

BAXTER INTERNATIONAL INC
Form 11-K
June 19, 2015
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

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

For the year ended December 31, 2014

OR

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

For the transition period from _____ to _____

Commission file number 1-4448

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

Incentive Investment Plan

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

One Baxter Parkway

Deerfield, IL 60015

(224) 948-2000

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December 31, 2014 and 2013

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee of

the Baxter International Inc. and Subsidiaries Incentive Investment Plan

Deerfield, Illinois

We have audited the accompanying statements of net assets available for benefits of the Baxter International Inc. and Subsidiaries Incentive Investment Plan (the Plan) as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Baxter International Inc. and Subsidiaries Incentive Investment Plan s financial statements. The supplemental schedule is the responsibility of the Plan s management. Our audit procedures included determining whether the information presented in the supplemental schedule 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 schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, 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 schedule is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 19, 2015

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Statements of Net Assets Available for Benefits**

December 31, 2014 and 2013 (in thousands)

| | 2014 | 2013 |
|--|---------------------|---------------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 46,562 | \$ 35,266 |
| Common stock (including securities on loan of \$3,364 in 2014 and \$1,927 in 2013) | 507,029 | 493,958 |
| U.S. government and government agency issues (including securities on loan of \$5,998 in 2014 and \$5,325 in 2013) | 34,634 | 31,124 |
| Corporate and other obligations (including securities on loan of \$3,257 in 2014 and \$6,520 in 2013) | 39,425 | 38,500 |
| Commingled funds | 1,147,634 | 977,799 |
| Synthetic guaranteed investment contracts | 712,934 | 733,857 |
| Registered investment companies | 16,921 | 14,879 |
| Collateral held on loaned securities | 12,903 | 14,078 |
| Total investments at fair value | 2,518,042 | 2,339,461 |
| Receivables | | |
| Notes receivables from participants | 50,454 | 47,054 |
| Sponsor contributions | 26,743 | 23,109 |
| Accrued interest and dividends | 2,390 | 2,251 |
| Due from brokers for securities sold | 505 | 800 |
| Total receivables | 80,092 | 73,214 |
| Total assets | 2,598,134 | 2,412,675 |
| Liabilities | | |
| Accounts payable | 5,957 | 5,985 |
| Due to brokers for securities purchased | 7,815 | |
| Collateral to be paid on loaned securities | 12,903 | 14,078 |
| Total liabilities | 26,675 | 20,063 |
| Net assets available for benefits, reflecting investments at fair value | 2,571,459 | 2,392,612 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (41,872) | (36,932) |
| Net assets available for benefits | \$ 2,529,587 | \$ 2,355,680 |

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

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Statements of Changes in Net Assets Available for Benefits**

For the Years Ended December 31, 2014 and 2013 (in thousands)

| | 2014 | 2013 |
|--|--------------|--------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Net appreciation in fair value of investments | \$ 121,342 | \$ 273,896 |
| Interest | 22,436 | 25,520 |
| Dividends | 10,973 | 9,905 |
| Net investment income | 154,751 | 309,321 |
| Participant loan interest | 4,099 | 3,744 |
| Contributions | | |
| Sponsor | 73,677 | 68,003 |
| Participant | 107,935 | 110,936 |
| | 181,612 | 178,939 |
| Total additions | 340,462 | 492,004 |
| Deductions from net assets attributed to | | |
| Benefits paid | 171,804 | 151,562 |
| Plan expenses | 6,834 | 6,845 |
| Total deductions | 178,638 | 158,407 |
| Increase before transfer | 161,824 | 333,597 |
| Transfer from other plan (Refer to Note 11) | 12,083 | 4,947 |
| Net increase | 173,907 | 338,544 |
| Net assets available for benefits | | |
| Beginning of year | 2,355,680 | 2,017,136 |
| End of year | \$ 2,529,587 | \$ 2,355,680 |

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

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Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

1. General Description of the Plan

The following description of the Baxter International Inc. and Subsidiaries Incentive Investment Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document and summary plan description for more complete information. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is a defined contribution plan the predecessor of which originally became effective on January 1, 1960. The Plan was created for the purpose of providing retirement benefits to United States employees of Baxter International Inc. (the Sponsor or the Company) and its subsidiaries, and to encourage and assist employees in adopting a regular savings program by means of payroll deductions through a plan that qualifies under the United States Internal Revenue Code. Plan participants may authorize the Company to make payroll deductions under the Plan ranging from 1% to 50% of their pre-tax monthly compensation limited to a maximum of \$17,500 a year in both 2014 and 2013. Participants who have attained the age of 50 by the end of the year may contribute up to an additional \$5,500 per year in catch-up contributions. Newly hired employees are deemed to have elected to contribute 3% of compensation (increased by 1% per year to a total of 6%) unless they make a contrary election. The Company matches a participant's savings contributions on a dollar for dollar basis up to 3.0% of the participant's compensation, and matches any contributions between 3% and 4% of compensation at the rate of 50 cents for each dollar of a participant's pre-tax contribution, so that the maximum matching contribution for participant who contribute at least 4% of their compensation is 3.5% of compensation. The Company also contributes an additional non-matching 3% of compensation for employees that are not eligible to participate in the Company's U.S. qualified defined benefit pension plan, which includes all new employees hired on or after January 1, 2007, and employees who had less than five years of service on January 1, 2007 and who elected to cease earning additional service in the pension plan and participate in the higher level of Company contributions in the Plan.

Participants are immediately vested in the elective contributions and matching contribution plus actual earnings thereon. The additional non-matching contributions become fully vested after three years of service. Participants are fully vested in the Company's non-matching contributions account, regardless of years of service with the Company, upon attaining age 65, upon becoming disabled in accordance with the provisions of the Plan or upon dying while employed by the Company. Forfeitures of nonvested accounts are used to reduce future employer contributions.

Participants may borrow from their vested accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at the prime rate at the last day of the month prior to loan request, plus one percent.

Participants or their beneficiaries may elect lump-sum benefit payments, or benefits may be paid in installments. Shares of Baxter common stock may also be distributed in kind at the participant's election. Subject to certain provisions specified in the Plan agreement, employed participants may withdraw their pre-tax contributions, matching contributions made prior to 2008, vested non-matching contributions and related earnings in cases of financial hardship and in certain other circumstances. In the case of a participant termination by reason of death or disability, the entire vested amount is paid to the person or persons legally entitled thereto.

Each participant's account is credited with the participant's contributions and an allocation of the Company's contributions and Plan earnings, and is charged with his or her withdrawals and an allocation of Plan-related expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The net income of the Plan is posted to the participant's accounts on a daily basis. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

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Upon enrollment in the Plan, a participant may direct contributions into any of 20 investment options: Stable Income Fund, Baxter Common Stock Fund, Composite Fund, General Equity Fund, State Street Global Advisors S&P 500 Flagship Fund (SSgA S&P 500 Fund), State Street Global Advisors International EAFE Equity Index Fund (SSgA EAFE Equity Fund), State Street Global Advisors Small Cap Fund (SSgA Small Cap Fund), Northern Trust Domestic Mid Cap Fund, State Street Global Advisors Emerging Markets Fund (SSgA Emerging Markets Fund), ten different Target Date Retirement Funds and the Self-Managed Fund. However, non-matching contributions may not be invested in the Baxter Common Stock Fund. In addition, certain participants may maintain shares received in connection with Baxter's 1996 spin-off of Allegiance Corporation (Allegiance), which were subsequently converted into common shares of Cardinal Health Inc. (Cardinal) upon Cardinal's acquisition of Allegiance in 1999. These shares are maintained in the Cardinal Health Common Stock Fund. Additionally, certain participants maintain shares in Edwards Lifesciences Corporation. These shares were placed into the Edwards Lifesciences Common Stock Fund in connection with Baxter's 2000 spin-off of its cardiovascular business. Participants are not able to make contributions or transfer existing account balances to the Cardinal Health Common Stock Fund or the Edwards Lifesciences Common Stock Fund, but may make transfers out of these funds at any time. Starting in 2013, participants are no longer able to make contributions to the Composite Fund and General Equity Fund, but may make transfers out of these funds at any time.

In March 2014, Baxter announced plans to create two separate, independent global healthcare companies—one focused on lifesaving medical products and the other on developing and marketing innovative biopharmaceuticals. The transition is intended to take the form of a tax-free distribution to Baxter shareholders of more than 80% of the publicly traded stock in the new biopharmaceuticals company (the spin). The transaction is expected to be completed by mid-year 2015, subject to market, regulatory and certain other conditions, including final approval by the Baxter Board of Directors, receipt of a favorable opinion and/or rulings with respect to the tax-free nature of the transaction in the United States, and the effectiveness of the Form 10 registration statement filed with the United States Securities and Exchange Commission.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting. Accordingly, investment income is recognized when earned and expenses are recognized when incurred.

Valuation of Investments and Collateral

The fair value of Plan investments and collateral is determined as follows:

| | |
|---------------------------|--|
| Cash and cash equivalents | These largely consist of a short-term investment fund and a money market fund, the fair value of which is based on the net asset value. The investment objectives for these funds are to provide safety for principal, daily liquidity and a competitive yield by investing in high quality instruments. |
| Common stock | Value based on closing prices on the valuation date in an active market on national securities exchanges. |

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| | |
|--|---|
| U.S. government and government agency issues | Value based on reputable pricing vendors that typically use pricing matrices or models. |
| Corporate and other obligations | Value based on reputable pricing vendors that typically use pricing matrices or models. |

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| | |
|--|---|
| Commingled funds | Value based on net asset values reported by the fund managers as of the Plan's financial statement dates and recent transaction prices. The investment objectives of certain funds are to track the performances of the S&P 500, Europe, Australasia and the Far East (EAFE), or Russell 2000 indexes. In addition, these funds include target date retirement funds, whose objective is to provide investors, who have a specific date in mind for retirement with a portfolio of investments. The underlying investments for all funds vary, with some holding diversified portfolios of domestic stocks, government agency and corporate bonds, and others holding collective investment funds. Each fund provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement. |
| Registered investment companies | Value based upon the closing price from a national security exchange on the valuation date. |
| Synthetic guaranteed investment contracts | Value based on the fair value of the underlying securities in the contract on the valuation date plus the fair value of the wrapper contracts, which is calculated using a replacement cost approach. The underlying securities are valued based upon the methodologies described above. In addition, this investment includes an individual separate account with Metropolitan Life Insurance Company (MetLife). The value of this separate account is based upon the unit value provided by MetLife as of the Plan's financial statement date plus the fair value of the wrapper contracts, which is calculated using a replacement cost approach. The underlying securities primarily of the account, managed by a sub-advisor of the insurance company, consist of fixed income securities. See below for more information. |
| Collateral held on loaned securities | Value based upon the net asset value per unit of the short-term investment funds where the collateral is invested. Refer to Note 7 for more information on the securities lending program. |
| Collateral to be paid on loaned securities | Value based on the fair value of the underlying securities loaned on the valuation date, plus an incremental margin. |

Income Recognition

Plan investment return includes dividend and interest income, gains and losses on sales of investments and unrealized depreciation or appreciation of investments. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Interest is earned on an accrual basis.

The financial statements reflect the net depreciation or appreciation in the fair value of the Plan's investments. This net depreciation or appreciation consists of realized gains and losses calculated as the difference between proceeds from a sales transaction and cost determined on a moving average basis, and unrealized gains and losses calculated as the change in the fair value between beginning of the year (or purchase date if later) and the end of the year.

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Synthetic Guaranteed Investment Contracts

The Plan holds synthetic guaranteed investment contracts (GICs) as part of the Stable Income Fund. The synthetic GICs provide for a fixed return on principal over a specified time through fully benefit-responsive contracts issued by Transamerica, Prudential and MetLife. During 2014, the GIC with Bank of America was terminated and the Plan entered into a new GIC with Prudential. During 2013, certain assets underlying the synthetic GICs were transferred to an individual separate account with MetLife. The portfolio of assets underlying the synthetic GICs primarily includes cash and cash equivalents, U.S. government and government agency issues, and corporate and other obligations.

The fair value of the synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contracts. The fair value of the wrapper contracts is computed using a replacement cost approach that incorporates a comparison of the current fee rate on similar wrapper contracts to the fee being paid by the Plan. Using this approach, the fair values of the wrapper contracts were a loss of \$449 thousand and a loss of \$129 thousand at December 31, 2014 and 2013, respectively.

While Plan investments are presented at fair value in the Statements of Net Assets Available for Benefits, any material difference between the fair value of the Plan's direct and indirect interests in fully benefit-responsive investment contracts and their contract value is presented as an adjustment line in the Statements of Net Assets Available for Benefits, because contract value is the relevant measurement attribute for that portion of the Plan's net assets available for benefits. Contract value represents contributions, plus earnings, less participant withdrawals and administrative expenses. The wrapper contracts used by the Plan are fully benefit-responsive because the wrapper contract issuers are contractually obligated to make up any shortfall in the event that the underlying asset portfolio has been liquidated and is inadequate to cover participant withdrawals and transfers at contract value. There are currently no reserves against contract values for credit risk of the contract issuers or any other risk. The contract value for the synthetic GICs was \$671.1 million and \$696.9 million at December 31, 2014 and 2013, respectively.

The crediting interest rate, which is reset quarterly, can never fall below zero. The crediting rate formula smoothes the impact of interest rate changes on participant returns by amortizing any difference between market value and book value over a period of years equal to the duration of the portfolio benchmark. The average yield on the synthetic GICs was approximately 1.9% and 2.0% at December 31, 2014 and 2013, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 2.8% and 2.7% for the years ended December 31, 2014 and 2013. The credit ratings for Transamerica were AA- at both December 31, 2014 and 2013, the credit rating for Prudential was AA- at December 31, 2014, the credit ratings for MetLife were AA- at both December 31, 2014 and 2013, and the credit rating for Bank of America was A at December 31, 2013.

Events that lead to market value withdrawals that exceed 15 percent of the contract value of the GICs of Prudential and Transamerica or 10 percent of the contract value of the GIC of MetLife would limit the ability of the Plan to transact at contract value with participants. These events include restructurings, early retirement plans, divestitures, bankruptcies, or legal, tax or regulatory changes. The Plan sponsor believes that the occurrence of any such event is remote. The spin does not constitute an event under the GICs.

The wrapper providers can only terminate at a value different than contract value under an event of default (that was not remedied) such as failure to follow the terms of the contract. If a wrapper provider would like to exit the contract for another reason, the Plan can maintain the contract through an extended termination process designed to ensure continued benefit-responsive treatment for withdrawals.

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Notes Receivables from Participants

Participant loans are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participant's account balances.

Payment of Benefits and Fees

Benefits are recorded when paid. Loan origination fees associated with notes receivable from participants and the Plan's record keeping and trustee fees are paid by the Plan and are reflected in the financial statements as Plan expenses. Investment management fees are charged to the Plan as a reduction of investment return and included in the investment income (loss) reported by the Plan. All other expenses of the Plan are paid by the Company.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Changes in such estimates may affect amounts reported in future periods.

Other

Due from broker for securities sold represent the net cash value of security trades initiated but not yet settled at each respective year-end.

Risks and Uncertainties

The Plan provides for various investment options which invest in any combination of registered investment companies, U.S. government and government agency issues, corporate and other obligations, common stock, commingled funds, synthetic guaranteed investment contracts and short-term investments. Investment securities are exposed to various risks, such as interest rate, market, liquidity and credit risks. 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 risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits. Individual participants' accounts bear the risk of loss resulting from fluctuations in investment values.

Investments underlying the Plan's synthetic GICs include securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by subprime mortgage loans (corporate and other obligations). The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies and/or defaults and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

3. Eligibility Requirements

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Employees become eligible to participate in the Plan as of the first day of the month following the completion of thirty days of employment. Eligible employees are those who meet the following requirements:

- A. U.S. employees of Baxter or its subsidiaries which have adopted the Plan;
- B. U.S. employees not covered by a collective bargaining agreement unless the agreement provides for coverage under the Plan; and
- C. U.S. employees who are not leased employees.

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Baxter International Inc. and Subsidiaries

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4. Administration of the Plan

State Street Bank and Trust Company (the Trustee) serves as trustee and Voya Institutional Plan Services, LLC, formerly ING Institutional Plan Services, LLC, serves as recordkeeper for the Plan.

The Administrative Committee administers the Plan. The Investment Committee has authority, responsibility and control over the management of the assets of the Plan. Members of both committees are appointed by the Board of Directors of Baxter and are employees of Baxter.

Substantially all investment manager, trustee and administrative fees incurred in the administration of the Plan were paid from the assets of the Plan.

5. Fair Value Measurements

The fair value hierarchy under the accounting standard for fair value measurements consists of the following three levels:

Level 1 - Quoted prices in active markets that the Plan has the ability to access for identical assets or liabilities;

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-based valuations in which all significant inputs are observable in the market; and

Level 3 - Valuations using significant inputs that are unobservable in the market and include the use of judgment by the Plan's management about the assumptions market participants would use in pricing the asset or liability.

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The following tables summarize the bases used to measure the Plan's financial instruments and liabilities that are carried at fair value on a recurring basis.

| (in thousands) | Balance at December 31, 2014 | Basis of Fair Value Measurement | | |
|--|------------------------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 46,562 | \$ | \$ 46,562 | \$ |
| Common stock: | | | | |
| Healthcare | 268,535 | 268,535 | | |
| Consumer products | 69,345 | 69,345 | | |
| Information technology | 77,618 | 77,618 | | |
| Financial services | 23,737 | 23,737 | | |
| Industrial services and materials | 26,505 | 26,505 | | |
| Energy | 11,429 | 11,429 | | |
| Other | 29,860 | 29,860 | | |
| Total common stock | 507,029 | 507,029 | | |
| U.S. government and government agency issues | 34,634 | | 34,634 | |
| Corporate and other obligations | 39,425 | | 39,425 | |
| Commingled funds: | | | | |
| SSgA S&P 500 fund | 335,741 | | 335,741 | |
| SSgA EAFE equity fund | 104,083 | | 104,083 | |
| SSgA Small cap fund | 138,789 | | 138,789 | |
| Target date retirement funds | 536,660 | | 536,660 | |
| Other | 32,361 | | 32,361 | |
| Total commingled funds | 1,147,634 | | 1,147,634 | |
| Registered investment companies | 16,921 | 16,921 | | |
| Synthetic guaranteed investment contracts: | | | | |
| Corporate and other obligations | 213,638 | | 213,638 | |
| U.S. government and government agency issues | 307,750 | | 307,750 | |
| Individual separate account | 167,683 | | 167,683 | |

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| | | | | |
|---|--------------|------------|--------------|----------|
| Cash and cash equivalents | 24,312 | | 24,312 | |
| Wrapper contracts | (449) | | | (449) |
| Total synthetic guaranteed investment contracts | 712,934 | | 713,383 | (449) |
| Collateral held on loaned securities | 12,903 | | 12,903 | |
| Total assets | \$ 2,518,042 | \$ 523,950 | \$ 1,994,541 | \$ (449) |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 12,903 | \$ 3,465 | \$ 9,438 | \$ |

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| | Basis of Fair Value Measurement | | | |
|--|------------------------------------|---|--|--|
| | Balance at December 31, 2013 | in Active Markets for Identical Assets (Level 1) | Quoted Prices Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| (in thousands) | 2013 | (Level 1) | (Level 2) | (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 35,266 | \$ | \$ 35,266 | \$ |
| Common stock: | | | | |
| Healthcare | 247,490 | 247,490 | | |
| Consumer products | 73,664 | 73,664 | | |
| Information technology | 65,805 | 65,805 | | |
| Financial services | 26,321 | 26,321 | | |
| Industrial services and materials | 32,801 | 32,801 | | |
| Energy | 17,939 | 17,939 | | |
| Other | 29,938 | 29,938 | | |
| Total common stock | 493,958 | 493,958 | | |
| U.S. government and government agency issues | 31,124 | | 31,124 | |
| Corporate and other obligations | 38,500 | | 38,500 | |
| Commingled funds: | | | | |
| SSgA S&P 500 fund | 279,286 | | 279,286 | |
| SSgA EAFE equity fund | 111,718 | | 111,718 | |
| SSgA Small cap fund | 142,953 | | 142,953 | |
| Target date retirement funds | 424,925 | | 424,925 | |
| Other | 18,917 | | 18,917 | |
| Total commingled funds | 977,799 | | 977,799 | |
| Registered investment companies: | 14,879 | 14,879 | | |
| Synthetic guaranteed investment contracts: | | | | |
| Corporate and other obligations | 232,411 | | 232,411 | |
| U.S. government and government agency issues | 312,816 | | 312,816 | |
| Individual separate account | 172,672 | | 172,672 | |
| Cash and cash equivalents | 16,087 | | 16,087 | |
| Wrapper contracts | (129) | | | (129) |
| Total synthetic guaranteed investment contracts | 733,857 | | 733,986 | (129) |

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| | | | | |
|--|--------------|------------|--------------|----------|
| Collateral held on loaned securities | 14,078 | | 14,078 | |
| Total assets | \$ 2,339,461 | \$ 508,837 | \$ 1,830,753 | \$ (129) |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 14,078 | \$ 1,957 | \$ 12,121 | \$ |

Transfers between hierarchy measurement levels are recognized by the Plan as of the beginning of the reporting period. The fair value of commingled funds is valued based upon the net asset value of the underlying securities and is classified as Level 2. The Plan did not have any transfers between Levels 1 and 2 during 2014. In 2013, due to a change in the structure of the investment, the target date retirement funds are classified as commingled funds and classified as Level 2.

