

# International Savings and Retirement Plan

Investment Guide



## InterContinental Hotels Group

### International Savings & Retirement Plan

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## Introduction



Everyone has different attitudes towards investing their money.

This Investment Guide aims to provide you with information about the options available to you as a member of the InterContinental Hotels Group (IHG) International Savings & Retirement Plan (“the Plan”).

As you will have read in your separate ‘IHG International Savings & Retirement Plan Employee Guide’, you need to decide how to invest your Retirement Account. The value of your Retirement Account on retirement or earlier date of leaving will depend, in part, on the investment performance achieved.

You decide which of the investment options your Retirement Account will be invested in from the range of choices made available through the Plan. This guide will help you to make that decision by explaining the investment options available.

The Plan’s Governance Committee have engaged the services of Mercer Limited to provide investment consultation to help them oversee its operation.

Through this consultation Mercer have provided recommendations regarding the creation of a core list of funds specifically researched and selected to meet the needs of the IHG Plan. This core list of funds will continue to be monitored and reviewed by Mercer on an ongoing basis ensuring that it remains appropriate for the plan members and their investment requirements.

IHG recognises that making decisions on investments can be complex for some. So to make things easier, there are two approaches for you to consider. You can:

Choose one of the Automatic Investment Strategies:

- US dollar (USD)
- Euro (EUR)
- Sterling (GBP)

These are explained on page 7 of this guide, or:

You can create your own investment strategy by selecting from investment options that cover different attitudes to risk and asset classes (such as shares, bonds or cash). You can choose to invest in a single option or create your own mix by selecting more than one option. This option is called ‘self-select’ and you can find the details you’ll need on page 6 of this guide.

### Please note:

When you join the plan, if you do not make an investment selection, monies in your Retirement Account will automatically be invested into the US dollar Automatic Investment Strategy.



# The basics of investing



## Risk and return

To make investment decisions that you are comfortable with it is important to understand the relationship between investment risk and investment return. An investment with the potential for a higher return usually comes with a higher level of risk. On the other hand, an investment which has a lower level of risk will usually produce a lower return.

If you want to aim for higher returns, you will need to be prepared to take on more risk. If you are cautious about the level of risk in your portfolio, then you should be willing to accept a lower potential return. Please note however that any investment involves risk and the value of your investment can go down as well as up.

## Diversifying your portfolio

Investing in a variety of different assets with different levels of risk can help protect your portfolio from overall market risks.

As you would expect, various types of investments perform differently depending on economic cycles and other factors. When one investment's performance is going down, another's may be going up – and one therefore reduces the negative effects of the other. That is why having a diversified portfolio is a good way to decrease your investment risk.

## Attitude to risk

Everyone has a different view on how much risk they are prepared to take with their investments. Things to bear in mind when thinking about the level of risk you are comfortable with include:

- Your personal circumstances – both now and in the future.
- Length of time contributions are invested.
- The investment performance of the selected option(s) and the volatility of the performance (the 'ups' and 'downs').

## Investment options

You can choose one of the three Automatic Investment Strategies or you can 'self-select' and create your own investment strategy from a range of investment options.

## Fund Centre

If you would like to 'self-select' your investments, there are two Fund Centres you can access via the Zurich International online (ZIO) website, the 'Core' Fund Centre and the 'Extended' Fund Centre. It is important to note that only funds shown in the 'Core' Fund Centre are actively monitored by the IHG Governance Committee and Mercer. The 'Extended' Fund Centre includes a wider range of funds which you can access, however these funds are not monitored by the IHG Governance Committee or Mercer. The Fund Centre also contains links to fund factsheets where you will find up to date information on the underlying funds, such as asset classes, sectors, geographical holdings (where applicable) and more. The 'Core' Fund Centre will also contain performance information for the funds which make up the Automatic Investment Strategy.

### Core Fund Centre:

<http://webfund6.financialexpress.net/clients/zil/pricetable.aspx?range=ipp&scheme=101>

### Extended Fund Centre:

<http://webfund6.financialexpress.net/clients/zil/pricetable.aspx?range=ipp&scheme=102>

# Choosing your investment



## Default option

If you do not make a pro-active investment selection, your Retirement Account will be invested in the default option, the USD Automatic Investment Strategy (outlined below).

## Automatic investment strategies

There are three Automatic Investment Strategies to choose from:

- US dollar Automatic Investment Strategy
- Euro Automatic Investment Strategy
- Sterling Automatic Investment Strategy

The Automatic Investment Strategy (AIS) is what is known as a 'lifestyling' investment option that allows plan members to invest in growth assets such as equities during the early years of the plan, and moves them gradually into more secure assets such as fixed interest securities closer to retirement age. This is based on the principle that the level of risk investors are prepared to take, along with investment growth and their income needs, are likely to change throughout the different stages of life – with each stage potentially requiring a different balance within the retirement savings plan.

## How Automatic Investment Strategies are invested

Automatic investment strategies are invested in a range of Zurich funds:

