flavors & Fragrances Inc. Retirement Investment Fund Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for complete information.

A. General/Eligibility:

The Plan is a defined contribution plan covering all U.S. based employees of International Flavors & Fragrances Inc. ("IFF") and its domestic subsidiaries (the "Company"), with the exception of the unionized employees located in Jacksonville, Florida (the "Union Plan"), non-resident-alien employees and leased employees regardless of age and years of service. All eligible employees are automatically enrolled at 4% unless an affirmative election is made. The Plan also covers certain employees who are U.S. citizens temporarily assigned to subsidiaries abroad. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA").

B. Administration of the Plan:

The Vanguard Fiduciary Trust Company is the Trustee of the Plan ("Vanguard" or the "Trustee") and has custody of the assets. The Administrative Committee, whose appointment is overseen by the Company's Board of Directors, is responsible for the administration of the Plan; the Administrative Committee oversees the Trustee in carrying out the day-to-day activities of the administration. The Investment Committee, whose appointment is also overseen by the Company's Board of Directors, oversees the Plan's investment options and management of Plan assets.

C. Investments:

Currently, the Plan offers participants various investment funds, common collective trusts, a master trust, and a brokerage option. Participants have the option to invest in, and direct any matching contribution towards any of the following:

Plan Interest in IFF Stock Fund - Master Trust: A portion of the Plan's investments are in an IFF Stock Fund - Master Trust ("Master Trust"), which was established for the investment of assets of the Plan and certain other IFF sponsored retirement plans. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by Vanguard Fiduciary Trust Company. The Master Trust invests in common stock of the Company and investments in the Vanguard Prime Money Market fund as deemed necessary for orderly investment in such Company stock and for anticipated cash requirements. The participant's maximum contribution to this Master Trust is 20% of the participant's total contribution. The Master Trust is governed by a trust agreement with Vanguard to invest in the common stock of IFF.

Vanguard Inflation-Protected Securities Fund: Admiral Shares: The fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in a range of 7 to 20 years. At a minimum, all bonds purchased by the fund will be rated "investment grade" or, if unrated, will be considered by the advisor to be investment grade.

Vanguard Federal Money Market Fund: The fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high-quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. Under the new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

Vanguard Total Bond Market Index Fund: Institutional Shares: The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Bond Index. This index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. The fund invests by sampling the index, meaning that it holds a range of securities that, in the aggregate, approximate the full index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index. The fund maintains a dollar-weighted average maturity consistent with that of the index, which currently ranges between 5 and 10 years.

Vanguard Total International Stock Index Fund: Institutional Shares: The fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes more than 5,300 stocks of companies located in 46 countries. The fund invests substantially all of its assets in the common stocks included in its target index.

Vanguard Total Stock Market Index Fund: Institutional Shares: The fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and NASDAQ. The fund invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Vanguard Target Retirement Income Trust II: The trust invests in Vanguard mutual funds according to an asset allocation strategy designed for investors currently in retirement. The underlying funds are: Vanguard Total Bond Market II Index Fund, Vanguard Total Stock Market Index Fund, Vanguard Short-Term Inflation-Protected Securities Index Fund, Vanguard Total International Bond Index Fund and Vanguard Total International Stock Index Fund.

Vanguard Target Retirement Trust II: Consists of 11 separate trusts which invest in Vanguard mutual funds using an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of the participant's target retirement year (2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055 and 2060). As of July 21, 2017, the Target Retirement Fund 2010 was consolidated into the Vanguard Target Retirement Income Trust II investment. The trust's asset allocation will become more conservative over time. Within seven years after the target retirement year, the trust's asset allocation should resemble that of the Vanguard Target Retirement Income Trust II. The underlying funds are: Vanguard Total Stock Market Index Fund, Vanguard Total Bond Market II Index Fund, Vanguard Total International Stock Index Fund, Vanguard Total International Bond Index Fund, and Vanguard Short-Term Inflation-Protected Securities Index Fund.