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The following table sets forth a summary of changes in the fair values of the Plan's level 3 financial instruments.

| (in thousands) | Wrapper Contracts |
|--|----------------------|
| Balance at December 31, 2012 | \$ (991) |
| Additions | 65 |
| Unrealized gains (relating to assets held at end of year) | 797 |
| Balance at December 31, 2013 | (129) |
| Additions | (84) |
| Settlements | (67) |
| Unrealized losses (relating to assets held at end of year) | (169) |
| Balance at December 31, 2014 | \$ (449) |

The unrealized losses from the wrapper contracts are excluded from the net appreciation reported for the Plan, but instead are reflected in the change in the adjustment from fair value to contract value for fully benefit responsive contracts reported on the statements of net assets available for benefits. In 2014, the additions are due to the new contract with Prudential and the settlements are due to termination of the contract with Bank of America as detailed in Note 2. The additions in 2013 are due to the new contract with MetLife as detailed in Note 2.

See Valuation of Investments and Collateral in Note 2 above for a discussion of the methodologies used to determine the fair values of the Plan's investments and collateral. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, 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.

6. Investments

Investments representing five percent or more of the Plan's net assets available for benefits at December 31, 2014 and 2013 are summarized as follows:

| (in thousands, except per share data) | 2014 | 2013 |
|--|------------|------------|
| Baxter common stock, 2,530,593 shares and 2,585,408 shares at December 31, 2014 and 2013, respectively | \$ 185,467 | \$ 179,815 |
| SSgA S&P 500 Fund | 335,741 | 279,286 |
| MetLife Individual Separate Account | 167,683 | 172,672 |

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SSgA Small Cap Fund

138,789

142,953

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2014 and 2013**

Investments as of December 31, 2014 and 2013 are segregated into various investment fund options as follows:

| (in thousands) | 2014 | 2013 |
|---|--------------|--------------|
| Cash (available for investment) | \$ 7,551 | \$ 6,121 |
| Stable Income Fund | 732,093 | 748,611 |
| Baxter Common Stock Fund | 186,340 | 181,520 |
| Composite Fund | 162,780 | 158,846 |
| General Equity Fund | 183,337 | 183,162 |
| Cardinal Health Common Stock Fund | 8,210 | 7,307 |
| SSgA S&P 500 Fund | 335,741 | 279,286 |
| SSgA EAFE Equity Fund | 104,083 | 111,718 |
| Edwards Lifesciences Common Stock Fund | 22,704 | 12,935 |
| SSgA Small Cap Fund | 138,831 | 142,953 |
| Northern Trust Domestic Mid Cap | 23,638 | 14,293 |
| SSgA Emerging Markets Fund | 8,723 | 4,624 |
| Self-Managed Fund | 54,448 | 49,082 |
| Target Date Retirement Funds | 536,660 | 424,925 |
| Collateral held on loaned securities | 12,903 | 14,078 |
| | | |
| Total investments at fair value | 2,518,042 | 2,339,461 |
| Adjustment from fair value to contract value for Stable Income Fund | (41,872) | (36,932) |
| | | |
| Total investments | \$ 2,476,170 | \$ 2,302,529 |

Net appreciation (depreciation) in fair value for each significant class of investment, which includes realized and unrealized gains and losses, is as follows:

| (in thousands) | 2014 | 2013 |
|--|-------------|-------------|
| Baxter common stock | \$ 9,991 | \$ 7,864 |
| Other common stock | 33,870 | 76,699 |
| U.S. government and government agency issues | 1,668 | (1,653) |
| Corporate and other obligations | 560 | (1,752) |
| Commingled funds | 75,339 | 191,201 |
| Registered investment companies | (86) | 1,537 |
| | | |
| | \$ 121,342 | \$ 273,896 |

7. Securities Lending Transactions

The Plan participates in a securities lending program with the Trustee. The program allows the Trustee to loan securities, which are assets of the Plan, to approved brokers (the Borrowers).

The Trustee requires the Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan in an amount that is at least equal to the fair value of the securities loaned. The Plan bears the risk of loss with respect to any unfavorable change in fair value of the invested cash collateral. However, the Borrower bears the risk of loss related to the decrease in the fair value of the non-cash collateral and, therefore, would have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the Trustee shall indemnify the Plan by purchasing replacement securities equal to the number of unreturned loaned securities, to the extent that such replacement securities are available on the open market and if to the extent that such proceeds are insufficient or the collateral is unavailable, the purchase of replacement securities shall be made at Trustee expense or, if replacement securities are not able to be purchased, the Trustee shall credit the Plan for the market value of the unreturned securities.

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Baxter International Inc. and Subsidiaries

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December 31, 2014 and 2013

In each case, the Trustee would apply the proceeds from the collateral for such a loan to make the Plan whole. The fair value of the investment of cash collateral received pursuant to securities lending transactions is reflected on the Statements of Net Assets Available for Benefits as an asset and the obligation to return the amount received is reflected as a liability.

As of December 31, 2014 and 2013, the Plan had securities on loan with a fair value of \$12.6 million and \$13.8 million, respectively, with cash collateral received of \$12.9 million and \$14.1 million, respectively, which was invested in the State Street Quality D Short-Term Investment Fund. Investments underlying this fund primarily consisted of cash and cash equivalents and asset-backed securities as of both December 31, 2014 and 2013, and the net asset value of this fund was approximately \$1.00 per unit. As of December 31, 2014 and 2013 the cash collateral received is reflected at its fair value of \$12.9 million and \$14.1 million in the 2014 and 2013 Statements of Net Assets Available for Benefits, respectively.

Non-cash collateral of \$0.5 million and \$1.7 million received for securities on loan at December 31, 2014 and December 31, 2013, respectively, consisted of U.S. government and government agency issues, equity securities, and corporate and other obligations held by the Trustee on behalf of the Plan. Non-cash collateral is not included with the collateral balance on the 2014 and 2013 Statement of Net Assets Available for Benefits because it may not be sold or repledged. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Plan and the Trustee in its capacity as a security agent. Securities lending income allocated to the Plan amounted to \$24 thousand and \$32 thousand for 2014 and 2013, respectively. Securities lending income is classified as interest income in the Statements of Changes in Net Assets Available for Benefits.

8. Plan Termination

Although it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to reduce, suspend or discontinue its contributions at any time and to terminate the Plan subject to the provisions of the ERISA. In the event the Plan terminates, the interest of each participating employee in the Plan shall become fully vested and such termination of the Plan would not reduce the interest of any participating employee or their beneficiaries accrued under the Plan up to the date of such termination.

9. Tax Status of the Plan

The Internal Revenue Service (IRS) has determined and informed the Plan sponsor by a letter dated September 16, 2013 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (the IRC). The Plan has been amended since the date of the determination letter. The Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements. U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014 and 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

10. Parties-in-Interest

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others.

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At December 31, 2014 and 2013, the Plan held units of participation in certain shares of common stock of State Street Corporation, commingled funds and short-term investment funds of State Street Bank and Trust Company, and units of registered investment companies of SSgA, the Plan trustee; shares of common stock, dividend income on those shares and bonds of Baxter, the Plan sponsor; loans with participants; units of registered investment companies managed by Pacific Investment Management Company, an investment manager for the Plan; shares of common stock and units of registered investment companies managed by AllianceBernstein, an investment manager for the Plan; units of registered investment companies managed by Loomis Sayles, an investment manager for the Plan; shares of common stock, bonds, and interest rate wrapper contracts of Prudential for 2014 only, issuer of the Plan's fully benefit-responsive contracts; interest rate wrapper contracts of Transamerica, issuer of the Plan's fully benefit-responsive contracts; shares of common stock, bonds, an individual separate account and interest rate wrapper contracts of MetLife, issuer of the Plan's fully benefit-responsive contracts; units of commingled funds managed by Northern Trust Corporation, an investment manager for the Plan; and units of registered investment companies in various affiliates of Voya Institutional Plan Services, LLC, the recordkeeper. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

Fees paid by the Plan for investment management, recordkeeping and consulting services, also qualify as party-in-interest transactions and are included in Plan expenses in the accompanying financial statements. The Company pays certain expenses for the administration of the Plan. These transactions are exempt from the party-in interest transaction prohibitions of ERISA.

11. Plan Merger

During 2012, Baxter acquired Synovis Life Technologies, Inc. (Synovis). The Synovis 401(k) Plan was merged into the Plan effective September 2014. As a result of this merger, total assets of approximately \$12.1 million were transferred into the Plan.

During 2012, Baxter acquired Sigma International General Medical Apparatus, LLC (SIGMA). The SIGMA 401(k) Plan was merged into the Plan effective July 2013. As a result of this merger, total assets of approximately \$4.9 million were transferred into the Plan.

12. Subsequent Event

In June 2015, Baxter announced that its board of directors had approved the planned separation of its biopharmaceuticals business, which will be known as Baxalta Incorporated, and declared a special dividend distribution of 80.5 percent of the outstanding shares of Baxalta common stock. Baxter will retain a 19.5 percent ownership stake in Baxalta immediately following the distribution. The distribution of Baxalta common stock in form of a special dividend has been structured to qualify as a tax-free distribution to U.S. holders of Baxter's common stock for U.S. federal income tax purposes. The distribution of Baxalta common stock will complete the proposed separation and Baxalta expects to begin trading as an independent company beginning July 1, 2015 on the New York Stock Exchange (NYSE) under the ticker symbol BXLX.

The Plan is expected to continue after separation. All Plan balances, except those associated with the active employees of Baxalta, will remain with the Plan.

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SUPPLEMENTAL SCHEDULE

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|----------------------------|---------------------|---------------|
| Cash & Cash Equivalents: | | | |
| US Dollar | Cash | | \$ (2,946) |
| Schwab Money Market Fund | Short-Term Investment Fund | | 9,774,668 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 19,150,469 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 7,356,228 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 5,541,709 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 2,010,666 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 1,237,649 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 544,849 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 535,629 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 194,704 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 160,187 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 50,131 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 8,116 |
| | | | \$ 46,562,059 |
| ** Common Stock: | | | |
| 22nd Century Group Inc | Common Stock | | 17,490 |
| 3D Sys Corp | Common Stock | | 54,235 |
| 3Dicon Corp | Common Stock | | 69 |
| 3M Company | Common Stock | | 21,899 |
| 8X8 Inc | Common Stock | | 14,930 |
| A T & T Inc | Common Stock | | 154,771 |
| Abattis Bioceuticals | Common Stock | | 52 |
| Abb Ltd Adr | Common Stock | | 13,916 |
| Abbott Laboratories | Common Stock | | 3,388,549 |
| Abbott Laboratories | Common Stock | | 173,224 |
| Abbvie Inc | Common Stock | | 111,827 |
| Acadia Pharmaceuticals | Common Stock | | 2,222 |
| Ace Ltd | Common Stock | | 680,774 |
| Achillion Pharma Inc | Common Stock | | 26,950 |
| Acorda Therapeutics Inc | Common Stock | | 20,435 |
| Actavis Plc | Common Stock | | 3,225,463 |
| Actavis Plc | Common Stock | | 355,927 |
| Activision Blizzard Inc | Common Stock | | 5,702 |
| Actua Corporation | Common Stock | | 1,385 |
| Axiom Corp | Common Stock | | 3,040 |
| Adept Technology Inc | Common Stock | | 2,508 |
| Adobe Systems Inc | Common Stock | | 3,313,202 |
| ADT Corp | Common Stock | | 398 |

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|--------------------------|--------------|---------|
| Advanced Micro Devices | Common Stock | 68,685 |
| Advansource Biomaterials | Common Stock | 50 |
| Aes Corp | Common Stock | 530,403 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------------|----------------------------------|----------------------------|----------------------|
| Aethlon Medical Inc | Common Stock | | 35,229 |
| Affymax Inc | Common Stock | | 220 |
| Affymetrix Inc | Common Stock | | 21,694 |
| Aflac | Common Stock | | 11,609 |
| Agilent Technologies Inc | Common Stock | | 339,652 |
| Agios Pharmaceutical | Common Stock | | 336 |
| Agnico Eagle Mines Ltd | Common Stock | | 18,567 |
| Air Lease Corp | Common Stock | | 1,888 |
| Akorn Inc | Common Stock | | 72,400 |
| Alcatel Lucent Adr | Common Stock | | 14,537 |
| Alcoa Inc | Common Stock | | 45,863 |
| Alexion Pharmaceuticals Inc | Common Stock | | 1,665 |
| Alexion Pharmaceuticals Inc | Common Stock | | 3,389,406 |
| Alexo Resource Corp | Common Stock | | 3,579 |
| Alibaba Group Holding Sp Adr | Common Stock | | 375,847 |
| Alibaba Group Holding Sp Adr | Common Stock | | 4,017,191 |
| ALJ Regional Hldgs Inc | Common Stock | | 4,350 |
| Alkame Holdings Inc | Common Stock | | 3 |
| All American Gold Co | Common Stock | | 1 |
| Allergan Inc | Common Stock | | 2,371,784 |
| * Alliancebernstein Hldg Unit Ltd | Common Stock | | 14,025 |
| Allscripts Hlthcare | Common Stock | | 1,251 |
| Allstate Corp | Common Stock | | 38,988 |
| Almaden Minerals Ltd | Common Stock | | 8,977 |
| Alnylam Pharmaceuticals | Common Stock | | 17,460 |
| Alon Usa Energy Inc | Common Stock | | 6,968 |
| Altria Group Inc | Common Stock | | 175,734 |
| Aluminum Corp China Adr | Common Stock | | 195 |
| Amag Pharmaceuticals Inc | Common Stock | | 9,376 |
| Amarantus Bioscience Hld | Common Stock | | 90 |
| Amarin Corp Plc Adr | Common Stock | | 18,232 |
| Amazon Com Inc | Common Stock | | 127,864 |
| Amazon.Com Inc | Common Stock | | 5,331,004 |
| Ambarella Inc | Common Stock | | 2,536 |
| Amdocs Limited | Common Stock | | 9,331 |
| Ameren Corp | Common Stock | | 5,212 |
| American Airls Group | Common Stock | | 1,071,259 |
| American Capital Agency | Common Stock | | 32,122 |
| American Capital Ltd | Common Stock | | 8,766 |
| American Express Co | Common Stock | | 29,865 |
| American Graphite | Common Stock | | 28 |
| American Green Inc | Common Stock | | 1,833 |

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| | | |
|------------------------------|--------------|-----------|
| American International Group | Common Stock | 464,678 |
| American International Group | Common Stock | 63,082 |
| American International Group | Common Stock | 3,619 |
| American Lithium Minerals In | Common Stock | 315 |
| American Tower Corp | Common Stock | 2,364,409 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------|---------------------------|---------------------|---------------|
| American Tower Corp | Common Stock | | 536,966 |
| American Tower Corp | Common Stock | | 23,032 |
| American Water Works Co | Common Stock | | 9,594 |
| Amerigas Partners L P | Common Stock | | 10,063 |
| Ameriprise Financial Inc | Common Stock | | 862,079 |
| Amern Realty Cap Ppt | Common Stock | | 9,890 |
| Amgen Incorporated | Common Stock | | 132,023 |
| Amplphi Biosciences | Common Stock | | 4 |
| Andrea Electronics Corp | Common Stock | | 59 |
| Ani Pharmaceuticals | Common Stock | | 112 |
| Anika Therapeutics Inc | Common Stock | | 1,629 |
| Annaly Mtg Mgmt Inc | Common Stock | | 136,815 |
| Anthem Inc | Common Stock | | 422,005 |
| Anthem Inc | Common Stock | | 27,521 |
| Aol Inc | Common Stock | | 646 |
| Aon Plc | Common Stock | | 496,397 |
| Apache Corp | Common Stock | | 6,267 |
| Apple Inc | Common Stock | | 12,191,373 |
| Apple Inc | Common Stock | | 1,989,589 |
| Applied Materials Inc | Common Stock | | 981,300 |
| Applied Materials Inc | Common Stock | | 396,261 |
| Applied Materials Inc | Common Stock | | 1,495 |
| Aptose Biosciences | Common Stock | | 2,975 |
| Aqua America Inc | Common Stock | | 4,164 |
| Aradigm Corp | Common Stock | | 661 |
| Archer Daniels Midland Co | Common Stock | | 3,900 |
| Arena Pharmaceuticals Inc | Common Stock | | 63,514 |
| Argan Inc | Common Stock | | 1,581 |
| Ariad Pharmaceuticals | Common Stock | | 41,220 |
| Arm Hldgs Plc Adr | Common Stock | | 11,575 |
| Arm Holdings Plc Spons Adr | Common Stock | | 2,180,344 |
| Armour Residential R | Common Stock | | 7,360 |
| Array Biopharma Inc | Common Stock | | 6,385 |
| Artificial Life Inc | Common Stock | | 34 |
| Asanko Gold Inc | Common Stock | | 9,240 |
| Asml Holding Nv | Common Stock | | 585,747 |
| Astrazeneca Plc | Common Stock | | 3,167 |
| Atlantic Power Corp | Common Stock | | 4,322 |
| Atossa Genetics Inc | Common Stock | | 1,430 |
| Atp Oil & Gas Corp | Common Stock | | 30 |
| Atwood Oceanics Inc | Common Stock | | 2,837 |
| Aurinia Pharmaceutic | Common Stock | | 3,640 |

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|------------------------|--------------|--------|
| Auto Data Processing | Common Stock | 33,764 |
| Avalon Rare Metals | Common Stock | 558 |
| Avanir Pharma | Common Stock | 20,170 |
| Axiall Corp | Common Stock | 9,640 |
| B P Prudhoe Bay Rty Tr | Common Stock | 2,705 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|---------------------------|---------------------|---------------|
| Backweb Tech Ltd Ord | Common Stock | | |
| Baidu Com Inc Adr | Common Stock | | 87,312 |
| Baker Hughes Inc | Common Stock | | 2,810 |
| Banco Bilbao Argen Adr | Common Stock | | 8,310 |
| Banco Latinoamericano | Common Stock | | 1,294 |
| Banco Santandr Cent Adrf | Common Stock | | 18,942 |
| Bank of America | Common Stock | | 1,316,359 |
| Bank of America | Common Stock | | 482,370 |
| Bank Of America | Common Stock | | 764,793 |
| Bank Of New York Co | Common Stock | | 29,494 |
| Basic Energy Services | Common Stock | | 1,051 |
| * Baxter International Inc | Common Stock | | 365,186 |
| * Baxter International Inc | Common Stock | | 185,101,969 |
| Bayer A G Sponsored Adr | Common Stock | | 30,925 |
| BB Liquidating Inc | Common Stock | | |
| BB&T Corporation | Common Stock | | 6,805 |
| Beacon Power Corp | Common Stock | | 46 |
| Berkshire Hathaway | Common Stock | | 306,756 |
| Best Buy Inc | Common Stock | | 19,723 |
| Biglari Holdings Inc | Common Stock | | 1,997 |
| Bioadaptives Inc | Common Stock | | 4 |
| Bioelectronics Corp | Common Stock | | 77 |
| Biogen Idec Inc | Common Stock | | 5,530,807 |
| Biogen Idec Inc | Common Stock | | 20,706 |
| Biomarin Pharmaceutical Inc | Common Stock | | 4,520 |
| Biomedical Tech S Hldgs Inc | Common Stock | | |
| Bionovo Inc | Common Stock | | 40 |
| Black Hills Corp | Common Stock | | 5,834 |
| Blackberry Ltd | Common Stock | | 17,348 |
| Bluebird Bio Inc | Common Stock | | 13,758 |
| Blyth Inc | Common Stock | | 2,745 |
| Body Central Corp | Common Stock | | 15 |
| Boeing Co | Common Stock | | 3,454,858 |
| Boeing Co | Common Stock | | 1,380,043 |
| Boeing Co | Common Stock | | 127,725 |
| Boingo Wireless Inc | Common Stock | | 7,363 |
| Bovie Medical Corp | Common Stock | | 3,680 |
| BP Plc Adr | Common Stock | | 4,726 |
| BP Plc Adr | Common Stock | | 470,620 |
| Brazil Minerals Inc | Common Stock | | 6 |
| Breitbart Energy Partners LP | Common Stock | | 12,761 |
| Bridgepoint Education | Common Stock | | 1,890 |