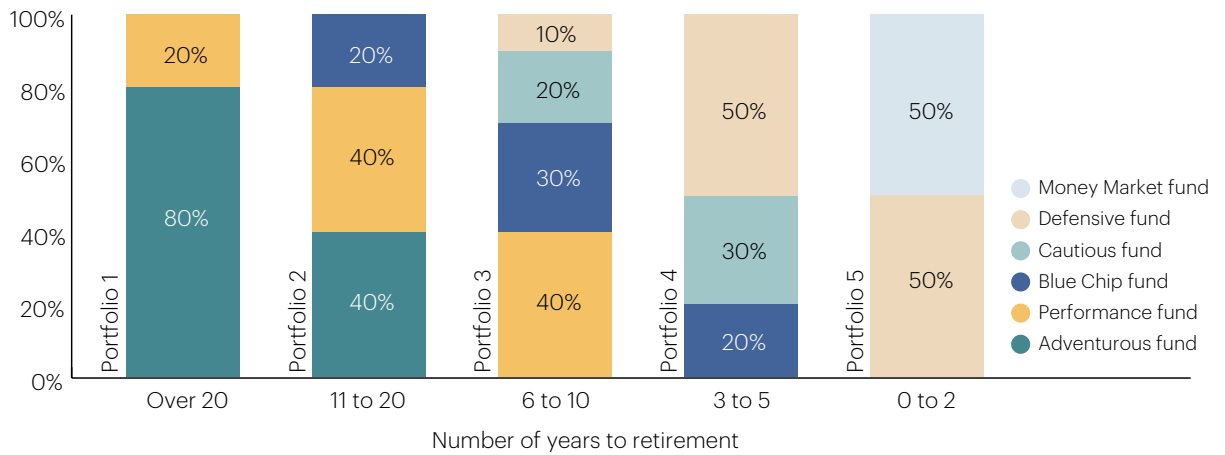
The Money Market funds invest in short-term deposits and international short-term interest earning securities, such as certificates of deposit. The objective of the Money Market funds is to provide a low risk environment that offers stability and a high degree of liquidity as you are nearing retirement.

Zurich's five other funds are known as the Managed fund range and offer funds of differing risk levels. The funds are invested primarily in fixed interest securities and equities listed on the world's stock markets and are managed by the highly regarded Investment Manager Threadneedle Asset Management.

There are five Managed funds all targeting differing levels of return and therefore assuming differing levels of risk:

- The Defensive funds carry the lowest risk and invest mainly in fixed interest securities with a proportion invested in international equities.
- The Cautious funds invest primarily in fixed-interest securities but generally carry a higher proportion of equities than the Defensive funds.
- The Blue Chip funds invest in equities and a proportion of fixed-interest securities.
- The Performance funds carry an even higher concentration of equities and exposure to fixed-interest securities is lower than that of the Blue Chip funds.
- The Adventurous funds exposure to equities is generally higher than that of the other funds in the managed range with a lower exposure to money market instruments.

# Choosing your investment



## Self-select investment options

The self-select concept enables you to choose from any of the available funds and design your own unique investment strategy.

You can select as many of the available funds as you wish, and specify the percentage of the monthly contribution you would like to invest in your chosen option(s).

There are two fund ranges available to members who wish to self-select, the 'Core' fund range and an 'Extended' fund range. The 'Core' list of funds opposite will be actively monitored by the Plan's Governance Committee and investment consultants. If you would like to access a wider range of funds, there is an 'Extended' fund range, but this will not be monitored by either the Governance Committee or Mercer and so greater care in self-selection should be taken.



# Choosing your investment



## Core self-select fund range:

| Cash Funds (Active)                                | Fund Code |
|--|-----------|
| Insight GBP Liquidity                              | CQGBP     |
| Insight Liquidity Fund EUR Cash                    | JWEUR     |
| Insight USD Liquidity                              | ZRUSD     |
| Government Bond Funds (Passive)                    | Fund Code |
| iShares GIF Emerging Markets Government Bond Index | USDEW     |
| iShares GIF Global Government Bond                 | USDCT     |
| iShares Global Inflation Linked Bond               | 4UUSD     |
| Global Corporate Bond Funds (Active)               | Fund Code |
| iShares Euro Credit Bond Index                     | EYEUR     |
| BlackRock GF Global Corporate Bond EUR             | KUEUR     |
| BlackRock GF Global Corporate Bond USD             | USDET     |

| Global Equity (Passive)                             | Fund Code |
|---|-----------|
| iShares Developed World Index GBP                   | EGGBP     |
| Regional Equity Funds (Passive)                     | Fund Code |
| iShares GIF Europe Equity Index EUR                 | KFEUR     |
| iShares Emerging Markets Index USD                  | 3UUSD     |
| iShares Japan Index                                 | VUUSD     |
| iShares North American Index                        | NOUSD     |
| iShares Pacific Rim Index                           | K7USD     |
| iShares UK Credit Bond Index                        | BLGBP     |
| iShares UK Index                                    | BMGBP     |
| Diversified Growth Fund (Active)                    | Fund Code |
| Schroder ISF Global Diversified Growth GBP (Hedged) | GGGBP     |
| Schroder ISF Global Diversified Growth EUR          | DZEUR     |
| Schroder ISF Global Diversified Growth USD (Hedged) | UNUSD     |

## Actively managed investment options

This is a style of investment management where the fund manager actively manages a fund (i.e. chooses specific investments) with the aim of outperforming other similar funds or a particular index. The fund manager chooses which assets to hold and when to buy and sell assets in order to try to achieve the best returns.

## Passively managed investment options

This is a style of investment management where the fund aims to track the performance of a chosen index, for example, the S&P 500 (which reflects the US equity market). The underlying assets of the fund are normally held in the same proportions as the index. Passive funds are also described as index tracking funds.

Fund information is correct at time of publishing – October 2022

### Important note:

Past performance should not be seen as an indication of future performance. It is important to remember that the price of investments, and the income from them, can go down as well as up, is not guaranteed, and that you may not get back the amount originally invested.

Changes in rates of currency exchange, particularly where overseas securities are held, may also affect the value.

## Contact details



### For information regarding the Plan

#### Asia Australasia HR Shared Services

Email: [ameahrss@ihg.com](mailto:ameahrss@ihg.com)

#### Greater China HR Shared Services

Email: [gchrss@ihg.com](mailto:gchrss@ihg.com)

#### Rest of World Global HR Shared Services

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### For ZIO queries

#### We're here to help

Get in touch [here](#)