Vanguard Retirement Savings Trust III: The fund invests primarily in synthetic investment contracts backed by high-credit-quality fixed income investments and traditional investments issued by insurance companies and banks. The fund seeks to achieve its objective by diversifying among high-credit-quality investments and investment contracts that are structured to smooth market gains and losses over time. For the plan years ended December 31, 2017 and 2016, the effective annual yields for the fund were 2.31% and 2.22%, respectively, and the crediting interest rates for the fund were 2.36% and 2.29%, respectively.

Vanguard Brokerage Option: This option allows participants to choose investments from outside the plan, giving them access to thousands of mutual funds from hundreds of fund families.

D. Cash or Deferred Wage and Salary Conversion Agreements:

Each participant enters into a Cash or Deferred Wage and Salary Conversion Agreement ("CODA") with the Company, pursuant to which participant contributions to the Plan are made. Such agreement specifies the portion of the participant's compensation, as defined in the Plan, during each Plan year that the participant elects to forego such compensation portion and to have such amount contributed by the Company to the participant's account with the Plan. Any such election remains in effect until changed by the participant. The Administrative Committee may limit the amounts specified in such agreement to ensure compliance with the anti-discrimination standards of Section 401(k) of the Internal Revenue Code (the "Code"). Subject to these limitations, participants may contribute up to 50% of their annual base wages, before bonuses and overtime, up to the maximum amount permitted under the Code. Under the Code, the maximum amount permitted per participant was limited to \$18,000 for both 2017 and 2016. Participants who will be age 50 or older by the end of the Plan year are eligible to make before-tax catch-up contributions.

Catch-up contributions were limited to \$6,000 for eligible employees for both 2017 and 2016. Amounts in excess of the Code limits may, at the election of the participant, either be contributed to the Plan on an after-tax basis or treated as contributions to the Company's Deferred Compensation Plan ("DCP") if an employee is eligible to participate in the DCP. If no election is made, the excess above the Code limits, plus any income less any loss allocable thereto, shall be

distributed to the participant. Participants may also make Roth 401(k) contributions to the plan on an after-tax basis, subject to limitations under the Code, but the invested principal and earnings accumulate tax free.

E. Company Contributions:

The Company matches 100% of the first 4% of the participant's base compensation contributed and 75% of contributions over 4% and up to 8% of the participant's base compensation for (a) employees hired, re-hired or whose plan assets were transferred into the Plan on or after January 1, 2006 or (b) participants in which the sum of their age plus the number of service years was less than 70 as of December 31, 2007. For employees that were participants of the Plan before December 31, 2005, and who do not meet the criteria set forth in (a) and (b) above, the Company matches 50% of the first 6% of the participant's compensation, as defined, that a participant contributes to the Plan, whether on a deferred or after-tax basis.

F. Vested Benefits/Forfeitures:

All participants vest immediately in their contributions to the Plan plus earnings thereon. Participants vest in the Company's matching contribution after three years of continuous credited service. Forfeitures are applied towards employer matching contributions. For the year ended December 31, 2017, there were participant forfeitures of approximately \$207,000 and forfeitures applied against employer contributions of approximately \$152,000. For the year ended December 31, 2016, there were participant forfeitures of approximately \$244,000 and forfeitures applied against employer contributions of approximately \$416,000. At December 31, 2017 and 2016, forfeited non-vested amounts not yet applied to employer matching contributions approximated \$158,000 and \$103,000, respectively.

G. Individual Accounts:

A participant account is established and maintained for each active and former participant. Former participants are those who have terminated employment and have not yet received final payment of their account. The participant's contributions and the Company's matching contribution are credited to the specific participant's account. The participant's contributions and the Company's matching contributions are invested in one or more of the Plan's investments as directed by the participant.

Participants' accounts are maintained on a share basis for all investments.