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| | | |
|-------------------------|--------------|-----------|
| Briggs & Stratton Corp | Common Stock | 6,126 |
| Bristol Myers Squibb Co | Common Stock | 4,659,698 |
| Bristol Myers Squibb Co | Common Stock | 606,336 |
| Bristol Myers Squibb Co | Common Stock | 65,682 |
| Broadcom Corp | Common Stock | 25,131 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|---------------------------|---------------------|---------------|
| Broadcom Corp | Common Stock | | 372,319 |
| Broadridge Finl Solution | Common Stock | | 3,463 |
| Broadwind Energy | Common Stock | | 53 |
| Brookfield Asset Mgmt Inc | Common Stock | | 20,052 |
| Brookfield Infra Partners | Common Stock | | 963 |
| Brookfield Ppty Partners LP | Common Stock | | 320 |
| Brookfield Renew Egy | Common Stock | | 3,093 |
| Brookfield Residential | Common Stock | | 24 |
| Brooks Automation | Common Stock | | 3,854 |
| Buckeye Partners LP | Common Stock | | 30,264 |
| Buffalo Wild Wings Inc | Common Stock | | 20,743 |
| C H Robinson Worldwide | Common Stock | | 3,744 |
| C M S Energy Corp | Common Stock | | 1,296 |
| Caesars Entertainment | Common Stock | | 313 |
| Calamp Corp | Common Stock | | 113,862 |
| Calgon Carbon Corp | Common Stock | | 2,493 |
| California Res Corp | Common Stock | | 269 |
| Cambridge Heart Inc | Common Stock | | |
| Cameco Corp | Common Stock | | 8,205 |
| Cameron International Corp | Common Stock | | 500,736 |
| Cameron Intl Corp | Common Stock | | 3,896 |
| Canadian Natl Ry Co | Common Stock | | 13,782 |
| Canadian Oil Sands Ltd | Common Stock | | 2,705 |
| Canadian Pacific Railway Ltd | Common Stock | | 3,174,029 |
| Canadian Solar Inc | Common Stock | | 362 |
| Cannabis Science Inc | Common Stock | | 4,132 |
| Cannabusiness Group Inc | Common Stock | | 120 |
| Cannagrow Holdings Inc | Common Stock | | 6 |
| Cannavest Corp | Common Stock | | 708 |
| Cap Gemini Sogeti Or | Common Stock | | 7,197 |
| Capital One Financial Corp | Common Stock | | 423,963 |
| Capstead Mortgage | Common Stock | | 12,280 |
| Carbo Ceramics Inc | Common Stock | | 59,153 |
| Cardinal Health Inc | Common Stock | | 8,160,107 |
| Cardinal Health Inc | Common Stock | | 92,032 |
| Carefusion Corp | Common Stock | | 29,670 |
| Carlyle Group | Common Stock | | 2,612 |
| Carmax Inc | Common Stock | | 16,711 |
| Casi Pharmaceuticals | Common Stock | | 49 |
| Catalent Inc | Common Stock | | 13,940 |
| Catamaran Corp | Common Stock | | 26,030 |
| Caterpillar Inc | Common Stock | | 138,420 |

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| | | |
|-----------------------|--------------|-----------|
| Cbl & Assoc Pptys Inc | Common Stock | 330 |
| CBS Corp | Common Stock | 415,394 |
| CDK Global Inc | Common Stock | 5,463 |
| Celanese Corp | Common Stock | 4,796 |
| Celgene Corp | Common Stock | 3,827,238 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Celgene Corp | Common Stock | | 56,265 |
| Celldex Therapeutics Inc | Common Stock | | 24,017 |
| Cellectar Bioscience | Common Stock | | 6 |
| Cementos Pacasmayo | Common Stock | | 2,619 |
| Cenovus Energy Inc | Common Stock | | 5,155 |
| Central Fd Cda Ltd | Common Stock | | 11,580 |
| Centrus Energy Corp | Common Stock | | 8 |
| Centurylink Inc | Common Stock | | 3,403 |
| Ceragon Networks Ltd | Common Stock | | 151 |
| Cereplast Inc | Common Stock | | |
| Cerus Corp | Common Stock | | 11,856 |
| Cheniere Energy Inc | Common Stock | | 20,064 |
| Chesapeake Energy Corporation | Common Stock | | 35,173 |
| Chevron Corporation | Common Stock | | 115,135 |
| Chicago Brdg & Iron Ny | Common Stock | | 8,396 |
| China Mobile H K Adr | Common Stock | | 11,940 |
| Chipotle Mexican Grill Inc | Common Stock | | 23,957 |
| Chipotle Mexican Grill Inc | Common Stock | | 2,549,436 |
| Church & Dwight Co Inc | Common Stock | | 12,877 |
| Churchill Downs Inc | Common Stock | | 9,530 |
| Cie Fin Rlichemont | Common Stock | | 1,800 |
| Ciena Corp | Common Stock | | 38 |
| Cigna Corp | Common Stock | | 5,145 |
| Cisco System Inc | Common Stock | | 229,491 |
| Cit Group Inc | Common Stock | | 462,950 |
| Citigroup Inc | Common Stock | | 121,862 |
| Citigroup Inc | Common Stock | | 1,055,485 |
| Citigroup Inc | Common Stock | | 464,948 |
| Citizens Financial Group | Common Stock | | 454,235 |
| City Bank Lynnwood WA | Common Stock | | 13 |
| Clarent Corp Del | Common Stock | | |
| Clean Diesel Tech | Common Stock | | 181 |
| Clean Energy Fuels Corp | Common Stock | | 2,497 |
| Cleantech Solu Intl | Common Stock | | 1,406 |
| Cliffs Natural Resources Inc | Common Stock | | 6,818 |
| Cnooc Limited Adr | Common Stock | | 677 |
| Coach Inc | Common Stock | | 12,423 |
| Coca Cola Company | Common Stock | | 110,537 |
| Cocrystal Pharma Inc | Common Stock | | 111 |
| Coeur D Alene Mines | Common Stock | | 4,215 |
| Coldwater Creek | Common Stock | | |
| Columbia Labs Inc | Common Stock | | 420 |

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| | | |
|------------------------|--------------|-----------|
| Comcast Corp | Common Stock | 1,693,043 |
| Comcast Corp | Common Stock | 429,706 |
| Comcast Corp | Common Stock | 5,801 |
| Commtouch Software Ltd | Common Stock | 715 |
| Compass Minerals Intl | Common Stock | 9,811 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------|---------------------------|---------------------|---------------|
| Conagra Foods Inc | Common Stock | | 18,140 |
| Conatus Pharmaceuticals | Common Stock | | 700 |
| Concho Resources Inc | Common Stock | | 2,707,405 |
| Conocophillips | Common Stock | | 219,058 |
| Consolidated Edison Inc | Common Stock | | 33,005 |
| Container Store Group | Common Stock | | 19,359 |
| Corning Inc | Common Stock | | 41,965 |
| Cortex Pharm Inc | Common Stock | | 345 |
| Cosi Inc | Common Stock | | 397 |
| Costco Wholesale Corp | Common Stock | | 4,262,187 |
| Costco Wholesale Corp | Common Stock | | 37,881 |
| Covidien Plc | Common Stock | | 1,106,146 |
| Covidien Plc | Common Stock | | 2,250 |
| Creative Edge Nutrition Inc | Common Stock | | 330 |
| Cree Inc | Common Stock | | 315,530 |
| Crestwood Equity LP | Common Stock | | 1,620 |
| Criteo S A Adr | Common Stock | | 12,126 |
| Cross Timbers Royalty | Common Stock | | 259 |
| CST Brands Inc | Common Stock | | 2,791 |
| CSX Corp | Common Stock | | 14,564 |
| CTI Biopharma Corp | Common Stock | | 25,256 |
| CTRIP Com Intl Ltd Adr | Common Stock | | 5,915 |
| Cubist Pharmaceuticals Inc | Common Stock | | 5,032 |
| CUI Global Inc | Common Stock | | 119 |
| Cummins Engine Inc | Common Stock | | 33,327 |
| Curtiss Wright Corp | Common Stock | | 10,588 |
| CVS Caremark Corp | Common Stock | | 399,510 |
| CVS Health Corporation | Common Stock | | 36,405 |
| Cyan Inc | Common Stock | | 5,000 |
| Cyberark Software Ltd | Common Stock | | 9,912 |
| Cyberonics Inc | Common Stock | | 2,449 |
| Cyclacel Pharma | Common Stock | | 99 |
| Cytokinetics Inc | Common Stock | | 20,025 |
| Cytori Therapeutics | Common Stock | | 366 |
| Cytosorbents Corp | Common Stock | | 2,985 |
| Cytrx Corp | Common Stock | | 33,438 |
| Daulton Cap Corp | Common Stock | | |
| Daystar Technologies | Common Stock | | |
| Decisionpoint Systems Inc | Common Stock | | 3 |
| Deckers Outdoor Corp | Common Stock | | 40,968 |
| Deere & Co | Common Stock | | 33,126 |
| Delcath Systems Inc | Common Stock | | 180 |

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|-----------------------|--------------|--------|
| Delphi Automotive Plc | Common Stock | 14,544 |
| Denbury Res Inc | Common Stock | 4,065 |
| Dendreon Corp | Common Stock | 658 |
| Depomed Inc | Common Stock | 16,110 |
| Derma Sciences Inc | Common Stock | 1,862 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Destiny Media Tech | Common Stock | | 1,200 |
| Devon Energy | Common Stock | | 13,649 |
| Diamond Offshore Drilling Inc | Common Stock | | 550 |
| Diana Containership | Common Stock | | 13 |
| Diana Shipping Inc | Common Stock | | 1,536 |
| Digerati Tech | Common Stock | | 15 |
| Digital Realty Trust | Common Stock | | 5,575 |
| Diplomat Pharmacy | Common Stock | | 20,527 |
| Direxion Shs ETF | Common Stock | | 21,079 |
| Discover Financial Svcs | Common Stock | | 32,090 |
| Discovery Communications | Common Stock | | 436,369 |
| Discovery Communications | Common Stock | | 435,515 |
| Disney Walt Hldg Co | Common Stock | | 259,870 |
| Distil Plc | Common Stock | | 37 |
| Document Security System | Common Stock | | 4,500 |
| Dollar General Corp | Common Stock | | 10,887 |
| Dominion Res Inc | Common Stock | | 16,653 |
| Dominos Pizza Inc | Common Stock | | 9,417 |
| Doral Finl Corp | Common Stock | | 1,382 |
| Dow Chemical Company | Common Stock | | 75,585 |
| Dryships Inc | Common Stock | | 7,792 |
| Du Pont (E.I.) De Nemours | Common Stock | | 408,954 |
| Du Pont (E.I.) De Nemours | Common Stock | | 21,991 |
| Duke Energy Corp | Common Stock | | 131,854 |
| Duke Realty Corp | Common Stock | | 9,090 |
| Dunkin Brands Group Inc | Common Stock | | 659,826 |
| Dunkin Brands Group Inc | Common Stock | | 23,542 |
| Durata Therapeutics | Common Stock | | |
| Dynamic Materials Corp | Common Stock | | 560 |
| Dynavax Techs | Common Stock | | 10,116 |
| E M C Corp | Common Stock | | 17,550 |
| E O G Resources Inc | Common Stock | | 28,541 |
| Eagle Bulk Shipng | Common Stock | | 5 |
| Earthlink Holdings Corp | Common Stock | | 4,390 |
| Eastman Kodak | Common Stock | | 6,513 |
| Eaton Corp Plc | Common Stock | | 20,388 |
| Ebay Inc | Common Stock | | 21,213 |
| Eco Science Solutions | Common Stock | | 3 |
| Ecolocap Solutions Inc | Common Stock | | |
| E-Commerce China Adr | Common Stock | | 4,645 |
| Ecopetrol S A | Common Stock | | 3,098 |
| Edap Tms S A Spon Adr | Common Stock | | 72,230 |

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| | | |
|---------------------------|--------------|------------|
| Edwards Lifesciences Corp | Common Stock | 353,989 |
| Edwards Lifesciences Corp | Common Stock | 22,544,296 |
| El Pollo Loco Hldgs | Common Stock | 29,955 |
| Eldorado Gold Corp | Common Stock | 18,440 |
| Eline Entmt Group Inc | Common Stock | 4 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|---------------|
| Emcore Corp | Common Stock | | 5 |
| Emerald Oil Inc | Common Stock | | 3,240 |
| Emerge Energy Svcs LP | Common Stock | | 13,906 |
| Emerson Electric Company | Common Stock | | 4,602 |
| Emulex Corp | Common Stock | | 652 |
| Enbridge Energy Ptnrs LP | Common Stock | | 3,990 |
| Enbridge Inc | Common Stock | | 5,141 |
| Encana Corp | Common Stock | | 303,429 |
| Encana Corporation | Common Stock | | 17,337 |
| Endeavour Silver Corp | Common Stock | | 1,080 |
| Endocan Corp | Common Stock | | 525 |
| Energy Focus Inc | Common Stock | | 2,958 |
| Energy Transfer Partners | Common Stock | | 36,301 |
| Energy Xxi Ltd | Common Stock | | 9,454 |
| Enerplus Corp | Common Stock | | 1,920 |
| Engility Hldgs Inc | Common Stock | | 256 |
| EnSCO Plcshs Class | Common Stock | | 4,316 |
| Enteromedics Inc | Common Stock | | 2,840 |
| Enterprise Prd Ptnrs LP | Common Stock | | 116,198 |
| Entravision Commun Corp | Common Stock | | 972 |
| Eog Resources Inc | Common Stock | | 2,444,303 |
| EQT Corp | Common Stock | | 11,355 |
| Erickson Air-Crane Inc | Common Stock | | 4,170 |
| E-Trade Financial | Common Stock | | 13,146 |
| Evolving Sys Inc | Common Stock | | 18,740 |
| Exact Sciences Corp | Common Stock | | 27,440 |
| Exelixis Inc | Common Stock | | 432 |
| Exelon Corporation | Common Stock | | 683,008 |
| Exelon Corporation | Common Stock | | 14,016 |
| Exeter Resource Corp | Common Stock | | 2,358 |
| Exone Company | Common Stock | | 285 |
| Expedia Inc | Common Stock | | 2,646 |
| Express Scripts Holding Company | Common Stock | | 869,702 |
| Express Scripts Holding Company | Common Stock | | 11,430 |
| Exxon Mobil Corporation | Common Stock | | 32,855 |
| F X Energy Inc | Common Stock | | 217 |
| Facebook Inc | Common Stock | | 7,286,768 |
| Facebook Inc | Common Stock | | 847,609 |
| Fannie Mae | Common Stock | | 43,792 |
| Female Health Co | Common Stock | | 3,920 |
| Ferrellgas Partners LP | Common Stock | | 2,335 |
| Field Exploration Company | Common Stock | | 2,712 |

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|----------------------------|--------------|---------|
| Fireeye Inc | Common Stock | 979,719 |
| Fireeye Inc | Common Stock | 23,685 |
| First China Pharma | Common Stock | 702 |
| First Majestic Silver Corp | Common Stock | 10,040 |
| First Solar Inc | Common Stock | 15,340 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------|---------------------------|---------------------|---------------|
| Flexsteel Industries Inc | Common Stock | | 6,450 |
| Flextronics Intl Ltd | Common Stock | | 351,137 |
| Flextronics Intl Ltd | Common Stock | | 11,180 |
| Fluor Corporation | Common Stock | | 3,152 |
| Focus Gold Corp | Common Stock | | |
| Ford Motor Co | Common Stock | | 620,769 |
| Ford Motor Company | Common Stock | | 211,321 |
| Formfactor Inc | Common Stock | | 8,600 |
| Fortress Invt Gp LLC | Common Stock | | 4,010 |
| Foster Wheeler Ag | Common Stock | | 19,264 |
| Franco Nevada Corp | Common Stock | | 49,780 |
| Franklin Resources, Inc. | Common Stock | | 27,685 |
| Freddie Mac Voting Shs | Common Stock | | 31,672 |
| Freeport-Mcmoran Inc | Common Stock | | 120,184 |
| Frontier Communications Corp | Common Stock | | 45,509 |
| Fuel Performance Sol Inc | Common Stock | | 395 |
| Fuel Systems Solutions | Common Stock | | 2,735 |
| Fuel-Tech N V | Common Stock | | 298 |
| Galectin Therapeutic | Common Stock | | 1,735 |
| Galena Biopharma Inc | Common Stock | | 6,040 |
| Gas Natural Inc | Common Stock | | 3,427 |
| Geeknet Inc | Common Stock | | 1,846 |
| General Dynamics Corp | Common Stock | | 13,762 |
| General Electric Co | Common Stock | | 1,512,466 |
| General Electric Co | Common Stock | | 519,130 |
| General Electric Company | Common Stock | | 259,499 |
| General Mills Inc | Common Stock | | 94,499 |
| General Motors Co | Common Stock | | 144,708 |
| Generex Biotechnology Corp Del | Common Stock | | 85 |
| Genetic Techs Ltd Adr | Common Stock | | 3 |
| Geo Group Inc | Common Stock | | 1,210 |
| Gilead Sciences Inc | Common Stock | | 3,095,565 |
| Gilead Sciences Inc | Common Stock | | 213,593 |
| Gladstone Land Corp | Common Stock | | 7,123 |
| Glaxosmithkline Plc Adr | Common Stock | | 47,014 |
| Globalstar Inc | Common Stock | | 825 |
| Globestar Industries | Common Stock | | 10 |
| Gogo Inc | Common Stock | | 710 |
| Gold Fields Ltd Adr | Common Stock | | 1,812 |
| Golden Star Res Ltd | Common Stock | | 210 |
| Goldman Sachs Group | Common Stock | | 2,312,383 |
| Goldman Sachs Group | Common Stock | | 1,119,913 |

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|-------------------------|--------------|-----------|
| Goldman Sachs Group | Common Stock | 20,212 |
| Goodyear Tire & Rubr Co | Common Stock | 17,142 |
| Google Inc | Common Stock | 3,459,139 |
| Google Inc | Common Stock | 3,449,567 |
| Google Inc | Common Stock | 262,056 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------------|---------------------------|---------------------|---------------|
| Google Inc | Common Stock | | 259,952 |
| Google Inc | Common Stock | | 56,324 |
| Google Inc | Common Stock | | 54,127 |
| Gopro Inc | Common Stock | | 124,353 |
| Grace W R & Co | Common Stock | | 28,617 |
| Grand Pacaraima Gold Corp | Common Stock | | 7 |
| Great Basin Gold Ltd | Common Stock | | 16 |
| Great Panther Silver | Common Stock | | 3,075 |
| Green Earth Technologies Inc | Common Stock | | 828 |
| Green Innovations | Common Stock | | 10 |
| Greengro Technologies | Common Stock | | 2,147 |
| Grifols Sa Adr | Common Stock | | 2,685 |
| Groupon Inc | Common Stock | | 6,029 |
| Growlife Inc | Common Stock | | 647 |
| Grupo Aeroport Del Adr | Common Stock | | 2,900 |
| Gsi Technology Inc | Common Stock | | 2,495 |
| Guess Inc | Common Stock | | 758 |
| Gyrodyne Co | Common Stock | | 3,915 |
| H C P Inc | Common Stock | | 36,060 |
| H M N Financial Inc | Common Stock | | 2,008 |
| Halliburton Co Hldg Co | Common Stock | | 46,094 |
| Halozyme Therapeutics | Common Stock | | 218,176 |
| Halyard Health Inc | Common Stock | | 2,273 |
| Hannon Armstrong | Common Stock | | 2,846 |
| Hansen Medical Inc | Common Stock | | 416 |
| Hanwha Solarone Co Adr | Common Stock | | 11 |
| Harbinger Group Inc | Common Stock | | 5,550 |
| Hartford Fin L Svcs Grp Inc | Common Stock | | 5,628 |
| Hasbro | Common Stock | | 7,822 |
| HCA Holdings Inc | Common Stock | | 36,695 |
| Headwaters Inc | Common Stock | | 17,988 |
| Health Care Real Estate Invt Trust | Common Stock | | 7,567 |
| Healthwarehouse.Com | Common Stock | | 2 |
| Hecla Mining Company | Common Stock | | 8,382 |
| Hemispherx Biopharma Inc | Common Stock | | 2,500 |
| Hemp Inc | Common Stock | | 1,396 |
| Hercules Offshore Inc | Common Stock | | 1,100 |
| Hermes Intl S A | Common Stock | | 4,280 |
| Hess Corp | Common Stock | | 401,000 |
| Hewlett-Packard Company | Common Stock | | 104,779 |
| Hi-Crush Partners LP | Common Stock | | 1,572 |

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|-----------------------------|--------------|---------|
| Highpower Intl Inc | Common Stock | 9,940 |
| Hipcricket Inc | Common Stock | 2,649 |
| Hollyfrontier Corp | Common Stock | 11,244 |
| Home Depot Inc | Common Stock | 281,679 |
| Honda Mtr Co Ltdadr Rep | Common Stock | 10,450 |
| Honeywell International Inc | Common Stock | 55,308 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------|---------------------------|---------------------|---------------|
| Honeywell International Inc | Common Stock | | 1,100,360 |
| Hooper Holmes Inc | Common Stock | | 515 |
| Horizon Lines Inc | Common Stock | | 25 |
| Hospira Inc | Common Stock | | 393,212 |
| Hovnanian Enterprises Inc | Common Stock | | 7,747 |
| HSBC Hldgs Plc Adr | Common Stock | | 29,802 |
| HSN Inc | Common Stock | | 912 |
| Huntington Bancshares Inc | Common Stock | | 7,258 |
| Hydrogenics Corp | Common Stock | | 956 |
| Hypersolar Inc | Common Stock | | 239 |
| Iac Interactive Corp | Common Stock | | 1,884 |
| Ibio Inc | Common Stock | | 3,493 |
| Icahn Enterprises Lp | Common Stock | | 48,916 |
| Iconix Brand Group Inc | Common Stock | | 2,534 |
| Idera Pharma | Common Stock | | 59,843 |
| Ihookup Social Inc | Common Stock | | 6 |
| Illinois Tool Wks Inc | Common Stock | | 24,958 |
| Illumina Inc | Common Stock | | 3,262,848 |
| Illumina Inc | Common Stock | | 18,458 |
| Imation Corp | Common Stock | | 379 |
| Immunogen Inc | Common Stock | | 610 |
| Immunomedics Inc | Common Stock | | 27,360 |
| Implant Sciences Corp | Common Stock | | 11,404 |
| Inception Mining Inc | Common Stock | | 6 |
| Incyte Genomics Inc | Common Stock | | 204,342 |
| Inditex Unspn Adr | Common Stock | | 3,380,814 |
| Infinera Corporation | Common Stock | | 13,248 |
| Infinity Inc | Common Stock | | 8,305 |
| Infosys Tech Spon Adr | Common Stock | | 3,146 |
| Ingles Markets | Common Stock | | 14,836 |
| Inovio Pharma | Common Stock | | 370,642 |
| Insmad Inc | Common Stock | | 2,289 |
| Insys Therapeutics | Common Stock | | 2,023 |
| Intel Corp | Common Stock | | 107,589 |
| Intelgenx Tech Corp | Common Stock | | 775 |
| Intelsat S A | Common Stock | | 1,736 |
| Interactive Brokers | Common Stock | | 8,281 |
| Interactive Leisure Systems | Common Stock | | 1 |
| Intercontinental Exchange | Common Stock | | 606,435 |
| International Paper Co | Common Stock | | 476,269 |
| Interoil Corp | Common Stock | | 23,419 |
| Interpublic Group Cos Inc | Common Stock | | 20,853 |

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|------------------------|--------------|--------|
| Interval Leisure Group | Common Stock | 250 |
| Intl Business Machines | Common Stock | 6,578 |
| Intrexon | Common Stock | 19,271 |
| Intuitive Surgical | Common Stock | 2,644 |
| Invensense Inc | Common Stock | 17,788 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------|---------------------------|---------------------|---------------|
| Invesco Ltd | Common Stock | | 409,839 |
| Invivo Therapeutics Hldg | Common Stock | | 10,560 |
| Invo Bioscience Inc | Common Stock | | 520 |
| Ipg Photonics Corp | Common Stock | | 16,782 |
| Ireland Bank Adr | Common Stock | | 1,522 |
| Isc8 Inc | Common Stock | | |
| Ishares Msci Brazil Indx | Common Stock | | 21,612 |
| Isis Pharmaceuticals | Common Stock | | 13,582 |
| Isoray Inc | Common Stock | | 60,658 |
| Italk Inc | Common Stock | | 1 |
| ITC Hldgs Corp | Common Stock | | 3,032 |
| Ivanhoe Energy Inc | Common Stock | | 124 |
| J P Morgan Chase & Co | Common Stock | | 42,615 |
| JA Solar Hldgs Adr | Common Stock | | 2,169 |
| Jabil Circuit Inc | Common Stock | | 10,915 |
| James River Coal Co | Common Stock | | 36 |
| Jazz Pharmaceuticals Plc | Common Stock | | 982 |
| Jds Uniphase Corp | Common Stock | | 2,401 |
| Jetblue Airways Corp | Common Stock | | 19,825 |
| Jinkosolar Hldg Co | Common Stock | | 1,399 |
| John Bean Technologies Corp | Common Stock | | 755 |
| Johnson & Johnson | Common Stock | | 219,305 |
| Johnson Controls Inc | Common Stock | | 1,000,226 |
| Johnson Controls Inc | Common Stock | | 8,513 |
| Juniper Networks Inc | Common Stock | | 37,944 |
| Just Energy Group Inc | Common Stock | | 313 |
| Kellogg Company | Common Stock | | 83,436 |
| Keryx Biopharmaceuticals | Common Stock | | 12,098 |
| Keycorp Inc | Common Stock | | 13,900 |
| Keysight Technologies | Common Stock | | 451,937 |
| Kilroy Realty Corp | Common Stock | | 4,696 |
| Kimberly-Clark Corp | Common Stock | | 46,216 |
| Kinder Morgan Holdco LLC | Common Stock | | 202,157 |
| Kindred Healthcare Inc | Common Stock | | 9,126 |
| Kinross Gold Corp | Common Stock | | 5,640 |
| Kkr & Co LP | Common Stock | | 9,284 |
| Kma Global Solutions | Common Stock | | 28 |
| Knightsbridge Shipping | Common Stock | | 4,394 |
| Kohls Corp | Common Stock | | 61,040 |
| Kraft Foods Group Inc | Common Stock | | 58,740 |
| Krispy Kreme Doughnuts Inc | Common Stock | | 19,740 |
| Kronos Worldwide Inc | Common Stock | | 52 |

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|------------------------------|--------------|---------|
| L-3 Comm Hldgs Inc | Common Stock | 4,819 |
| Laboratory Corp Of Amer Hldg | Common Stock | 21,580 |
| Lannett Inc | Common Stock | 1,072 |
| Las Vegas Sands Corp | Common Stock | 843,655 |
| Las Vegas Sands Corp | Common Stock | 402,096 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|---------------------------|---------------------|---------------|
| Las Vegas Sands Corp | Common Stock | | 58,916 |
| Ldk Solar Co Ltd Adr | Common Stock | | 76 |
| Leapfrog Enterprises Inc | Common Stock | | 5,914 |
| Legacy Reserves LP | Common Stock | | 1,143 |
| Lendingclub Corp | Common Stock | | 116,618 |
| Lendingclub Corp | Common Stock | | 25,300 |
| Level 3 Commun | Common Stock | | 4,938 |
| Liberty All Star Equity | Common Stock | | 143 |
| Liberty Global Inc | Common Stock | | 5,845 |
| Liberty Media Corp | Common Stock | | 389,224 |
| Lifeline Biotechnologies Inc | Common Stock | | 344 |
| Lilly Eli & Company | Common Stock | | 3,449 |
| Limelight Networks Inc | Common Stock | | 4,155 |
| Lincoln Natl Corp Ind | Common Stock | | 4,901 |
| Linkedin Corp | Common Stock | | 13,093 |
| Linkedin Corp | Common Stock | | 3,878,891 |
| Linn Energy | Common Stock | | 32,851 |
| Linnco LLC | Common Stock | | 1,646 |
| Linux Gold Corporation | Common Stock | | 37 |
| Liquidity Services Inc | Common Stock | | 1,021 |
| Live Nation Entmt Inc | Common Stock | | 443 |
| Livedeal Inc | Common Stock | | 2,512 |
| Lockheed Martin Corp | Common Stock | | 11,554 |
| Logitech Intl S A | Common Stock | | 8,729 |
| Lowe's | Common Stock | | 346,550 |
| Lowe's Companies | Common Stock | | 33,230 |
| Lumber Liquidators Hldgs | Common Stock | | 2,121 |
| Luna Innovations Inc | Common Stock | | 14,910 |
| Lynas Corporation | Common Stock | | 27 |
| Lyondellbasell Inds | Common Stock | | 39,695 |
| M D U Resources Group Inc | Common Stock | | 2,507 |
| M G M Grand | Common Stock | | 1,496 |
| Macquarie Infrastr Co LLC | Common Stock | | 35,545 |
| Magellan Petroleum Corp | Common Stock | | 1,820 |
| Magnum Hunter Resour | Common Stock | | 1,099 |
| Mahanagar Tel Nigam Adr | Common Stock | | 160 |
| Main Str Cap Corp | Common Stock | | 39,492 |
| Mallinckrodt Pub | Common Stock | | 198 |
| Mandalay Digital | Common Stock | | 16 |
| Manhattan Scientifics Inc | Common Stock | | 9,736 |
| Manitok Energy Inc | Common Stock | | 1,750 |
| Manitowoc Inc | Common Stock | | 4,199 |

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|------------------------|--------------|-----------|
| Mankind Corp | Common Stock | 95,178 |
| Marathon Oil Corp | Common Stock | 33,948 |
| Marathon Pete Corp | Common Stock | 65,292 |
| Markel Corp Holding Co | Common Stock | 20,485 |
| Marriott International | Common Stock | 3,411,069 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------|---------------------------|---------------------|---------------|
| Marsh & McLennan Cos | Common Stock | | 407,042 |
| Mast Therapeutics Inc | Common Stock | | 22,400 |
| Mastercard Inc | Common Stock | | 7,468,099 |
| Mastercard Inc | Common Stock | | 172,664 |
| Mazda Motors Corp Adr | Common Stock | | 1,689 |
| McDonalds Corp | Common Stock | | 85,518 |
| McGraw Hill Financial Inc | Common Stock | | 2,043,872 |
| McKesson Corporation | Common Stock | | 29,061 |
| Medbox Inc | Common Stock | | 2,862 |
| Medclean Tech Inc | Common Stock | | 9 |
| Medical Marijuana Inc | Common Stock | | 2,961 |
| Medical Properties Trust | Common Stock | | 9,152 |
| Medicines Company | Common Stock | | 15,495 |
| Medivation Inc | Common Stock | | 3,386 |
| Medtronic Inc | Common Stock | | 16,750 |
| Meetme Inc | Common Stock | | 7,650 |
| Mercadolibre Inc | Common Stock | | 7,149 |
| Merck & Co Inc | Common Stock | | 188,344 |
| Merck & Co. Inc. | Common Stock | | 2,969,477 |
| Merrimack Pharma Inc | Common Stock | | 11,300 |
| * Met Life Inc | Common Stock | | 6,257 |
| Mgic Invt Corp Wis | Common Stock | | 2,339 |
| Michael Kors Holdings Ltd | Common Stock | | 56,325 |
| Michael Kors Holdings Ltd | Common Stock | | 1,163,111 |
| Micro Imaging Tech | Common Stock | | 1 |
| Microsoft Corp | Common Stock | | 422,066 |
| Microsoft Corp | Common Stock | | 107,795 |
| Miller Herman Inc | Common Stock | | 2,943 |
| Mimedx Group Inc | Common Stock | | 22,910 |
| Mind Solutions Inc | Common Stock | | 793 |
| Ml Cap Group Inc | Common Stock | | 7 |
| Mobileye N V Amstelveen | Common Stock | | 1,216 |
| Mohawk Industries Inc | Common Stock | | 368,263 |
| Molson Coors Brewing | Common Stock | | 4,396 |
| Molycorp Inc | Common Stock | | 902 |
| Momenta Pharmaceuticals | Common Stock | | 577 |
| Mondelez Intl Inc | Common Stock | | 2,970,453 |
| Mondelez Intl Inc | Common Stock | | 48,602 |
| Monitise Plc Ord | Common Stock | | 1,298 |
| Monsanto Co | Common Stock | | 3,921,945 |
| Monsanto Co | Common Stock | | 1,203,557 |
| Monsanto Co | Common Stock | | 17,801 |

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| | | |
|-----------------------|--------------|-----------|
| Monster Beverage Corp | Common Stock | 5,200 |
| Mont Mining Corp | Common Stock | 20,006 |
| Morgan Stanley | Common Stock | 3,032,895 |
| Morgan Stanley | Common Stock | 15,520 |
| Mosaic Co | Common Stock | 466,647 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------|---------------------------|---------------------|---------------|
| Mosaic Co | Common Stock | | 10,964 |
| Multi-Corp Intl Inc | Common Stock | | 36 |
| Murphy Oil Corp | Common Stock | | 3,789 |
| Musclepharm Corp | Common Stock | | 1,020 |
| Myecheck Inc | Common Stock | | 935 |
| Myriad Genetics Inc | Common Stock | | 57,902 |
| N I I Holdings Inc | Common Stock | | 4 |
| N P S Pharmaceuticals Inc | Common Stock | | 39,025 |
| Nanosphere Inc | Common Stock | | 29 |
| Natcore Technology | Common Stock | | 1,588 |
| National Grid Plc Adr | Common Stock | | 14,132 |
| National-Oilwell Inc | Common Stock | | 1,965 |
| Navidea Biopharma | Common Stock | | 12,852 |
| Navios Maritime | Common Stock | | 11,856 |
| Navios Maritime Partners | Common Stock | | 5,085 |
| Navistar International Corp | Common Stock | | 1,037 |
| Neostem Inc | Common Stock | | 56,229 |
| Nephrogenex Inc | Common Stock | | 26,700 |
| Nephros Inc | Common Stock | | 5,193 |
| Nestle S A | Common Stock | | 7,295 |
| Netapp Inc | Common Stock | | 612,031 |
| Netapp Inc | Common Stock | | 3,316 |
| Netflix Inc | Common Stock | | 2,813,197 |
| Netflix Inc | Common Stock | | 41,334 |
| Netgear Inc | Common Stock | | 3,558 |
| Neuralstem Inc | Common Stock | | 2,176 |
| Neustar Inc Class A | Common Stock | | 1,668 |
| Nexstar Broadcasting Gp | Common Stock | | 5,179 |
| Nextera Energy Inc | Common Stock | | 99,933 |
| Nike Inc | Common Stock | | 5,019,110 |
| Nike Inc | Common Stock | | 43,302 |
| No Amern Palladium Ltd | Common Stock | | 470 |
| Nokia Corp Spon Adr | Common Stock | | 24,020 |
| Nordic American Tanker | Common Stock | | 30,210 |
| Nordic Amern Offshore Ltd | Common Stock | | 307 |
| Nordstrom Inc | Common Stock | | 3,572 |
| Norfolk Southn Corp | Common Stock | | 12,963 |
| Norstra Energy Inc | Common Stock | | 10 |
| Nortel Networks | Common Stock | | |
| Northern Trust Corp | Common Stock | | 752,222 |
| Novartis AG | Common Stock | | 57,263 |
| Novartis Ag Adr | Common Stock | | 475,886 |

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|----------------------|--------------|-----------|
| Novatel Wireless Inc | Common Stock | 3,864 |
| Novavax Inc | Common Stock | 5,930 |
| Novo Nordisk Adr | Common Stock | 2,829,962 |
| Novo-Nordisk Adr | Common Stock | 31,316 |
| Now Inc | Common Stock | 180 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Nrg Energy Inc | Common Stock | | 10,348 |
| Nuance Communications Inc | Common Stock | | 3,567 |
| Nucor Corp | Common Stock | | 22,366 |
| Nutri Sys Inc | Common Stock | | 586 |
| Nuverra Environmentl | Common Stock | | 2,775 |
| Nvidia Corp | Common Stock | | 38,155 |
| Nw Biotherapeutics | Common Stock | | 247,587 |
| Nxstage Medical Inc | Common Stock | | 6,903 |
| O Reilly Automotive Inc | Common Stock | | 2,621,551 |
| Occidental Pete Corp | Common Stock | | 50,523 |
| Occidental Petroleum Corp | Common Stock | | 1,234,037 |
| Ocean Rig Udwr Inc | Common Stock | | 380 |
| Oclaro Inc | Common Stock | | 356 |
| Oi Sa Adr | Common Stock | | 2,073 |
| Oilsands Quest Inc | Common Stock | | |
| Olin Corp | Common Stock | | 2,686 |
| Omega Hlthcare Invs Inc | Common Stock | | 33,364 |
| Omnicell Inc | Common Stock | | 16,560 |
| Omnicom Group | Common Stock | | 860,783 |
| Oncogenex Pharmaceuticals Inc | Common Stock | | 38 |
| Oncolytics Biotech Inc | Common Stock | | 82,309 |
| Oncomed Pharmaceutic | Common Stock | | 21,760 |
| Onconova Therapeutic | Common Stock | | 5,764 |
| Oncosec Med Inc | Common Stock | | 857 |
| Opko Health Inc | Common Stock | | 7,292 |
| Optigenex Inc | Common Stock | | |
| Oracle Corp | Common Stock | | 1,006,002 |
| Oracle Corp | Common Stock | | 515,215 |
| Oracle Corporation | Common Stock | | 47,269 |
| Orange Adr | Common Stock | | 846 |
| Orbital Sciences Corporation | Common Stock | | 13,445 |
| Orbotech Ltd | Common Stock | | 1,480 |
| Orexigen Therapeutics | Common Stock | | 30,300 |
| Organovo Hldgs Inc | Common Stock | | 1,993 |
| Outerwall Inc | Common Stock | | 1,504 |
| Owens Illinois Inc | Common Stock | | 347,873 |
| Owens Illinois Inc | Common Stock | | 423,845 |
| Oxigene Inc | Common Stock | | 16 |
| P D L Biopharma Inc | Common Stock | | 11,565 |
| P M C Sierra Inc | Common Stock | | 5,038 |
| Paccar Inc | Common Stock | | 6,801 |
| Pacific Ethanol Inc | Common Stock | | 9,834 |

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|-------------------------|--------------|-------|
| Packaging Corp Of Amer | Common Stock | 3,902 |
| Palatin Technologies | Common Stock | 36 |
| Pan American Silver | Common Stock | 5,326 |
| Panacos Pharmaceuticals | Common Stock | |
| Parexel Intl Corp | Common Stock | 2,778 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|---------------------------|---------------------|---------------|
| Parkervision Inc | Common Stock | | 3,639 |
| Patterson Utli Energy Inc | Common Stock | | 8,295 |
| Pay Chest Inc | Common Stock | | 2 |
| Paychex Inc | Common Stock | | 37,490 |
| PDI Inc | Common Stock | | 179 |
| Peabody Energy Corp | Common Stock | | 8,268 |
| Pembina Pipeline Corp | Common Stock | | 145 |
| Penn West Pete Ltd | Common Stock | | 1,087 |
| Penney J C Co Inc | Common Stock | | 11,016 |
| Pennymac Mtg Invt Trust | Common Stock | | 26,154 |
| Pentair Plc | Common Stock | | 134,480 |
| Pentair Plc | Common Stock | | 332 |
| Pepsico Inc | Common Stock | | 48,068 |
| Perceptron Inc | Common Stock | | 19,900 |
| Peregrine Pharma Inc | Common Stock | | 329 |
| Perrigo Co | Common Stock | | 9,026 |
| Perrigo Co | Common Stock | | 721,475 |
| Petmedexpress.Com Inc | Common Stock | | 1,824 |
| Petrochina Co Adr | Common Stock | | 1,331 |
| Petroleo Brasileiro Adr | Common Stock | | 31,390 |
| Petsmart Inc | Common Stock | | 5,690 |
| Pfizer Inc | Common Stock | | 1,341,381 |
| Pfizer Inc | Common Stock | | 198,206 |
| Pharmacyclics Inc | Common Stock | | 27,630 |
| Pharmathene Inc | Common Stock | | 27,150 |
| Pharmos Corp | Common Stock | | 1 |
| Philip Morris Intl Inc | Common Stock | | 171,026 |
| Phillips 66 | Common Stock | | 90,987 |
| Pilgrims Pride Corp | Common Stock | | 9,017 |
| Pilot Gold Inc | Common Stock | | 4,614 |
| Pitney Bowes Inc | Common Stock | | 17,059 |
| Plains All Amern Pipeline LP | Common Stock | | 100,330 |
| Plasmatech Biopharma | Common Stock | | 1,631 |
| Platinum Studios Inc | Common Stock | | |
| Plug Power Inc | Common Stock | | 24,972 |
| Plum Creek Timber Co | Common Stock | | 12,837 |
| PNC Financial Services Group | Common Stock | | 1,054,220 |
| Polymedix Inc | Common Stock | | 2 |
| Polymet Mng Corp | Common Stock | | 16,234 |
| Pop3 Media Corp | Common Stock | | |
| Positiveid Corp | Common Stock | | 11 |
| Potash Corp Sask Inc Foreign | Common Stock | | 44,962 |