Interest earned and dividends paid are credited to each participant's account based on accumulated daily account balances and reinvested in the respective investments.

H. Transfers Between Investments:

Participants may transfer all or a portion of their balance in any investment of the Plan to an alternative investment of the Plan. Exchanges must be in increments of 1%. Participants may make these transfers as frequently as on a daily basis by contacting Vanguard. However, participants will not be able to move money back into the same fund within 30 days. The 30-day limitation does not apply to the Vanguard Prime Money Market Fund and the Vanguard Retirement Savings Trust. The Vanguard Retirement Savings Trust has an equity wash provision which prohibits participants from making direct exchanges from this trust to a competing option, such as the Vanguard Prime Money Market Fund. Instead, participants must first exchange assets to a non-competing fund (typically an equity fund) and remain in that fund for 90 days before exchanging into a competing fund.

I. Notes Receivable from Participants and In-service Withdrawals:

Participants may borrow from the Plan as described in Note 6. A participant may withdraw all or a portion of his or her balances if bona fide financial necessity can be demonstrated in accordance with guidelines set forth in the Code ("hardship withdrawal"). A participant who makes a hardship withdrawal is limited by the Code as to the amount of CODA contribution a participant may make six months following distribution. The amounts of in-service withdrawals are limited by government regulation to amounts contributed under CODA agreements and earnings on such contributions.

J. Rollover Contributions:

Participants who receive eligible pre-tax rollover distributions from another ERISA qualified plan may roll that distribution into the Plan. Eligible rollover distributions are those that come directly from either another qualified retirement plan or an Individual Retirement Account ("IRA") which was set up to hold a distribution from another qualified retirement plan on a temporary basis. Rollover amounts can only include pre-tax contributions, plus any untaxed earnings thereon. All rollovers from such an IRA must be made within one year of original distribution from the qualified retirement plan. Rollovers included in participant contributions were approximately \$729,600 and \$1,322,000 for 2017 and 2016, respectively.

K. Benefit Payments:

On termination of service due to death, disability or retirement, a participant or beneficiary may elect to receive benefits based on one of the following options:

A lump-sum payment;

Periodic payments.

Lump sum or installment payments may be made in cash or securities at the direction of the Plan's Administrative Committee that directs the Trustee. When periodic payments are elected, a participant's interest remains in the Plan and continues to receive allocations of earnings and losses until fully distributed.

L. Termination of Plan:

The Company may terminate the Plan at any time. In such event, the total amounts in participants' accounts shall continue in the trust for their benefit and become 100% vested in their account, and shall be distributed to their designated beneficiaries or them, as described in Note 1K. above, upon retirement, death, disability or termination of employment. At the present time, the Company has no intention of terminating the Plan.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Plan:

A. Method of Accounting:

The Plan's financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

B. Valuation of Investments:

Investments are reported at fair value (see Note 3 and 4) in accordance with accounting guidance on fair value measurements and disclosures. Fair value is the price that would be recorded to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

C. Notes Receivable from Participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document. No allowance for credit losses has been recorded as of December 31, 2017 and 2016.

D. Security Transactions and Related Investment Income:

Security transactions are recorded on the trade date; interest income is recorded on the accrual basis, and dividend income is recorded on the ex-dividend date. Capital gain distributions from mutual funds are recorded as dividend income.

The Statement of Changes in Net Assets Available for Benefits presents the net appreciation (depreciation) in the fair value of the Plan's investments, which consists of the realized gains and losses and the unrealized appreciation (depreciation) on those investments.

E. Administrative Expenses:

All expenses that arise in connection with the administration of the Plan are paid by the Company except for loan administration fees (see Note 6) and discretionary portfolio management fees associated with the Vanguard Managed Account Program. The plan's fee structure is a fixed per capita fee that is deducted from the participant's account on an annual basis.