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|-------------------------|--------------|--------|
| Potbelly Corp | Common Stock | 41,827 |
| Power3 Medical Products | Common Stock | |
| Powershares Db Ag Etn | Common Stock | 15,030 |
| PPG Inds Inc | Common Stock | 92,460 |
| PRA Group, Inc | Common Stock | 5,387 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------------|---------------------------|---------------------|---------------|
| Prana Biotechnology Ltd Adr | Common Stock | | 5,756 |
| Precision Castparts Corp | Common Stock | | 3,506,046 |
| Precision Castparts Corp | Common Stock | | 2,890 |
| Priceline.Com Inc | Common Stock | | 4,036,088 |
| Pricesmart Inc | Common Stock | | 1,368 |
| Primco Management Inc | Common Stock | | 10 |
| Procter & Gamble Co | Common Stock | | 183,364 |
| Procter & Gamble Co | Common Stock | | 431,836 |
| Progressive Corp Ohio | Common Stock | | 4,102 |
| Proshares Ultra S&P 500 | Common Stock | | 66,207 |
| Prospect Energy Corp | Common Stock | | 26,177 |
| Prothena Corp Plc | Common Stock | | 352 |
| Provectus Biopharmaceuticals | Common Stock | | 800 |
| Proxim Wireless Corp | Common Stock | | 48 |
| PTC Therapeutics Inc | Common Stock | | 2,588 |
| Pulaski Financial Corp | Common Stock | | 8,765 |
| Pulse Beverage Corp | Common Stock | | 1,800 |
| Qihoo 360 Technology Co | Common Stock | | 45,521 |
| Quadrant 4 Systems Corp | Common Stock | | 1,092 |
| Qualcomm Inc | Common Stock | | 759,822 |
| Qualcomm Inc | Common Stock | | 330,357 |
| Qualcomm Inc | Common Stock | | 34,191 |
| Quantum Fuel Sys | Common Stock | | 1,306 |
| Quest Diagnostics Inc | Common Stock | | 16,765 |
| Radian Group Inc | Common Stock | | 8,529 |
| Radiant Pharma Corp | Common Stock | | |
| Rainbow Coral Corp | Common Stock | | 223 |
| Rambus Inc | Common Stock | | 11,090 |
| Randgold Res Ltd Adr | Common Stock | | 67 |
| Rapid Fire Mktg Inc | Common Stock | | 5 |
| Rayonier Advanced | Common Stock | | 2,899 |
| Rayonier Inc | Common Stock | | 2,514 |
| Raystream Inc | Common Stock | | |
| Raytheon Company | Common Stock | | 5,408 |
| Realogy Holdings Corp | Common Stock | | 478,957 |
| Realty Income Corporation | Common Stock | | 25,111 |
| Red Hat Inc | Common Stock | | 3,264,385 |
| Regado Biosciences | Common Stock | | 913 |
| Regeneron Pharmaceuticals Inc | Common Stock | | 2,871 |
| Regions Financial | Common Stock | | 5,744 |
| Reliance Steel & Aluminum Company | Common Stock | | 490,163 |
| Reliance Steel & Aluminum Company | Common Stock | | 6,127 |

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|-------------------------------------|--------------|---------|
| Renewable Energy Group | Common Stock | 971 |
| Rentech Nitrogen Partners Lcom Unit | Common Stock | 42,964 |
| Repligen Corp | Common Stock | 6,930 |
| Resource Capital Corp | Common Stock | 141,714 |
| Retail Oppty Investments | Common Stock | 1,242 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|---------------------------|---------------------|---------------|
| Revanche Therapeutics | Common Stock | | 3,388 |
| Revolutionary Concepts Inc | Common Stock | | 1 |
| Rex Stores Corp | Common Stock | | 4,895 |
| Rf Micro Devices Inc | Common Stock | | 4,147 |
| Rhino Res Partners LP | Common Stock | | 450 |
| Ricebran Tech | Common Stock | | 9,796 |
| Rite Aid Corporation | Common Stock | | 3,729 |
| Rock-Tenn Co | Common Stock | | 18,294 |
| Rockwell Automation Inc. | Common Stock | | 44,480 |
| Rockwell Medical Tech | Common Stock | | 5,140 |
| Rosetta Stone Inc | Common Stock | | 976 |
| Royal Bank Scot Ne Adr | Common Stock | | 605 |
| Royal Dutch Shell Adr | Common Stock | | 12,720 |
| Royal Gold Inc | Common Stock | | 18,810 |
| Rpx Corporation | Common Stock | | 4,698 |
| Rubicon Minerals Corp | Common Stock | | 18,035 |
| RXI Pharmaceuticals | Common Stock | | 16,000 |
| Sagent Pharmaceuticals | Common Stock | | 62,775 |
| Salesforce.com | Common Stock | | 11,862 |
| Salesforce.com | Common Stock | | 4,056,303 |
| Samson Oil & Gas Ltd Adr | Common Stock | | 1,186 |
| San Gold Corp | Common Stock | | 18 |
| Sandisk Corp | Common Stock | | 39,192 |
| Sandridge Energy Inc | Common Stock | | 127 |
| Sangamo Biosciences Inc | Common Stock | | 5,399 |
| Sanmina Corporation | Common Stock | | 4,706 |
| Sanofi Adr | Common Stock | | 459,481 |
| Sanofi Adr | Common Stock | | 9,760 |
| Sarepta Therapeutics | Common Stock | | 107,656 |
| Satcon Technology | Common Stock | | |
| Schlumberger Ltd | Common Stock | | 3,367,495 |
| Schlumberger Ltd | Common Stock | | 76,527 |
| Seadrill Limited Ord | Common Stock | | 6,683 |
| Seagate Technology Plc | Common Stock | | 21,413 |
| Sears Canada Inc | Common Stock | | 816 |
| Seattle Genetics Inc | Common Stock | | 5,462 |
| Sector Spdr Util Select | Common Stock | | 81,756 |
| Senior Housing Pptys Tr REIT | Common Stock | | 66,330 |
| Sesa Goa Ltd Adr | Common Stock | | 583 |
| Seventy Seven Energy Inc | Common Stock | | 687 |
| Sevion Therapeutics Inc | Common Stock | | 820 |
| Sgoco Technology | Common Stock | | 186 |

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|----------------------------|--------------|-----------|
| Ship Finance International | Common Stock | 395 |
| Shire Plc ADR | Common Stock | 2,508,932 |
| Sibanye Gold Ltd ADR | Common Stock | 757 |
| Sierra Wireless Inc | Common Stock | 55,778 |
| Silver Bay Rlty Trust | Common Stock | 198 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|----------------------------------|----------------------------|----------------------|
| Silver Wheaton Corp | Common Stock | | 57,472 |
| Sirius Xm Hldgs Inc | Common Stock | | 38,146 |
| Skyworks Solutions Inc | Common Stock | | 14,542 |
| Socket Mobile Inc | Common Stock | | 57,562 |
| Solar Capital Ltd | Common Stock | | 15,301 |
| Solarcity Corp | Common Stock | | 21,392 |
| Soligenix Inc | Common Stock | | 3,261 |
| Sony Corp Adr | Common Stock | | 61 |
| Sothebys Hldgs Inc | Common Stock | | 1,727 |
| Southern Co | Common Stock | | 199,583 |
| Southern Copper Corp | Common Stock | | 25,335 |
| Southwest Aircls Co | Common Stock | | 1,113,045 |
| Spectra Energy Corp | Common Stock | | 46,501 |
| Spectranetics Corp | Common Stock | | 11,065 |
| Sphere 3D Corp | Common Stock | | 5,250 |
| Spirit Aerosystems Hldgs | Common Stock | | 3,228 |
| Splunk Inc | Common Stock | | 1,941,257 |
| Spongetech Delivery Sys | Common Stock | | 1 |
| Sprint Corporation | Common Stock | | 13,989 |
| Spyglass Resources Corp | Common Stock | | 29 |
| St Jude Medical Inc | Common Stock | | 13,851 |
| Stag Industrial Inc | Common Stock | | 6,625 |
| Standex Intl Corp | Common Stock | | 7,726 |
| Stanley Black & Decker | Common Stock | | 6,412 |
| Star Bulk Carriers | Common Stock | | 104 |
| Starbucks Corp | Common Stock | | 2,774,969 |
| Starbucks Corp | Common Stock | | 43,790 |
| Statoil Asa Adr | Common Stock | | 3,821 |
| Steel Dynamics Inc | Common Stock | | 1,985 |
| Steelcase Inc | Common Stock | | 8,975 |
| Stellar Biotech Inc | Common Stock | | 3,689 |
| Stemcells Inc | Common Stock | | 9,512 |
| Stryker Corp | Common Stock | | 3,018 |
| Sulphco Inc | Common Stock | | |
| Suncor Energy Inc | Common Stock | | 2,192 |
| Suntech Power Hldgs Co | Common Stock | | 19 |
| Suntrust Banks Inc | Common Stock | | 9,637 |
| Swingplane Ventures | Common Stock | | |
| Synta Pharmaceuticals | Common Stock | | 795 |
| Synthetic Biologies Inc | Common Stock | | 1,385 |
| Sysco Corp | Common Stock | | 15,082 |
| Taiwan Semiconductor Mfg Co Adr | Common Stock | | 8,996 |

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|-------------------------|--------------|--------|
| Target Corporation | Common Stock | 54,196 |
| Taseko Mines Ltd | Common Stock | 16,571 |
| Taser International Inc | Common Stock | 37,072 |
| Tata Motors Ltd Adr | Common Stock | 31,625 |
| Tauriga Sciences Inc | Common Stock | 240 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|---------------|
| Te Connectivity Ltd | Common Stock | | 1,391 |
| Teck Resources Ltd | Common Stock | | 1,364 |
| Tencent Holdings Ltd | Common Stock | | 725 |
| Tencent Holdings Ltd | Common Stock | | 561,286 |
| Teradata Corp | Common Stock | | 1,747 |
| Terex Corp | Common Stock | | 2,091 |
| Terra Inventions Corp | Common Stock | | |
| Terra Nitrogen Co Lp | Common Stock | | 4,621 |
| Terra Tech Corp | Common Stock | | 3,259 |
| Tesco Plc Adr | Common Stock | | 23,476 |
| Tesla Motors Inc | Common Stock | | 2,238,612 |
| Tesla Motors Inc | Common Stock | | 135,892 |
| Tesoro Pete Corp | Common Stock | | 2,379 |
| Teva Pharmaceutical Industries | Common Stock | | 4,025 |
| Texas Instruments Inc | Common Stock | | 704,950 |
| Texas Instruments Inc | Common Stock | | 348,514 |
| Textainer Group Holdings | Common Stock | | 4,804 |
| TG Therapeutics Inc | Common Stock | | 15 |
| The Wendys Company | Common Stock | | 14,538 |
| Thermo Fisher Scientific Inc | Common Stock | | 507,350 |
| Thompson Creek Metals | Common Stock | | 69,305 |
| Threshold Pharmaceutical | Common Stock | | 159 |
| Tiffany & Co | Common Stock | | 3,191,678 |
| Tiger Oil & Energy | Common Stock | | 530 |
| Tile Shop Hldgs Inc | Common Stock | | 1,758 |
| Time Inc | Common Stock | | 366,490 |
| Time Inc | Common Stock | | 470 |
| Time Warner Inc | Common Stock | | 5,954 |
| Time Warner Inc | Common Stock | | 404,956 |
| Time Warner Inc | Common Stock | | 21,653 |
| Tital Medical Inc | Common Stock | | 277,620 |
| TJX Companies Inc | Common Stock | | 2,199,722 |
| T-Mobile US Inc | Common Stock | | 17,968 |
| Tompkins Financial | Common Stock | | 6,027 |
| Torch Energy Royalty | Common Stock | | 11 |
| Torchlight Energy Resources Inc | Common Stock | | 8,300 |
| Total Fina S A Adr | Common Stock | | 8,857 |
| Toyota Motor Cp Adr | Common Stock | | 18,822 |
| Transcanada Corp | Common Stock | | 9,820 |
| Transmontaigne Partners LP | Common Stock | | 6,302 |
| Transocean Inc | Common Stock | | 76,986 |
| Transwitch Corp | Common Stock | | 1 |

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|-------------------------|--------------|--------|
| Travelers Companies Inc | Common Stock | 2,434 |
| Travelzoo Inc | Common Stock | 1,766 |
| Tree.Com Inc | Common Stock | 96 |
| Trimble Nav Ltd | Common Stock | 26,540 |
| Trimedyne Inc | Common Stock | 602 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------|---------------------------|---------------------|---------------|
| Tripadvisor Inc | Common Stock | | 1,528,383 |
| Tripadvisor Inc | Common Stock | | 2,314 |
| Truecar Inc | Common Stock | | 45,800 |
| Trw Automotive Holdings | Common Stock | | 10,285 |
| Ttm Technologies Inc | Common Stock | | 7,530 |
| Turkcell Iletisim Adr | Common Stock | | 846 |
| Turtle Beach Corp | Common Stock | | 3,987 |
| Twenty First Century Fox | Common Stock | | 3,211,665 |
| Twitter Inc | Common Stock | | 2,162,948 |
| Twitter Inc | Common Stock | | 102,946 |
| Two Harbors Investment | Common Stock | | 2,945 |
| Tyco Intl Plc | Common Stock | | 964 |
| Tyson Foods Inc | Common Stock | | 8,018 |
| Ultra Petroleum Corp | Common Stock | | 1,579 |
| Under Armour Inc | Common Stock | | 16,975 |
| Under Armour Inc | Common Stock | | 2,502,022 |
| Uni Pixel Inc | Common Stock | | 1,707 |
| Unilever Plc Adr | Common Stock | | 3,602 |
| Union Pacific Corp | Common Stock | | 3,633,694 |
| Union Pacific Corp | Common Stock | | 4,765 |
| United Contl Hldgs Inc | Common Stock | | 66,890 |
| United Parcel Service | Common Stock | | 19,556 |
| United States Steel Corp | Common Stock | | 1,341 |
| United Technologies Corp | Common Stock | | 7,705 |
| Unitedhealth Group Inc | Common Stock | | 988,441 |
| Universal Display Corp | Common Stock | | 6,382 |
| US Bancorp | Common Stock | | 14,280 |
| US Brent Oil Fund LP | Common Stock | | 7,604 |
| USA Graphite Inc | Common Stock | | |
| Vale S A | Common Stock | | 10,274 |
| Valeant Pharmaceuticals | Common Stock | | 826,863 |
| Valero Energy Corp | Common Stock | | 27,827 |
| Vanguard Natural Res LLC | Common Stock | | 3,014 |
| Vape Hldgs Inc | Common Stock | | 890 |
| Varonis Sys Inc | Common Stock | | 1,641 |
| Vasco Data Security Intl | Common Stock | | 959 |
| Vector Group Ltd | Common Stock | | 26,465 |
| Velatel Global Comm | Common Stock | | |
| Venaxis Inc | Common Stock | | 47 |
| Ventas Inc | Common Stock | | 23,302 |
| Veolia Environ Adr | Common Stock | | 13,202 |
| Vericel Corporation | Common Stock | | 1,216 |

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|----------------------------|--------------|-----------|
| Verisign Inc | Common Stock | 570 |
| Veriteq Corp | Common Stock | |
| Verizon Communications | Common Stock | 418,258 |
| Vertex Pharmaceuticals Inc | Common Stock | 11,880 |
| Vertex Pharmaceuticals Inc | Common Stock | 2,255,630 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------|---------------------------|---------------------|---------------|
| Vg Life Sciences Inc | Common Stock | | 1 |
| Via Pharmaceuticals Inc | Common Stock | | |
| Viacom Inc | Common Stock | | 1,096,241 |
| Vipshop Hldgs Ltd Ad | Common Stock | | 104,734 |
| Vipro Inc | Common Stock | | 1 |
| Virtra Systems Inc | Common Stock | | 8,160 |
| Virtual Piggy Inc | Common Stock | | 63,133 |
| Visa Inc | Common Stock | | 6,555 |
| Visa Inc | Common Stock | | 5,738,138 |
| Vitae Pharmaceuticals | Common Stock | | 6,656 |
| Vivus | Common Stock | | 1,440 |
| Vmware Inc | Common Stock | | 14,028 |
| Vmware Inc | Common Stock | | 1,639,652 |
| Voc Energy | Common Stock | | 3,804 |
| Vodafone Group Plc Sp Adr | Common Stock | | 38,817 |
| Vodafone Group Plc Sp Adr | Common Stock | | 853,496 |
| Vodafone Group Plc Sp Adr | Common Stock | | 465,727 |
| Volt Info Sciences Inc | Common Stock | | 858 |
| Voltari Corp | Common Stock | | 3 |
| Vonage Holdings | Common Stock | | 2,571 |
| Walgreens Boots Alliance | Common Stock | | 132,757 |
| Wal-Mart Stores Inc | Common Stock | | 96,541 |
| Walt Disney Co | Common Stock | | 3,876,653 |
| Walter Inds Inc | Common Stock | | 897 |
| Waste Management Inc | Common Stock | | 44,158 |
| Weatherford Intl | Common Stock | | 22,900 |
| Wells Fargo & Co | Common Stock | | 47,436 |
| Wellstar Intl Inc | Common Stock | | 5 |
| Westell Technologies Inc | Common Stock | | 2,520 |
| Western Digital Corp | Common Stock | | 33,431 |
| Western Refng Inc | Common Stock | | 114 |
| Westport Innovation | Common Stock | | 4,488 |
| Whiting Petroleum Corp | Common Stock | | 7,590 |
| Whole Foods Mkt Inc | Common Stock | | 11,647 |
| Wi-Lan Inc | Common Stock | | 11,960 |
| Williams Co. Inc. | Common Stock | | 4,779 |
| Wilshire Bancorp Inc | Common Stock | | 2,026 |
| Windstream Hldgs Inc | Common Stock | | 55,013 |
| Wisdomtree Investments | Common Stock | | 11,364 |
| Workday Inc | Common Stock | | 2,020,797 |
| Wuxi Pharmatech Adr | Common Stock | | 13,468 |
| Xcel Energy Inc | Common Stock | | 3,625 |

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| | | |
|-------------------------|--------------|--------|
| Xerox Corp | Common Stock | 4,421 |
| Xinyuan Real Estate Adr | Common Stock | 354 |
| Xoma Corp | Common Stock | 3,467 |
| XPO Logistics Inc | Common Stock | 18,396 |
| Yahoo! Inc | Common Stock | 65,157 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------|---------------------------|---------------------|----------------|
| Yamana Gold Inc | Common Stock | | 44,706 |
| Yandex N V | Common Stock | | 4,759 |
| Yelp Inc Class A | Common Stock | | 125,003 |
| Yingli Green Energy Adr | Common Stock | | 470 |
| York Mtg Trust | Common Stock | | 7,710 |
| Yum Brands Inc | Common Stock | | 9,116 |
| Zagg Incorporated | Common Stock | | 20,437 |
| Zap | Common Stock | | 68 |
| Zimmer Holdings Inc | Common Stock | | 113,533 |
| Zion Oil & Gas Inc | Common Stock | | 1,370 |
| Zynga Inc | Common Stock | | 7,182 |
| Common Stock | | | \$ 507,029,296 |

**** U.S Government and Government Agency Issues:**

| | | | |
|-----------------------------|--------------------|--|-----------|
| Fannie Mae | 7.25% 15 May 2030 | | 391,590 |
| Fannie Mae | 6.625% 15 Nov 2030 | | 1,355,156 |
| Fed HM LN PC Pool C48827 | 6.0% 01 Mar 2031 | | 5,218 |
| Fed HM LN PC Pool G12334 | 5.0% 01 Sep 2021 | | 63,338 |
| FNMA TBA Jan 30 Single Fam | 4.5% 01 Feb 2099 | | 722,911 |
| FNMA Conv 15Yr TBA | 2.5% 01 Dec 2099 | | 678,061 |
| FNMA Pool 256398 | 6.0% 01 Sep 2021 | | 13,618 |
| FNMA Pool 581043 | 6.0% 01 May 2016 | | 1,625 |
| FNMA Pool 615005 | 6.0% 01 Dec 2016 | | 5,409 |
| FNMA Pool 694448 | 5.5% 01 Apr 2033 | | 1 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | | 93,633 |
| FNMA Pool 748115 | 6.0% 01 Oct 2033 | | 38,417 |
| FNMA Pool 815316 | 5.5% 01 May 2035 | | 155,898 |
| FNMA Pool 885504 | 6.0% 01 Aug 2021 | | 44,322 |
| FNMA Pool 902793 | 6.5% 01 Nov 2036 | | 61,172 |
| FNMA Pool AB9703 | 3.5% 01 Jun 2043 | | 322,723 |
| FNMA Pool AH3979 | 4.0% 01 Feb 2041 | | 274,349 |
| FNMA Pool AH4008 | 4.0% 01 Mar 2041 | | 371,679 |
| FNMA Pool AO3540 | 3.0% 01 Jun 2042 | | 176,033 |
| FNMA Pool AP6604 | 3.0% 01 Sep 2042 | | 695,673 |
| FNMA Pool AT2032 | 3.5% 01 Apr 2043 | | 817,842 |
| FNMA Pool MA0734 | 4.5% 01 May 2031 | | 251,323 |
| FNMA Pool MA1437 | 3.5% 01 May 2043 | | 245,751 |
| FNMA TBA 15Yr Single Family | 3.0% 20 Jan 2030 | | 979,390 |
| FNMA TBA 30Yr Single Family | 3.5% 01 Dec 2099 | | 1,275,349 |