F. Contribution Income:

Contributions made in accordance with participants' CODA agreements (see Note 1D.) are recognized during the period in which the Company makes payroll deductions from the participants' compensation. Company contributions are recognized during the same period in which the Company makes payroll deductions from the participants' compensation for the participant contributions.

G. Benefit Obligations:

Benefits are recorded when paid.

H. Risks and Uncertainties:

The Plan provides for various investment options in any combination described in Note 1C. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in fair value could materially affect participants' account balances and the amounts reported in the financial statements.

I. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual results could differ from those estimates.

J. Recent Accounting Pronouncements:

In February 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting (a consensus of the Emerging Issues Task Force) ("ASU 2017-06"). ASU 2017-06 clarifies the reporting requirements by an employee benefit plan for its interest in a master trust by requiring a plan's interest in a master trust to be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits. ASU 2017-06 also removes the requirement to disclose the percentage interest in the master trust, and instead requires disclosure of the dollar amount of interest in each investment type. There are also increased disclosure requirements for investments in a master trust. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018 with early adoption permitted, and will be applied retrospectively to each period where financial statements are presented. The Company is currently evaluating the impact the adoption of the standard will have on the Plan's financial statements.

NOTE 3. FAIR VALUE MEASUREMENTS

Accounting guidance on fair value measurements specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1: Quoted prices for identical instruments in active markets;
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Mutual funds, which include money market funds, are registered investment companies and are valued at quoted market prices which represent the net asset value of the underlying shares held by the Plan at the valuation date. The Vanguard Brokerage Option invests in various mutual funds, which represent net asset value, as stated above. There were no investments classified as Level 3 for the periods ending December 31, 2017 and 2016.

The Vanguard Target Retirement Income Trust II and the Vanguard Target Retirement Trust II trusts are common collective trusts which invest in a Vanguard master trust, which then invests in Vanguard mutual funds. The Vanguard Retirement Savings Trust III is a common collective trust that holds fully benefit responsive investment contracts. Collective trust funds are valued at net asset value ("NAV") based on the market value of the underlying investment assets divided by the number of units outstanding at the end of the Plan year. The NAV, as provided by the Trustee, is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

While the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments Measured at Fair Value on a Recurring Basis

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2017, and 2016. The following table does not include the Plan's interest in the IFF Stock Fund - Master Trust because that information is presented in a separate table (see Note 4):

	Fair Value Measurements Using Input Type as of December 31, 2017		
	Level 1	Level 2	Total
	Mutual funds	\$ 109,990,582	\$ —
Brokerage account mutual funds	12,432,147	—	12,432,147
Total investments measured at fair value included in the hierarchy	122,422,729	—	122,422,729
Common collective trust funds measured at net asset value ⁽¹⁾	—	—	289,762,183
Total investments	\$ 122,422,729	\$ —	\$ —412,184,912
	Fair Value Measurements Using Input Type as of December 31, 2016		
	Level 1	Level 2	Total
	Mutual funds	\$ 87,251,720	\$ —
Brokerage account mutual funds	10,308,803	—	10,308,803
Total investments measured at fair value included in the hierarchy	97,560,523	—	97,560,523
Common collective trust funds measured at net asset value ⁽¹⁾	—	—	228,197,019
Total investments	\$ 97,560,523	\$ —	\$ —325,757,542

⁽¹⁾ Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net asset s available for benefits.

The following table sets forth additional disclosures of the Plan's investments whose fair value is estimated using net asset value associated with common collective trusts as of December 31, 2017 and 2016:

	Fair Value		Unfunded Redemption Commitment	Redemption Frequency	Redemption Notice Period
	2017	2016			
Vanguard Retirement Savings Trust III	\$ 9,654,994	\$ 9,700,781	—	Daily	None
Vanguard Target Retirement Trust II	270,447,538	214,271,589	—	Daily	None
Vanguard Target Retirement Income Trust II	9,659,651	4,224,649	—	Daily	None
Total	\$ 289,762,183	\$ 228,197,019			

NOTE 4. INTEREST IN MASTER TRUST

A portion of the Plan's investments are in the Master Trust, which was established for the investment of assets of the Plan and certain other IFF sponsored retirement plans. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by Vanguard. The value of the Plan's interest in the IFF Master Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. At both December 31, 2017 and 2016, the Plan's interest in the net assets of the Master Trust was 99.62% and 99.63%, respectively. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon the amount of the time the plan's assets were invested in the Master Trust.

IFF Stock Fund - Master Trust
Statements of Net Assets

	December 31,	
	2017	2016
Assets		
Investments at Fair Value		
IFF Common Stock	\$16,204,893	\$12,474,073
VGI Federal Money Market Fund	68,463	58,383
Accrued Income Receivable	72,100	67,774
Total Assets	16,345,456	12,600,230
Liabilities		
Securities Purchased Payable	(270,138)	—
Income Payable	(72,201)	(67,811)
Total Liabilities	(342,339)	(67,811)
Total Net Assets	\$16,003,117	\$12,532,419

IFF Stock Fund Master Trust

Statements of Changes in Net Assets

	Year Ended December 31,	
	2017	2016
Additions to net assets attributed to:		
Investment income:		
Interest	\$4	\$—
Dividends	275,054	263,665
Net appreciation (depreciation) in fair value of investments	3,663,477	(93,032)
Net investment income	3,938,535	170,633
Net transfers	(467,837)	(1,795,999)
Net increase (decrease) in net assets	3,470,698	(1,625,366)
Net Assets		
Beginning of Year	12,532,419	14,157,785
End of Year	\$16,003,117	\$12,532,419

The Plan Interest in IFF Stock Fund - Master Trust is valued based on the closing price of the underlying IFF common stock at the valuation date, plus any uninvested cash position. The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value:

	December 31,	
	2017	2016
	Level 1	Level 1
IFF Common Stock	\$16,204,893	\$12,474,073
Vanguard Federal Money Market Fund	68,463	58,383
Total	\$16,273,356	\$12,532,456

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2017, there were no transfers in or out of levels 1, 2, or 3.

NOTE 5. TAX STATUS

On March 31, 2014, the Internal Revenue Service ("IRS") issued an opinion letter stating that the volume submitter plan document adopted by the Plan, as then designed, qualifies under Section 401(a) of the Code. Although the volume submitter plan has been amended since receiving the opinion letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

The Plan does not have any uncertain tax positions that would result in the recording of a liability (or asset) for unrecognized tax benefits as of December 31, 2017 and 2016. The Plan is subject to routine audits by taxing jurisdictions, generally for three years after they were filed. There are currently no audits in progress.

NOTE 6. NOTES RECEIVABLE FROM PARTICIPANTS

Upon application by a participant and validation as appropriate per the participant loan policy, the Trustee may make a loan to a participant in an amount not exceeding the lesser of 50% of the balance in the participant's account, or \$50,000, with a minimum loan of \$1,000. Loan withdrawals are allocated, as applicable, to the participant's balance in each of his or her selected investment funds. The loans are collateralized by the balance in the participants' accounts and bear interest at a fixed rate equal to the Citibank, N.A. prime rate, plus 1/2 percent, but in no case in excess of the legal rate of interest. Interest rates are determined on the first business day of the calendar quarter. Loans are subject to a loan origination fee of \$30 if they are requested on-line or \$80 if they are requested through a participant services representative. Loan origination fees are deducted from the loan proceeds. In addition, participants with outstanding loans are subject to an annual administrative fee of \$10, which is deducted from their respective accounts each July, except for the first year of the loan. Interest rates on outstanding participant loans ranged from 3.75% to 5.75% at December 31, 2017 and ranged from 3.75% to 8.75% at December 31, 2016.