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| | | |
|------------------------|--------------------|-----------|
| FNMA TBA Single Family | 4.0% 01 Dec 2099 | 3,080,048 |
| GNMA II Pool 710082 | 4.698% 20 Jul 2061 | 59,091 |
| GNMA II Pool 710089 | 4.7% 20 Oct 2061 | 41,464 |
| GNMA II Pool 751415 | 4.616% 20 Aug 2061 | 37,430 |
| GNMA II Pool 756731 | 4.673% 20 Mar 2062 | 21,021 |
| GNMA II Pool 766519 | 4.668% 20 May 2062 | 52,790 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| GNMA II Pool 766522 | 4.538% 20 Nov 2062 | | 63,347 |
| GNMA II Pool 766544 | 4.499% 20 Dec 2062 | | 61,946 |
| GNMA II Pool 766549 | 4.616% 20 Jul 2062 | | 91,217 |
| GNMA II Pool 771800 | 4.627% 20 Jan 2064 | | 84,448 |
| GNMA II Pool AB8466 | 1.0% 20 Sep 2063 | | 282,139 |
| GNMA II Pool AC0988 | 4.423% 20 July 2063 | | 44,941 |
| GNMA II Pool AC9906 | 4.323% 20 May 2063 | | 36,869 |
| GNMA II Pool AC9910 | 4.515% 20 Jul 2063 | | 37,771 |
| Mex Bonos Desarr | 6.5% 10 Jun 2021 | | 1,581,730 |
| Republic of Colombia | 4.0% 26 Feb 2024 | | 201,770 |
| Republic Of Indonesia Sr Unsecured 144A 01/44 6.75 | 6.75% 15 Jan 2044 | | 409,029 |
| Republic Of Philippines | 3.9% 26 Nov 2022 | | 215,604 |
| Republic Of Philippines Sr Unsecured 01/24 4.2 | 4.2% 21 Jan 2024 | | 214,103 |
| Tenn Valley Authority | 3.5% 15 Dec 2042 | | 585,419 |
| Tsy Infl Ix N/B 02/44 1.375 | 1.375% 15 Feb 2044 | | 1,146,092 |
| Tsy Infl Ix N/B 07/24 0.125 | 0.125% 15 Jul 2024 | | 1,109,697 |
| United Mexican States | 6.05% 11 Jan 2040 | | 386,136 |
| United Mexican States Sr Unsecured 01/45 5.55 | 5.55% 21 Jan 2045 | | 103,228 |
| US Treasury N/B | 3.75% 15 Nov 2043 | | 2,223,868 |
| US Treasury N/B | 1.875% 31 Aug 2017 | | 4,612,565 |
| US Treasury N/B | 1.0% 30 Jun 2019 | | 1,323,895 |
| US Treasury N/B | 3.625% 15 Feb 2044 | | 539,906 |
| US Treasury N/B | 0.375% 31 Mar 2016 | | 4,996,611 |
| US Treasury N/B | 0.5% 30 Sep 2016 | | 817,961 |
| US Treasury N/B | 0.375% 31 Oct 2016 | | 427,416 |
| US Treasury N/B | 0.5% 30 Nov 2016 | | 703,693 |
| U.S Government and Government Agency Issues | | | \$ 34,633,726 |

**** Corporate and Other Obligations:**

| | | |
|------------------------------------|--------------------|---------|
| AES Corp | 1.0% 01 Jun 2019 | 57,710 |
| Alexandria Real Est | Preferred Stock | 25,900 |
| American Tower Corp | 4.625% 01 Apr 2015 | 143,340 |
| American Tower Corp | 4.5% 15 Jan 2018 | 220,040 |
| Americredit Automobile Receivables | 1.19% 08 May 2018 | 98,760 |
| Americredit Automobile Receivables | 1.79% 08 Mar 2019 | 78,830 |
| Anadarko Petroleum Corp | 6.375% 15 Sep 2017 | 405,870 |
| Arcelormittal | 7.25% 01 Mar 2041 | 373,690 |
| Asbury Automotive Group | 6.0% 15 Dec 2024 | 130,500 |
| Associates Corp NA | 6.95% 01 Nov 2018 | 172,850 |

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| | | |
|-------------------------------------|--------------------|---------|
| Avon Products Inc | 4.6% 15 Mar 2020 | 44,760 |
| Banc of America Commercial Mortgage | 1.0% 10 Apr 2049 | 158,350 |
| Banco Santander Bras | 4.625% 13 Feb 2017 | 408,980 |
| Banco Santander Chile | 3.875% 20 Sep 2022 | 195,250 |
| Bank of America | 6.4% 28 Aug 2017 | 197,870 |
| Bank of America | 5.625% 01 Jul 2020 | 443,730 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|----------------------------------|----------------------------|----------------------|
| Bank of America | 5.0% 13 May 2021 | | 148,620 |
| Bear Stearns Commercial Mortgage | 1.0% 11 Jun 2040 | | 186,230 |
| Braskem America Finance | 7.125% 22 Jul 2041 | | 322,330 |
| Brocade Communications | 6.875% 15 Jan 2020 | | 45,840 |
| Bunge Limited Finance Co | 4.1% 15 Mar 2016 | | 76,280 |
| CBRE Services Inc | 5.0% 15 Mar 2023 | | 35,280 |
| CCO Hldgs LLC | 5.25% 15 Mar 2021 | | 233,600 |
| CCO Hldgs LLC | 6.5% 30 Apr 2021 | | 108,770 |
| CD Commercial Mortgage Trust | 5.322% 28 Jun 2016 | | 480,520 |
| Celulosa Arauco | 5.0% 21 Jan 2021 | | 231,890 |
| Centurylink Inc | 5.625% 01 Apr 2020 | | 87,010 |
| Cielo Sa/Cielo USA Inc | 3.75% 16 Nov 2022 | | 355,190 |
| Citigroup Inc | 4.45% 10 Jan 2017 | | 338,960 |
| Citigroup Inc | 4.05% 30 Jul 2022 | | 168,440 |
| Citigroup Inc | 1.3% 01 Apr 2016 | | 222,310 |
| CNPC General Capital | 3.95% 19 Apr 2022 | | 200,750 |
| Colony American Homes | 1.0% 17 May 2031 | | 237,170 |
| Comcast Corp | 5.65% 15 Jun 2035 | | 111,260 |
| Comm Mortgage Trust | 1.0% 10 Dec 2049 | | 53,880 |
| Contl Airlines | 4.0% 29 Apr 2026 | | 161,180 |
| Contl Airlines | 5.983% 19 Oct 2023 | | 268,190 |
| Credit Suisse Mortgage Trust | 1.0% 15 Jan 2049 | | 338,210 |
| Crown Castle Towers LLC | 3.214% 15 Aug 2035 | | 99,840 |
| Deluxe Corp | 6.0% 15 Nov 2020 | | 555,200 |
| Digital Rlty Tr | Preferred Stock | | 25,500 |
| Dolphin Energy Ltd | 5.5% 15 Dec 2021 | | 222,090 |
| Dun & Bradstreet Corp | 3.25% 01 Dec 2017 | | 142,020 |
| Dynegy Finance I/II Inc | 6.75% 01 Nov 2019 | | 562,190 |
| Embarq Corp | 7.995% 01 Jun 2036 | | 694,620 |
| Energy Transfer Partners | 6.05% 01 Jun 2041 | | 463,070 |
| Energy Transfer Partners | 5.2% 01 Feb 2022 | | 89,690 |
| Ensco Plc | 4.5% 01 Oct 2024 | | 119,870 |
| Ensco Plc | 5.75% 01 Oct 2044 | | 98,990 |
| Equifax Inc | 7.0% 01 Jul 2037 | | 250,520 |
| Firstenergy Corp | 2.75% 15 Mar 2018 | | 144,170 |
| Ford Motor | 7.45% 16 Jul 2031 | | 321,470 |
| Ford Motor Credit Co LLC | 5.75% 01 Feb 2021 | | 339,190 |
| Ford Motor Credit Co LLC | 5.0% 15 May 2018 | | 418,090 |
| Freeport McMoran | 2.375% 15 Mar 2018 | | 195,160 |
| Frontier Communications | 7.875% 15 Jan 2027 | | 285,410 |
| Frontier Communications | 8.5% 15 Apr 2020 | | 258,520 |

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| | | |
|---------------------------|--------------------|---------|
| Gamestop Corp | 5.5% 01 Oct 2019 | 207,710 |
| GCCFC Commercial Mortgage | 5.736% 10 Dec 2049 | 128,230 |
| GE Equipment | 0.6% 23 May 2016 | 260,670 |
| General Elec Cap Corp | 2.95% 09 May 2016 | 192,930 |
| General Motors Co | 5.0% 01 Jan 2035 | 385,560 |
| General Motors Co | 5.2% 01 Jan 2045 | 333,090 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|---------------------------|---------------------|---------------|
| Goldman Sachs Group | 5.25% 27 Jul 2021 | | 261,690 |
| Goldman Sachs Group | 6.15% 01 Apr 2018 | | 276,850 |
| GP Portfolio Trust | 1.0% 15 Feb 2027 | | 177,880 |
| Grupo Televisa Sab | 7.25% 14 May 2043 | | 114,640 |
| GS Mortgage Securities Trust | 1.0% 10 Aug 2045 | | 443,580 |
| Halyard Health Inc | 6.25% 15 Oct 2022 | | 125,180 |
| HCA Inc | 7.5% 15 Feb 2022 | | 422,710 |
| Health Care Reit | Preferred Stock | | 42,650 |
| Hewlett Packard Co | 2.75% 14 Jan 2019 | | 197,580 |
| Hospitality Pptys Tr | Preferred Stock | | 67,930 |
| Huntington Ingalls Indus Company | 5.0% 15 Dec 2021 | | 50,190 |
| Ihs Inc Company | 5.0% 01 Nov 2022 | | 68,370 |
| Intl Bk Recon + Develop | 2.625% 07 Nov 2016 | | 49,800 |
| Intl Finance Corp | 10.5% 17 Apr 2018 | | 955,770 |
| Intl Finance Corp | 10.0% 12 Jun 2017 | | 624,910 |
| Intl Lease Finance Corp | 6.25% 15 May 2019 | | 652,130 |
| Ipic Gmtm Ltd | 6.875% 01 Nov 2041 | | 336,500 |
| JP Morgan Chase Commercial | 5.336% 15 May 2047 | | 113,380 |
| JP Morgan Chase Commercial | 1.0% 15 Jul 2031 | | 122,680 |
| JP Morgan Chase Commercial | 1.0% 15 Jul 2031 | | 98,020 |
| JP Morgan Chase & Co | 3.7% 20 Jan 2015 | | 128,470 |
| JP Morgan Chase & Co | 4.25% 15 Oct 2020 | | 47,730 |
| JP Morgan Chase & Co | 4.625% 10 May 2021 | | 76,010 |
| JP Morgan Chase & Co | 4.5% 24 Jan 2022 | | 263,900 |
| KB Home Company | 4.75% 15 May 2019 | | 179,790 |
| Kindred Healthcare Inc Company | 8.0% 15 Jan 2020 | | 115,310 |
| KLA Tencor Corp | 3.375% 01 Nov 2019 | | 70,360 |
| Lotte Shopping Co Ltd | 3.375% 09 May 2017 | | 228,410 |
| M S Cap Trust | Preferred Stock | | 20,480 |
| Methanex Corp | 3.25% 15 Dec 2019 | | 190,770 |
| Mexichem Sab DE CV | 6.75% 19 Sep 2042 | | 225,200 |
| ML CFC Commercial Mortgage | 1.0% 12 Aug 2049 | | 341,630 |
| ML CFC Commercial Mortgage Trust | 1.0% 12 Mar 2051 | | 259,520 |
| Morgan Stanley | 5.5% 24 Jul 2020 | | 322,810 |
| Morgan Stanley | 5.55% 27 Apr 2017 | | 267,730 |
| Morgan Stanley | 5.375% 15 Oct 2015 | | 66,330 |
| Morgan Stanley | 5.5% 26 Jan 2020 | | 183,160 |
| Morgan Stanley Capital I Trust | 1.0% 12 Apr 2049 | | 667,500 |
| Morgan Stanley Capital I Trust | 5.569% 15 Dec 2044 | | 651,530 |
| Morgan Stanley | 3.7% 23 Oct 2024 | | 290,020 |
| Mtn Mauritius Invstmnts Company | 4.755% 11 Nov 2024 | | 193,380 |
| Murray St Invt | 4.647% 09 Mar 2017 | | 26,380 |

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| | | |
|--|--------------------|---------|
| Myriad Int Holding BV | 6.375% 28 Jul 2017 | 139,800 |
| Myriad Int Holding BV | 6.0% 18 Jul 2020 | 269,470 |
| Nabors Industries Inc Company Guar 09/23 5.1 | 5.1% 15 Sep 2023 | 234,190 |
| National Rural Util Coop | 1.0% 30 Apr 2043 | 180,880 |
| Natl Retail Pptys De | Preferred Stock | 25,440 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------|---------------------------|---------------------|---------------|
| Navient Corp | 6.125% 25 Mar 2024 | | 256,880 |
| Newfield Exploration Co | 5.75% 30 Jan 2022 | | 214,890 |
| Office Cherifien Des Pho | 5.625% 25 Apr 2024 | | 585,330 |
| Olin Corp | 5.5% 15 Aug 2022 | | 54,940 |
| Omnicare Inc Company | 4.75% 01 Dec 2022 | | 44,950 |
| Omnicare Inc Company | 5.0% 01 Dec 2024 | | 25,280 |
| Owens Corning | 4.2% 01 Dec 2024 | | 97,360 |
| Perkinelmer Inc | 5.0% 15 Nov 2021 | | 236,140 |
| Pertamina Persero | 5.625% 20 May 2043 | | 630,660 |
| Petrobras Global Finance | 5.625% 20 May 2043 | | 148,800 |
| Petrobras Global Finance | 7.25% 17 Mar 2044 | | 77,940 |
| Petrobras Intl Fin Co | 6.75% 27 Jan 2041 | | 255,760 |
| Petroleos Mexicanos | 3.5% 18 Jul 2018 | | 94,900 |
| Phillips 66 | 4.3% 01 Apr 2022 | | 166,650 |
| Pko Fin Ab | 4.63% 28 Sep 2022 | | 248,040 |
| Plains Exploration & Pro | 6.875% 15 Feb 2023 | | 225,010 |
| Polyone Corp | 5.25% 15 Mar 2023 | | 177,470 |
| Protective Life Corp | Preferred Stock | | 25,340 |
| Qwest Corporation | Preferred Stock | | 24,100 |
| Qwest Corporation | Preferred Stock | | 26,090 |
| Regal Entertainment Grp | 5.75% 15 Mar 2022 | | 117,780 |
| Regency Cntrs | Preferred Stock | | 25,310 |
| Reynolds American Inc | 7.25% 15 Jun 2037 | | 532,280 |
| Rio Oil Finance Trust | 6.25% 06 Jul 2024 | | 415,160 |
| Rock Tenn Co | 4.0% 01 Mar 2023 | | 135,690 |
| Rowan Companies Inc | 5.0% 01 Sep 2017 | | 246,740 |
| Royal Bk Scot | 5.625% 24 Aug 2020 | | 28,470 |
| Royal Bk Scotland | Preferred Stock | | 10,590 |
| RPM International Inc | 6.125% 15 Oct 2019 | | 255,660 |
| Santander Drive Auto | 2.7% 15 Aug 2018 | | 115,430 |
| Santander Drive Auto | 1.94% 15 Dec 2016 | | 230,860 |
| Santander Drive Auto | 1.94% 15 Mar 2018 | | 144,040 |
| Sealed Air Corp | 5.25% 01 Apr 2023 | | 145,920 |
| Sealed Air Corp | 6.5% 01 Dec 2020 | | 97,230 |
| Sequoia Mortgage Trust | 1.0% 25 May 2043 | | 248,500 |
| Service Corp Intl | 5.375% 15 Jan 2022 | | 96,070 |
| Sidewinder Drilling Inc | 9.75% 15 Nov 2019 | | 60,500 |
| SLM Corp | 4.875% 17 Jun 2019 | | 341,380 |
| SM Energy Co | 6.5% 01 Jan 2023 | | 156,280 |
| Springleaf Funding Trust | 3.92% 16 Jan 2023 | | 353,970 |
| Sprint Capital Corp | 6.875% 15 Nov 2028 | | 243,110 |
| Telefonica Emisiones Sau | 5.134% 27 Apr 2020 | | 163,830 |

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| | | |
|--------------------------|--------------------|---------|
| Telefonica Emisiones Sau | 5.462% 16 Feb 2021 | 11,000 |
| Telephone Data 6.875%59 | Preferred Stock | 24,870 |
| Tencent Holdings Ltd | 3.375% 02 May 2019 | 371,060 |
| Tesoro Logistics LP | 5.5% 15 Oct 2019 | 34,270 |
| Tesoro Logistics LP | 6.25% 15 Oct 2022 | 63,970 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|---------------|
| Textainer Marine Containers | 3.27% 20 Oct 2039 | | 264,930 |
| Textron Inc | 3.875% 01 Mar 2025 | | 59,300 |
| Thai Oil Pcl | 4.875% 23 Jan 2043 | | 381,730 |
| Time Warner Cable Inc | 5.875% 15 Nov 2040 | | 111,760 |
| Time Warner Cable Inc | 5.5% 01 Sep 2041 | | 183,420 |
| Time Warner Cable Inc | 4.5% 15 Sep 2042 | | 141,990 |
| Toyota Motor Credit Corp | 1.75% 22 May 2017 | | 338,420 |
| Transec SA | 4.625% 26 Jul 2023 | | 204,610 |
| Transocean Inc | 6.5% 15 Nov 2020 | | 418,670 |
| Transport De Gas Peru | 4.25% 30 Apr 2028 | | 338,000 |
| Universal Health Svcs | 3.75% 01 Aug 2019 | | 49,330 |
| Universal Health Svcs | 4.75% 01 Aug 2022 | | 54,260 |
| USG Corp | 9.75% 15 Jan 2018 | | 179,960 |
| Valeant Pharmaceuticals | 6.375% 15 Oct 2020 | | 139,190 |
| Verizon Communications | 5.05% 15 Mar 2034 | | 89,460 |
| Verizon Communications | 4.4% 01 Nov 2034 | | 456,030 |
| Verizon Communications | 2.625% 21 Feb 2020 | | 272,120 |
| Vesey Str Invt | 4.404% 01 Sep 2016 | | 26,220 |
| Votorantim Cimentos SA | 7.25% 05 Apr 2041 | | 203,250 |
| Western Union Co | 2.375% 10 Dec 2015 | | 84,630 |
| Whirlpool Corp | 4.7% 01 Jun 2022 | | 248,750 |
| Windstream Corp | 8.125% 01 Sep 2018 | | 66,530 |
| Windstream Corp | 7.5% 01 Apr 2023 | | 176,700 |
| Wolverine World Wide | 6.125% 15 Oct 2020 | | 56,970 |
| World Financial Network | 3.14% 17 Jan 2023 | | 666,730 |
| World Financial Network | 1.76% 17 May 2021 | | 694,530 |
| Corporate and Other Obligations | | | \$ 39,424,770 |

Synthetic Guaranteed Investment Contracts:**Cash & Cash Equivalents**

| | | |
|--------------------------------|----------------------------|------------|
| * State Street Bank & Trust Co | Short-Term Investment Fund | 3,668,585 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 16,222,507 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 674,642 |
| Svenska Handelsbnkn | Short-Term Investment Fund | 1,815,575 |
| Wells Fargo Bank NA | Short-Term Investment Fund | 1,931,027 |
| | | 24,312,336 |

U.S. Government and Government Agency Issues

| | | |
|--------------------------|-------------------|---------|
| California St Cas | 5.75% 01 Mar 2017 | 436,963 |
| Fed HM LN PC Pool 1L1358 | 1.0% 01 May 2036 | 745,875 |
| Fed HM LN PC Pool G01843 | 6.0% 01 Jun 2035 | 402,541 |