NOTE 7. RELATED PARTY TRANSACTIONS

The Master Trust invests in shares of the Company's common stock based on participant's investment choices. The Master Trust is designed as a means for employees to participate in the potential long-term growth of the Company. Investments in the Master Trust qualify as party-in-interest transactions.

Most Plan investments consist of shares in investment funds managed by Vanguard. Vanguard is a party-in-interest as defined by ERISA.

In the opinion of the Investment Committee, fees paid during the years for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

NOTE 8. PLAN TRANSFERS

As a result of the Company's acquisition of Henry H. Ottens Manufacturing, Inc. ("Ottens Flavors") during 2015, the Ottens Flavors 401(k) Plan was transferred into the Plan on January 4, 2016. Total assets transferred were approximately \$7.4 million.

As a result of the Company's acquisition of David Michael & Co., Inc. ("David Michael") during 2016, the David Michael & Co., Inc. Profit-Sharing Plan was transferred into the Plan on December 29, 2017. Total assets transferred were approximately \$32.4 million.

As a result of the Company's acquisition of Fragrance Resources Inc. ("Fragrance Resources") during 2017, the Fragrance Resources 401(k) Plan was transferred into the Plan on January 11, 2018. Total assets transferred were approximately \$16.0 million.

SUPPLEMENTAL SCHEDULE
INTERNATIONAL FLAVORS & FRAGRANCES INC.
RETIREMENT INVESTMENT FUND PLAN
EIN No. 13-1432060
PLAN No. 001
FORM 5500
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2017

(a)(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
* Plan Interest in IFF Stock Fund - Master Trust	Master Trust Fund	a	\$ 16,294,994
* Vanguard Retirement Savings Trust III	Common/Collective Trust	a	9,654,994
* Vanguard Inflation-Protected Securities Fund: Admiral Shares	Mutual Fund	a	2,104,352
* Vanguard Federal Money Market Fund	Mutual Fund	a	7,136,683
* Vanguard Total Bond Market Index Fund: Institutional Shares	Mutual Fund	a	18,231,285
* Vanguard Total International Stock Index Fund: Institutional Shares	Mutual Fund	a	23,018,034
* Vanguard Total Stock Market Index Fund: Institutional Shares	Mutual Fund	a	59,500,228
* Vanguard Target Retirement 2015 Trust II	Common/Collective Trust	a	20,053,970
* Vanguard Target Retirement 2020 Trust II	Common/Collective Trust	a	45,407,229
* Vanguard Target Retirement 2025 Trust II	Common/Collective Trust	a	53,191,137
* Vanguard Target Retirement 2030 Trust II	Common/Collective Trust	a	47,567,873
* Vanguard Target Retirement 2035 Trust II	Common/Collective Trust	a	44,657,740
* Vanguard Target Retirement 2040 Trust II	Common/Collective Trust	a	29,337,122
* Vanguard Target Retirement 2045 Trust II	Common/Collective Trust	a	16,542,794
* Vanguard Target Retirement 2050 Trust II	Common/Collective Trust	a	8,344,986
* Vanguard Target Retirement 2055 Trust II	Common/Collective Trust	a	4,051,206
* Vanguard Target Retirement 2060 Trust II	Common/Collective Trust	a	1,293,481
* Vanguard Target Retirement Income Trust II	Common/Collective Trust	a	9,659,651
* Vanguard Brokerage Option (line 1c15)	Mutual Fund	a	12,432,147
* Participant Loans	Varying maturity dates through 7/16/2027, interest ranging from 3.75% to 5.75%, per annum	—	4,737,911
			\$433,217,817

* Indicates party-in-interest to the plan.

a The cost of participant-directed investments is not required to be disclosed.

See report of independent registered public accounting firm.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

INTERNATIONAL FLAVORS & FRAGRANCES INC.
RETIREMENT INVESTMENT FUND PLAN

Date: June 29, 2018

By: /s/ Shelley Bellisle
Shelley Bellisle
Chairman, Administrative Committee