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|----------------------------|----------------------------------|----------------------------|----------------------|
| Fed HM LN PC Pool G03205 | 5.5% 01 Jul 2035 | | 78,105 |
| Fed HM LN PC Pool G03737 | 6.5% 01 Nov 2037 | | 391,855 |
| Fed HM LN PC Pool G07823 | 4.25% 01 Sep 2044 | | 899,843 |
| Fed HM LN PC Pool G08542 | 4.0% 01 Aug 2043 | | 2,478,963 |
| Fed HM LN PC Pool G12743 | 5.5% 01 Aug 2022 | | 91,798 |
| Fed HM LN PC Pool J16933 | 3.0% 01 Oct 2026 | | 30,611 |
| Fed HM LN PC Pool Q03572 | 4.0% 01 Sep 2041 | | 2,280,859 |
| Fed HM LN PC Pool Q11095 | 3.5% 01 Sep 2042 | | 2,504,340 |
| Fed HM LN PC Pool Q27465 | 4.5% 01 Jul 2044 | | 903,570 |
| Fed HM LN PC Pool U92432 | 4.0% 01 Feb 2044 | | 358,612 |
| FNMA TBA Jan 30 Single Fam | 4.5% 01 Feb 2099 | | 1,739,001 |
| FNMA Pool 254693 | 5.5% 01 Apr 2033 | | 141,736 |
| FNMA Pool 725222 | 5.5% 01 Feb 2034 | | 180,786 |
| FNMA Pool 725423 | 5.5% 01 May 2034 | | 136,319 |
| FNMA Pool 725424 | 5.5% 01 Apr 2034 | | 61,752 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | | 55,345 |
| FNMA Pool 725946 | 5.5% 01 Nov 2034 | | 161,713 |
| FNMA Pool 735141 | 5.5% 01 Jan 2035 | | |
| FNMA Pool 743132 | 5.0% 01 Oct 2018 | | 283,925 |
| FNMA Pool 745327 | 6.0% 01 Mar 2036 | | |
| FNMA Pool 831540 | 6.0% 01 Jun 2036 | | 307,548 |
| FNMA Pool 889361 | 6.0% 01 Mar 2038 | | |
| FNMA Pool 914789 | 5.0% 01 Apr 2037 | | 906,141 |
| FNMA Pool 931745 | 5.0% 01 Aug 2024 | | 1,341,614 |
| FNMA Pool 986148 | 5.5% 01 Jan 2038 | | 1,011,700 |
| FNMA Pool AB5519 | 3.5% 01 Jul 2042 | | 1,929,247 |
| FNMA Pool AB5688 | 3.5% 01 Jul 2037 | | 620,277 |
| FNMA Pool AB6282 | 3.5% 01 Sep 2042 | | 2,833,989 |
| FNMA Pool AB7016 | 4.0% 01 Nov 2042 | | 1,756,791 |
| FNMA Pool AB9096 | 4.0% 01 Apr 2043 | | 1,000,060 |
| FNMA Pool AD8529 | 4.5% 01 Aug 2040 | | |
| FNMA Pool AL0139 | 1.0% 01 Feb 2039 | | 492,665 |
| FNMA Pool AL4408 | 1.0% 01 Nov 2043 | | 899,010 |
| FNMA Pool AO4163 | 3.5% 01 Jun 2042 | | 1,712,616 |
| FNMA Pool AO5515 | 3.5% 01 Jul 2042 | | 366,675 |
| FNMA Pool AO8169 | 3.5% 01 Sep 2042 | | 1,204,642 |
| FNMA Pool AQ5046 | 3.0% 01 Dec 2042 | | 31,829 |
| FNMA Pool AQ6238 | 3.5% 01 Dec 2042 | | 459,182 |
| FNMA Pool AR4445 | 3.0% 01 Mar 2043 | | 421,839 |
| FNMA Pool AR6071 | 3.0% 01 Apr 2043 | | 21,980 |
| FNMA Pool AR9225 | 3.0% 01 Mar 2043 | | 1,670,582 |
| FNMA Pool AU1149 | 3.0% 01 Sep 2043 | | |

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| | | |
|-----------------------------|------------------|-----------|
| FNMA Pool AU1628 | 3.0% 01 Jul 2043 | 1,786,760 |
| FNMA Pool AU6101 | 4.0% 01 Sep 2043 | |
| FNMA Pool MA1217 | 4.0% 01 Oct 2042 | 1,040,518 |
| FNMA Pool MA1404 | 3.5% 01 Apr 2042 | 1,006,027 |
| FNMA TBA 30Yr Single Family | 3.5% 01 Dec 2099 | 1,354,439 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

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|-----------------------------------|---------------------------|---------------------|---------------|
| FNMA TBA Jan 30 Single Fam | 5.0% 01 Dec 2099 | | 4,475,949 |
| FNMA TBA Single Family | 4.0% 01 Dec 2099 | | 6,354,633 |
| GNMA II TBA 30 Yr | 3.5% 21 Jan 2045 | | 1,845,668 |
| Illinois St | 2.42% 01 Apr 2017 | | 424,228 |
| New Jersey St Econ Dev Auth | 1.802% 15 Jun 2017 | | 905,750 |
| North Carolina State Education | 1.0% 25 Jul 2025 | | 1,406,245 |
| Province of Ontario | 4.0% 07 Oct 2019 | | 2,032,313 |
| Province of Quebec | 4.6% 26 May 2015 | | 1,173,947 |
| Republic of Poland | 6.375% 15 Jul 2019 | | 45,413 |
| Republic of Poland | 3.875% 16 Jul 2015 | | 425,798 |
| State of Qatar | 4.5% 20 Jan 2022 | | 299,144 |
| Treasury Bill | 0.01% 19 Mar 2015 | | 4,473,099 |
| Tsy Infl Ix N/B | 0.125% 15 Apr 2019 | | 5,619,193 |
| United States of America Treasury | 1.0% 31 Oct 2016 | | 3,582,319 |
| US Treasury Frn | 1.0% 31 Jul 2016 | | 3,459,281 |
| US Treasury N/B | 0.625% 15 Feb 2017 | | 2,018,154 |
| US Treasury N/B | 2.0% 28 Feb 2021 | | 737,663 |
| US Treasury N/B | 0.375% 30 Apr 2016 | | 3,691,665 |
| US Treasury N/B | 0.875% 15 Aug 2017 | | 6,122,698 |
| US Treasury N/B | 1.5% 31 Oct 2019 | | 3,554,007 |
| US Treasury N/B | 2.0% 31 Oct 2021 | | 1,697,653 |
| US Treasury N/B | 2.25% 15 Nov 2024 | | 6,374,178 |
| US Treasury N/B | 1.5% 30 Nov 2019 | | 284,446 |
| US Treasury N/B | 3.625% 15 Feb 2020 | | 1,819,294 |
| US Treasury N/B | 2.5% 30 Apr 2015 | | 5,740,994 |
| US Treasury N/B | 1.875% 30 Jun 2015 | | 1,879,114 |
| US Treasury N/B | 2.0% 15 Nov 2021 | | 3,257,792 |
| US Treasury N/B | 0.625% 30 Sep 2017 | | 6,407,866 |
| US Treasury N/B | 0.25% 15 Oct 2015 | | 2,435,808 |
| US Treasury N/B | 0.25% 31 Dec 2015 | | 18,943,434 |
| US Treasury N/B | 0.375% 31 Jan 2016 | | 9,009,217 |
| US Treasury N/B | 2.375% 15 Aug 2024 | | 888,907 |
| US Treasury N/B | 0.5% 31 Aug 2016 | | 26,547,554 |
| US Treasury N/B | 0.5% 30 Sep 2016 | | 10,017,654 |
| US Treasury N/B | 0.375% 31 Oct 2016 | | 4,551,400 |
| US Treasury N/B | 2.25% 15 Nov 2024 | | 596,584 |
| US Treasury N/B | 0.5% 30 Nov 2016 | | 7,153,269 |
| US Treasury N/B | 0.125% 30 Apr 2015 | | 5,663,409 |
| US Treasury N/B | 2.5% 15 May 2024 | | 1,466,654 |
| US Treasury N/B | 0.25% 31 Dec 2015 | | 35,034,439 |
| US Treasury N/B | 1.5% 31 Dec 2018 | | 22,788,986 |
| US Treasury N/B | 0.75% 15 Jan 2017 | | 44,003,040 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Corporate and Other Obligations | | | |
| 21st Century Fox America Company | 4.5% 15 Feb 2021 | | 408,928 |
| Abn Amro Bank Nv | 2.5% 30 Oct 2018 | | 480,242 |
| Abn Amro Bank Nv | 4.25% 02 Feb 2017 | | 408,974 |
| Abn Amro Bank Nv | 2.5% 30 Oct 2018 | | 539,047 |
| Ace Ina Holdings | 2.7% 13 Mar 2023 | | 4,711 |
| Actavis Funding Scs | 3.85% 15 Jun 2024 | | 123,866 |
| Aflac Inc | 3.625% 15 Nov 2024 | | 361,129 |
| Agilent Technologies Inc | 6.5% 01 Nov 2017 | | 90,494 |
| Albemarle Corp | 3.0% 01 Dec 2019 | | 266,891 |
| Alcoa Inc | 6.75% 15 Jul 2018 | | 463,272 |
| Alibaba Group Holding | 2.5% 28 Nov 2019 | | 923,777 |
| Allegheny Technologies | 5.95% 15 Jan 2021 | | 427,437 |
| Allied World Assurance | 7.5% 01 Aug 2016 | | 174,785 |
| Ally Master Owner Trust | 1.29% 15 Jan 2019 | | 657,291 |
| Ally Master Owner Trust | 1.54% 15 Sep 2019 | | 1,208,607 |
| Ally Master Owner Trust | 1.0% 15 Feb 2018 | | 694,648 |
| Ally Master Owner Trust | 1.29% 15 Jan 2019 | | 619,594 |
| Altria Group Inc | 2.85% 09 Aug 2022 | | 867,468 |
| Altria Group Inc | 2.625% 14 Jan 2020 | | 457,396 |
| Amazon.Com Inc | 3.3% 05 Dec 2021 | | 177,057 |
| American Express Credit | 1.125% 05 Jun 2017 | | 643,262 |
| American Express Credit | 1.26% 15 Jan 2020 | | 201,352 |
| American Intl Group | 5.45% 18 May 2017 | | 423,506 |
| American Intl Group | 4.875% 01 Jun 2022 | | 327,016 |
| American Intl Group | 6.4% 15 Dec 2020 | | 983,562 |
| American Tower Corp | 2.45% 15 Sep 2021 | | 872,915 |
| American Tower Corp | 5.05% 01 Sep 2020 | | 405,325 |
| Americredit Automobile Receivables | 1.27% 08 Jul 2019 | | 498,621 |
| Americredit Automobile Receivables | 0.96% 09 Jan 2017 | | 140,048 |
| Americredit Automobile Receivables | 0.92% 09 Apr 2018 | | 656,060 |
| Americredit Automobile Receivables | 0.96% 09 Apr 2018 | | 272,030 |
| Ameriprise Financial Inc | 3.7% 15 Oct 2024 | | 347,342 |
| Amgen Inc | 5.7% 01 Feb 2019 | | 229,224 |
| Amgen Inc | 2.2% 22 Feb 2019 | | 67,640 |
| Anadarko Petroleum Corp | 6.375% 15 Sep 2017 | | 863,084 |
| Anheuser Busch | 5.0% 01 Mar 2019 | | 32,372 |
| Anthem Inc | 3.5% 15 Aug 2024 | | 874,775 |
| Anthem Inc | 2.3% 15 Jul 2018 | | 609,835 |
| Apple Inc | 2.85% 06 May 2021 | | 477,462 |
| Apple Inc | 2.85% 06 May 2021 | | 377,205 |

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|----------------------------------|--------------------|---------|
| Arc Properties Operating Company | 3.0% 06 Feb 2019 | 709,337 |
| Ares Capital Corp | 3.875% 15 Jan 2020 | 653,116 |
| Asciano Finance | 3.125% 23 Sep 2015 | 239,535 |
| Asciano Finance Ltd | 5.0% 07 May 2018 | 252,454 |
| AT&T Inc | 5.8% 15 Feb 2019 | 451,894 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|---------------------------|---------------------|---------------|
| AT&T Inc | 1.0% 27 Nov 2018 | | 749,329 |
| Bank of America | 1.0% 15 Jun 2021 | | 504,194 |
| Bank of America | 1.0% 22 Mar 2018 | | 571,811 |
| Bank of America | 6.4% 28 Aug 2017 | | 940,599 |
| Bank of America | 6.875% 25 Apr 2018 | | 239,627 |
| Bank of America | 3.3% 11 Jan 2023 | | 376,531 |
| Bank of America | 4.0% 01 Apr 2024 | | 279,872 |
| Bank of America | 4.2% 26 Aug 2024 | | 241,203 |
| Bank of America | 6.875% 25 Apr 2018 | | 167,181 |
| Bank of America | 6.0% 01 Sep 2017 | | 722,234 |
| Bank of America | 5.65% 01 May 2018 | | 145,537 |
| Bank of America | 5.625% 01 Jul 2020 | | 933,597 |
| Bank of America | 3.875% 22 Mar 2017 | | 121,835 |
| Bank of America | 2.6% 15 Jan 2019 | | 206,339 |
| Bank of America | 5.42% 15 Mar 2017 | | 312,112 |
| Bank of America | 6.1% 15 Jun 2017 | | 341,262 |
| Bank of America | 3.75% 12 Jul 2016 | | 447,254 |
| Bank of America | 1.0% 15 Jan 2019 | | 974,310 |
| Bank of America | 6.05% 18 May 2016 | | 416,156 |
| Bank of America | 6.5% 15 Jul 2018 | | 1,438,573 |
| Bank of Montreal | 1.4% 11 Sep 2017 | | 271,410 |
| Bank of Nova Scotia | 2.8% 21 Jul 2021 | | 907,670 |
| Barclays Bank | 5.125% 08 Jan 2020 | | 408,002 |
| Barclays Dryrock Issuance Trust | 2.41% 15 Jul 2022 | | 1,028,430 |
| Barclays Dryrock Issuance Trust | 1.0% 16 Mar 2020 | | 468,147 |
| Barclays Dryrock Issuance Trust | 2.41% 15 Jul 2022 | | 341,831 |
| Barrick NA Finance LLC | 4.4% 30 May 2021 | | 793,661 |
| * Baxter International Inc | 1.85% 15 Jan 2017 | | 215,911 |
| Bayer US Finance LLC | 3.375% 08 Oct 2024 | | 216,244 |
| Bear Stearns Commercial Mortgage | 1.0% 11 Jun 2040 | | 1,062,331 |
| Bear Stearns Commercial Mortgage | 1.0% 11 Sep 2038 | | |
| Bear Stearns Commercial Mortgage | 1.0% 12 Jan 2045 | | 751,537 |
| Bear Stearns Cos LLC | 7.25% 01 Feb 2018 | | 844,388 |
| Becton Dickinson & Co | 2.675% 15 Dec 2019 | | 287,073 |
| Becton Dickinson & Co | 2.675% 15 Dec 2019 | | 329,348 |
| Becton Dickinson & Co | 2.675% 15 Dec 2019 | | 668,526 |
| BNP Paribas | 5.0% 15 Jan 2021 | | 460,952 |
| Boston Properties LP | 3.7% 15 Nov 2018 | | 271,144 |
| BP Capital Markets Plc | 3.561% 01 Nov 2021 | | 465,965 |
| BP Capital Markets Plc | 2.521% 15 Jan 2020 | | 359,455 |
| BP Capital Markets Plc | 1.846% 05 May 2017 | | 929,418 |
| BP Capital Markets Plc | 4.5% 01 Oct 2020 | | 551,200 |

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|--------------------------|--------------------|---------|
| British Telecom Plc | 1.625% 28 Jun 2016 | 410,488 |
| British Telecom Plc | 1.625% 28 Jun 2016 | 478,903 |
| Brown & Brown Inc | 4.2% 15 Sep 2024 | 171,743 |
| Bunge Limited Finance Co | 8.5% 15 Aug 2019 | 298,495 |
| Burlingtn North Santa Fe | 5.75% 15 Mar 2018 | 293,664 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|----------------------------------|----------------------------|----------------------|
| Canadian Natl Railway | 1.45% 15 Dec 2018 | | 928,145 |
| Capital One Financial Co | 5.25% 21 Feb 2017 | | 397,137 |
| Capital One NA | 2.4% 05 Sep 2019 | | 892,825 |
| Capital One NA | 1.5% 22 Mar 2018 | | 1,337,618 |
| Carmax Auto Owner Trust | 0.89% 15 Sep 2016 | | 104,157 |
| CBS Corp | 5.75% 15 Apr 2020 | | 282,153 |
| CD Commercial Mortgage Trust | 5.322% 28 Jun 2016 | | 1,438,341 |
| Centerpoint Energy Resources | 4.5% 15 Jan 2021 | | 106,412 |
| Chase Issuance Trust | 2.77% 15 Mar 2023 | | 473,799 |
| Chevron Corp | 2.193% 15 Nov 2019 | | 477,238 |
| CIT Equipment Collateral | 1.13% 20 Jul 2020 | | 457,948 |
| Citibank Credit Card Issuance | 2.88% 23 Jan 2023 | | 910,509 |
| Citibank Credit Card Issuance | 1.02% 22 Feb 2019 | | 1,860,772 |
| Citigroup Commercial Mortgage | 1.0% 10 Dec 2049 | | 420,900 |
| Citigroup Commercial Mortgage | 5.431% 15 Oct 2045 | | 236,335 |
| Citigroup Commercial Mortgage | 1.0% 15 Mar 2049 | | 267,019 |
| Citigroup Inc | 3.875% 25 Oct 2023 | | 463,956 |
| Citigroup Inc | 4.5% 14 Jan 2022 | | 782,557 |
| Citigroup Inc | 5.375% 09 Aug 2020 | | 474,236 |
| Cleveland Electric | 5.7% 01 Apr 2017 | | 217,673 |
| CNH Equipment Trust | 0.49% 15 Mar 2017 | | |
| CNH Equipment Trust | 0.94% 15 May 2017 | | |
| Coca Cola Co | 3.3% 01 Sep 2021 | | 1,426,406 |
| Comcast Corp | 5.15% 01 Mar 2020 | | 335,182 |
| Comcast Corp | 4.95% 15 Jun 2016 | | 169,612 |
| Comcast Corp | 6.5% 15 Jan 2017 | | 187,510 |
| Comm Mortgage Trust | 1.0% 11 Jun 2027 | | 310,671 |
| Comm Mortgage Trust | 3.147% 15 Aug 2045 | | 243,547 |
| Comm Mortgage Trust | 1.8726% 12 Apr 2035 | | 213,908 |
| Comm Mortgage Trust | 3.689% 10 Aug 2046 | | 624,165 |
| Conagra Foods Inc | 1.9% 25 Jan 2018 | | 1,041,013 |
| Conocophillips | 3.35% 15 Nov 2024 | | 632,362 |
| Cons Edison Co | 5.3% 01 Dec 2016 | | 839,153 |
| Constellation Energy | 5.15% 01 Dec 2020 | | 93,472 |
| Consumers Energy | 6.12% 15 Mar 2019 | | 309,795 |
| Countrywide Finl Corp | 6.25% 15 May 2016 | | 75,182 |
| Coventry Health Care Inc | 6.125% 1/15/2015 | | 29,152 |
| Coventry Health Care Inc | 5.95% 3/15/2017 | | 90,212 |
| Cox Communications Inc | 6.2% 01 Jun 2018 | | 887,495 |
| Credit Based Asset Servicing | 1.0% 25 Jan 2033 | | 104,129 |
| Credit Suisse | 3.0% 29 Oct 2021 | | 454,909 |
| Credit Suisse | 5.3% 13 Aug 2019 | | 979,622 |

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|---------------------------------|--------|-------------|-----------|
| Credit Suisse Mortgage Trust | 1.0% | 15 Jun 2038 | |
| Credit Suisse Mortgage Trust | 5.467% | 15 Sep 2039 | |
| CVS Caremark Corp | 2.25% | 05 Dec 2018 | 1,052,482 |
| Daimler Finance NA LLC | 1.25% | 11 Jan 2016 | 851,379 |
| DCP Midstream Operating Company | 4.95% | 01 Apr 2022 | 391,394 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|----------------------------------|----------------------------|----------------------|
| Delmarva Pwr & Light Co | 3.5% 15 Nov 2023 | | 646,370 |
| Delta Air Lines | 7.75% 17 Jun 2021 | | 481,884 |
| Directv Holdings | 4.6% 15 Feb 2021 | | 259,848 |
| Directv Holdings | 3.8% 15 Mar 2022 | | 82,927 |
| DirecTV Holdings LLC | 5.0% 01 Mar 2021 | | 179,891 |
| DirecTV Holdings LLC | 4.45% 01 Apr 2024 | | 115,744 |
| Discover Bank | 7.0% 15 Apr 2020 | | 457,447 |
| Discover Card | 1.04% 15 Apr 2019 | | 625,269 |
| Discover Card | 0.86% 15 Nov 2017 | | 263,363 |
| Dominion Gas Hldgs LLC | 3.6% 15 Dec 2024 | | 631,745 |
| Dominion Resources Inc | 1.95% 15 Aug 2016 | | 921,943 |
| Dominion Resources Inc | 1.95% 15 Aug 2016 | | 622,847 |
| Duke Energy Progress Inc | 1.0% 06 Mar 2017 | | 430,500 |
| Duke Realty LP | 8.25% 15 Aug 2019 | | 71,828 |
| Eli Lilly & Co | 1.95% 15 Mar 2019 | | 546,324 |
| Empresa De Transporte | 4.75% 04 Feb 2024 | | 226,598 |
| Enel Finance Intl NV | 6.25% 15 Sep 2017 | | 425,433 |
| Energy Transfer Partners | 4.65% 01 Jun 2021 | | 339,810 |
| Energy Transfer Partners | 6.7% 01 Jul 2018 | | 536,848 |
| Energy Transfer Partners | 4.15% 01 Oct 2020 | | 920,190 |
| Enterprise Products | 5.2% 01 Sep 2020 | | 272,901 |
| Enterprise Products | 3.35% 15 Mar 2023 | | 331,124 |
| Ericsson | 4.125% 15 May 2022 | | 22,330 |
| Exelon Generation Co | 4.25% 15 Jun 2022 | | 423,522 |
| Exelon Generation Co | 4.25% 15 Jun 2022 | | 187,560 |
| Extended Stay America Trust | 1.0% 05 Dec 2031 | | 256,049 |
| Extended Stay America Trust | 2.2952% 05 Dec 2031 | | 330,257 |
| FHLMC Multifamily Structured | 3.23% 25 Jul 2021 | | 1,046,537 |
| FHLMC Multifamily Structured | 2.917% 25 Aug 2020 | | 463,663 |
| FHLMC Multifamily Structured | 1.603% 25 Jan 2022 | | 786,392 |
| FHLMC Multifamily Structured | 2.615% 25 Mar 2023 | | 578,856 |
| FHLMC Multifamily Structured | 3.49% 25 Jan 2024 | | 789,891 |
| Fifth Third Bancorp | 3.5% 15 Mar 2022 | | 187,999 |
| First National | 1.0% 15 Oct 2019 | | 340,140 |
| Ford Credit Auto Lease Trust | 0.89% 15 Sep 2017 | | 326,539 |
| Ford Credit Auto Owner Trust | 2.26% 15 Nov 2025 | | 341,441 |
| Ford Credit Auto Owner Trust | 1.0% 15 Sep 2017 | | 316,180 |
| Ford Credit Floorplan Master | 0.85% 15 Jan 2018 | | 298,854 |
| Ford Credit Floorplan Master | 1.2% 15 Feb 2019 | | 454,728 |
| Ford Motor Credit Co LLC | 1.0% 13 Mar 2019 | | 1,432,732 |
| Ford Motor Credit Co LLC | 5.75% 01 Feb 2021 | | 900,698 |
| Ford Motor Credit Co LLC | 5.875% 02 Aug 2021 | | 848,226 |

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|--------------------------|--------------------|---------|
| Ford Motor Credit Co LLC | 5.875% 02 Aug 2021 | 308,956 |
| Freeport McMoran | 2.375% 15 Mar 2018 | 245,682 |
| Freeport McMoran | 2.15% 01 Mar 2017 | 218,692 |
| Freeport McMoran | 3.1% 15 Mar 2020 | 217,099 |
| FS Investment Corp | 4.25% 15 Jan 2020 | 627,682 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|---------------|
| GCCFC Commercial Mortgage | 5.444% 10 Mar 2039 | | 1,169,627 |
| GCCFC Commercial Mortgage | 5.444% 10 Mar 2039 | | 817,622 |
| GDF Suez | 1.625% 10 Oct 2017 | | 172,514 |
| GE Capital | 1.76% 15 Sep 2022 | | 1,369,306 |
| GE Capital Credit Card Master | 2.22% 15 Jan 2022 | | 542,029 |
| GE Dealer Floorplan Master | 1.0% 20 Oct 2017 | | 364,828 |
| General Elec Cap Corp | 1.0% 14 Jan 2019 | | 854,257 |
| General Elec Cap Corp | 4.65% 17 Oct 2021 | | 213,277 |
| Glaxosmithkline Capital Company | 1.5% 5/08/20 17 | | 896,608 |
| Glencore Funding LLC | 4.125% 30 May 2023 | | 120,249 |
| Glencore Funding LLC | 2.5% 15 Jan 2019 | | 879,055 |
| Goldman Sachs Group | 7.5% 15 Feb 2019 | | 461,685 |
| Goldman Sachs Group | 6.0% 15 Jun 2020 | | 347,749 |
| Goldman Sachs Group | 5.75% 24 Jan 2022 | | 364,815 |
| Goldman Sachs Group | 7.5% 15 Feb 2019 | | 865,659 |
| Goldman Sachs Group | 1.0% 29 Nov 2023 | | 902,234 |
| Goldman Sachs Group | 5.95% 18 Jan 2018 | | 830,095 |
| Goldman Sachs Group | 1.0% 15 Nov 2018 | | 940,679 |
| Goldman Sachs Group | 4.0% 03 Mar 2024 | | 348,555 |
| Grupo Bimbo Sab De Cv | 3.875% 27 Jun 2024 | | 249,390 |
| GS Mortgage Securities Trust | 4.751% 10 Jul 2039 | | 385,674 |
| GS Mortgage Securities Trust | 3.68% 10 Apr 2047 | | 839,469 |
| Harley Davidson Motorcycle | 0.68% 15 Apr 2017 | | 113,848 |
| Hartford Finl Svcs Grp | 4.0% 30 Mar 2015 | | 78,243 |
| Hartford Finl Svcs Grp | 5.5% 30 Mar 2020 | | 262,087 |
| Hartford Finl Svcs Grp | 5.125% 15 Apr 2022 | | 218,155 |
| HCP Inc | 5.375% 01 Feb 2021 | | 555,894 |
| Health Care Reit Inc | 5.25% 15 Jan 2022 | | 549,909 |
| Health Care Reit Inc | 2.25% 15 Mar 2018 | | 371,047 |
| Healthcare Realty Trust | 3.75% 15 Apr 2023 | | 76,196 |
| Hess Corp | 8.125% 15 Feb 2019 | | 507,995 |
| Hewlett Packard Co | 4.30% 01 Jun 2021 | | 909,316 |
| Hewlett Packard Co | 3.75% 01 Dec 2020 | | 200,761 |
| Hewlett Packard Co | 2.75% 1 4 Jan 2019 | | 874,445 |
| Hewlett Packard Co | 4.65% 09 Dec 2021 | | 102,864 |
| Hewlett Packard Co | 2.75% 14 Jan 2019 | | 74,814 |
| Hilton USA Trust | 2.662% 05 Nov 2030 | | 1,054,174 |
| HSBC Holdings PLC | 5.1% 05 Apr 2021 | | 252,287 |
| HSBC USA Inc | 2.375% 13 Nov 2019 | | 902,177 |
| Humana Inc | 7.2% 15 Jun 2018 | | 493,103 |
| Huntington Auto Trust | 1.18% 15 Jun 2017 | | 1,120,160 |
| Hutch Whampoa Int 14 Ltd | 1.625% 31 Oct 2017 | | 211,721 |

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|--------------------------------|-------------------|-----------|
| Hyundai Auto Receivables Trust | 0.79% 16 Jul 2018 | 411,885 |
| ING Bank | 2.0% 25 Sep 2015 | 498,751 |
| Ingersoll Rand Lux Finance | 3.55% 01 Nov 2024 | 795,672 |
| Ingram Micro Inc | 4.95% 15 Dec 2024 | 1,144,654 |
| International Paper Co | 3.65% 15 Jun 2024 | 50,423 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|----------------------------------|----------------------------|----------------------|
| Intl Bk Recon & Develop | 9.25% 15 Jul 2017 | | 145,250 |
| Israel Electric Corp Ltd Sr Secured | 5.0% 12 Nov 2024 | | 249,299 |
| Jabil Circuit Inc | 5.625% 15 Dec 2020 | | 308,402 |
| Jabil Circuit Inc | 8.25% 15 Mar 2018 | | 99,289 |
| John Deere Owner Trust | 1.5% 15 Jun 2021 | | 1,081,565 |
| JP Morgan Chase & Co | 3.625% 13 May 2024 | | 481,736 |
| JP Morgan Chase Commercial Mortgage | 5.42% 15 Jan 2049 | | 1,326,579 |
| JP MBB Commercial Mortgage Secu | 2.878% 15 Feb 2047 | | 1,843,721 |
| JP Morgan Chase & Co | 6.0% 15 Jan 2018 | | 966,257 |
| JP Morgan Chase & Co | 4.4% 22 Jul 2020 | | 299,778 |
| JP Morgan Chase & Co | 6.0% 15 Jan 2018 | | 434,273 |
| JP Morgan Chase Commercial Mortgage | 1.0% 12 Jun 2043 | | 596,544 |
| JP Morgan Chase Commercial Mortgage | 5.439% 15 Jan 2049 | | 1,029,730 |
| JP Morgan Chase Commercial Mortgage | 1.0% 12 Feb 2051 | | |
| JP Morgan Chase Commercial Mortgage | 2.7493% 15 Nov 2043 | | 266,783 |
| Kinder Morgan | 5.95% 15 Feb 2018 | | 439,228 |
| Kinder Morgan | 6.85% 15 Feb 2020 | | 691,043 |
| Kinder Morgan | 4.15% 01 Mar 2022 | | 596,499 |
| Kinder Morgan | 4.15% 01 Mar 2022 | | 191,662 |
| Kinder Morgan | 3.95% 01 Sep 2022 | | 360,816 |
| KLA Tencor Corp | 4.65% 01 Nov 2024 | | 472,147 |
| Korea Finance Corp | 2.25% 07 Aug 2017 | | 882,263 |
| Korea National Oil Corp | 3.125% 03 Apr 2017 | | 492,853 |
| Kroger Co | 2.95% 01 Nov 2021 | | 226,165 |
| LB UBS Commercial Mortgage | 5.3% 15 Nov 2038 | | 299,980 |
| Liberty Property LP | 5.5% 15 Dec 2016 | | 72,931 |
| Liberty Property LP | 6.625% 01 Oct 2017 | | 43,495 |
| Life Technologies Corp | 6.0% 01 Mar 2020 | | 604,192 |
| Lincoln National Corp | 8.75% 01 Jul 2019 | | 123,675 |
| Lloyds Banking Group Plc | 4.5% 04 Nov 2024 | | 303,562 |
| Lorillard Tobacco Co | 8.125% 23 Jun 2019 | | 688,194 |
| Lyondellbasell Ind | 5.0% 15 Apr 2019 | | 910,258 |
| Macquarie Bank Ltd | 5.0% 22 Feb 2017 | | 96,255 |
| Macquarie Group Ltd | 4.875% 10 Aug 2017 | | 199,219 |
| Macys Retail Hldgs Inc | 3.875% 15 Jan 2022 | | 423,599 |
| Magna International Inc | 3.625% 15 Jun 2024 | | 325,737 |
| Marathon Petroleum Corp | 5.125% 01 Mar 2021 | | 162,279 |
| Mckesson Corp | 3.25% 01 Mar 2016 | | 630,887 |
| Medtronic Inc | 2.5% 15 Mar 2020 | | 870,755 |
| Medtronic Inc | 3.5% 15 Mar 2025 | | 317,650 |
| Medtronic Inc | 3.15% 15 Mar 2022 | | 456,940 |
| Mercedes Benz Auto Lease Trust | 0.59% 15 Feb 2016 | | 207,289 |

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|------------------------|--------------------|---------|
| Merrill Lynch Mortgage | 1.0% 12 Aug 2043 | 327,992 |
| Methanex Corp | 3.25% 15 Dec 2019 | 230,929 |
| * Met Life Inc | 7.717% 15 Feb 2019 | 138,752 |
| * Met Life Inc | 6.817% 15 Aug 2018 | 417,744 |
| * Met Life Inc | 6.75% 01 Jun 2016 | 319,075 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|----------------------------------|----------------------------|----------------------|
| Mizuho Bank Ltd | 2.45% 16 Apr 2019 | | 462,745 |
| ML CFC Commercial Mortgage Trust | 1.0% 12 Mar 2051 | | 1,172,007 |
| ML CFC Commercial Mortgage Trust | 5.166% 12 Dec 2049 | | 1,216,564 |
| ML CFC Commercial Mortgage Trust | 5.7% 12 Sep 2049 | | 776,573 |
| Morgan Stanley | 5.5% 24 Jul 2020 | | 303,258 |
| Morgan Stanley | 3.875% 29 Apr 2024 | | 253,886 |
| Morgan Stanley | 5.5% 28 Jul 2021 | | 343,590 |
| Morgan Stanley | 5.625% 23 Sep 2019 | | 567,388 |
| Morgan Stanley | 5.55% 27 Apr 2017 | | 215,920 |
| Morgan Stanley | 5.95% 28 Dec 2017 | | 749,365 |
| Morgan Stanley | 6.625% 01 Apr 2018 | | 1,409,233 |
| Morgan Stanley | 6.625% 01 Apr 2018 | | 828,960 |
| Morgan Stanley BAML Trust | 3.669% 15 Feb 2047 | | 925,427 |
| Morgan Stanley Capital I | 4.89% 12 Jun 2047 | | 771,365 |
| Morgan Stanley Capital I | 1.0% 11 Jun 2042 | | 559,819 |
| Motel 6 Trust | 1.9483% 05 Oct 2025 | | 493,302 |
| Murray St Inv Trust I | 1.0% 08 Mar 2017 | | 47,110 |
| Mylan Inc | 4.2% 29 Nov 2023 | | 955,430 |
| Mylan Inc | 2.6% 24 Jun 2018 | | 466,946 |
| Mylan Inc | 2.55% 28 Mar 2019 | | 744,312 |
| Nabors Industries Inc | 5.1% 15 Sep 2023 | | 159,388 |
| Nabors Industries Inc | 5.0% 15 Sep 2020 | | 581,369 |
| Natl Grid PLC | 6.3% 01 Aug 2016 | | 523,730 |
| NCUA Guaranteed Notes | 1.0% 07 Oct 2020 | | 666,631 |
| NCUA Guaranteed Notes | 1.0% 08 Dec 2020 | | 2,473,165 |
| NCUA Guaranteed Notes | 2.9% 29 Oct 2020 | | 707,426 |
| Nevada Power Co | 6.5% 01 Aug 2018 | | 281,078 |
| Nisource Finance Corp | 6.8% 15 Jan 2019 | | 421,508 |
| Nisource Finance Corp | 5.25% 15 Sep 2017 | | 371,389 |
| Nisource Finance Corp | 6.8% 15 Jan 2019 | | 580,997 |
| Nisource Finance Corp | 6.125% 01 Mar 2022 | | 471,596 |
| Nissan Auto Lease Trust | 0.57% 15 Jan 2016 | | 290,276 |
| Noble Energy Inc | 3.9% 15 Nov 2024 | | 230,174 |
| Noble Energy Inc | 8.25% 01 Mar 2019 | | 403,690 |
| Noble Energy Inc | 3.9% 15 Nov 2024 | | 238,806 |
| Noble Holding Intl Ltd | 4.9% 01 Aug 2020 | | 33,642 |
| Noble Holding Intl Ltd | 3.95% 15 Mar 2022 | | 114,763 |
| Nomura Holdings Inc | 2.0% 13 Sep 2016 | | 481,271 |
| Norfolk Southern Corp | 5.75% 01 Apr 2018 | | 212,349 |
| Occidental Petroleum Corp | 1.75% 15 Feb 2017 | | 941,804 |
| Oceaneering Intl Inc | 4.65% 15 Nov 2024 | | 346,800 |
| Omnicom Group Inc | 3.625% 01 May 2022 | | 166,361 |

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| | | |
|---------------------|-------------------|---------|
| Orix Corp | 4.71% 27 Apr 2015 | 288,683 |
| Owens Corning Inc | 6.5% 01 Dec 2016 | 12,687 |
| Perrigo Finance Plc | 3.5% 15 Dec 2021 | 377,948 |
| Perrigo Finance Plc | 3.5% 15 Dec 2021 | 200,264 |
| Petroleos Mexicanos | 3.5% 18 Jul 2018 | 263,309 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| | Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|------------------------------|----------------------------------|----------------------------|----------------------|
| | Petronas Capital Ltd | 5.25% 12 Aug 2019 | | 424,579 |
| | Philip Morris Intl Inc | 5.65% 16 May 2018 | | 27,331 |
| | Philip Morris Intl Inc | 2.9% 15 Nov 2021 | | 113,238 |
| | Plains Exploration & Pro | 6.875% 15 Feb 2023 | | 863,625 |
| | PNC Bank NA | 2.4% 18 Oct 2019 | | 901,359 |
| | PNC Bank NA | 2.2% 28 Jan 2019 | | 412,622 |
| | Pride International Inc | 8.5% 15 Jun 2019 | | 218,369 |
| * | Prudential Financial Inc | 3.5% 15 May 2024 | | 922,224 |
| * | Prudential Financial Inc | 4.5% 15 Nov 2020 | | 299,090 |
| | Quest Diagnostic Inc | 4.75% 30 Jan 2020 | | 350,597 |
| | Quest Diagnostics Inc | 4.7% 01 Apr 2021 | | 131,332 |
| | Regency Centers LP | 5.25% 01 Aug 2015 | | 60,657 |
| | Regency Centers LP | 5.875% 15 Jun 2017 | | 154,766 |
| | Reliance Steel & Alum | 4.5% 15 Apr 2023 | | 80,836 |
| | Republic Services Inc | 3.8% 15 May 2018 | | 13,346 |
| | Residential Asset Securities | 1.0% 25 May 2033 | | 6,850 |
| | Reynolds American Inc | 3.25% 01 Nov 2022 | | 219,281 |
| | Rio Tinto Fin USA Ltd | 3.5% 02 Nov 2020 | | 342,319 |
| | Rio Tinto Fin USA PLC | 3.5% 22 Mar 2022 | | 451,094 |
| | Rio Tinto Fin USA PLC | 2.25% 14 Dec 2018 | | 430,739 |
| | Rockwell Collins Inc | 1.0% 15 Dec 2016 | | 179,547 |
| | Ross Stores Inc | 3.375% 15 Sep 2024 | | 592,447 |
| | Rowan Companies Inc | 5.0% 01 Sep 2017 | | 358,948 |
| | Royal Bank of Canada | 1.25% 16 Jun 2017 | | 917,854 |
| | Royal Bank of Canada | 1.4% 13 Oct 2017 | | 435,236 |
| | Royal Bk of Scotland PLC | 6.125% 11 Jan 2021 | | 445,950 |
| | Royal Bk Scotlnd Grp PLC | 2.55% 18 Sep 2015 | | 548,845 |
| | Santander Drive Auto | 0.64% 17 Apr 2017 | | 59,385 |
| | Santander Drive Auto | 1.15% 15 Jan 2019 | | 329,423 |
| | Santander Holdings USA | 4.625% 19 Apr 2016 | | 131,408 |
| | SCSLC 2010 | 1.0% 25 Jul 2025 | | 1,711,222 |
| | Sempra Energy | 4.05% 01 Dec 2023 | | 503,015 |
| | Sempra Energy | 6.5% 01 Jun 2016 | | 307,404 |
| | Sinopec Grp | 4.375% 17 Oct 2023 | | 492,658 |
| | Sky Plc | 2.625% 16 Sep 2019 | | 893,068 |
| | SLM Student Loan Trust | 1.0% 25 Sep 2019 | | 1,298,427 |
| | Smart Trust | 1.25% 14 Aug 2018 | | 1,054,924 |
| | Snap On Inc | 4.25% 15 Jan 2018 | | 329,136 |
| | Societe Generale | 5.0% 17 Jan 2024 | | 307,341 |
| | Southern Cal Edison | 5.5% 15 Aug 2018 | | 437,282 |
| | Southern Co | 1.95% 01 Sep 2016 | | 923,561 |
| | Southwest Airlines | 5.75% 15 Dec 2016 | | 157,265 |

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| | | |
|-------------------------|-------------------|---------|
| Spectra Energy Capital | 8.00% 01 Oct 2019 | 132,690 |
| Spectra Energy Partners | 2.95% 15 Aug 2018 | 442,905 |
| Spectra Energy Partners | 2.95% 25 Sep 2018 | 99,307 |
| Standard Chartered PLC | 1.0% 12 Jul 2022 | 493,144 |
| Staples Inc | 2.75% 12 Jan 2018 | 450,749 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| | Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|-----------------------------------|----------------------------------|----------------------------|----------------------|
| * | State Street Corp | 3.7% 20 Nov 2023 | | 198,807 |
| * | State Street Corp | 3.3% 16 Dec 2024 | | 581,072 |
| | Stryker Corp | 2.0% 30 Sep 2016 | | 927,502 |
| | Svenska Handelsbanken AB Bank | 2.875% 04 Apr 2017 | | 250,735 |
| | Synchrony Financial | 3.0% 15 Aug 2019 | | 416,918 |
| | Talent Yield Investments | 4.5% 25 Apr 2022 | | 502,849 |
| | Talisman Energy | 3.75% 01 Feb 2021 | | 309,664 |
| | Teck Resources Limited | 4.5% 15 Jan 2021 | | 541,006 |
| | Teck Resources Limited | 4.5% 15 Jan 2021 | | 626,428 |
| | Telefonica Emisiones Sau | 5.462% 16 Feb 2021 | | 178,522 |
| | Thermo Fisher Scientific | 4.15% 01 Feb 2024 | | 181,130 |
| | Time Warner Cable Inc | 5.0% 01 Feb 2020 | | 128,319 |
| | Time Warner Inc | 4.875% 15 Mar 2020 | | 555,216 |
| | Time Warner Inc | 3.55% 01 Jun 2024 | | 642,782 |
| | Time Warner Inc | 4.75% 29 Mar 2021 | | 434,204 |
| | Time Warner Inc | 2.1% 01 Jun 2019 | | 697,887 |
| | Total Capital Intl | 2.75% 19 Jun 2021 | | 462,648 |
| | Total System Services | 2.375% 01 Jun 2018 | | 136,612 |
| | Transocean Inc | 6.5% 15 Nov 2020 | | 155,554 |
| | Transocean Inc | 2.5% 15 Oct 2017 | | 373,163 |
| | Transocean Inc | 6.37% 15 Dec 2021 | | 711,615 |
| | Transocean Inc | 6.37% 15 Dec 2021 | | 1,790 |
| | Travelers Cos Inc | 5.75% 15 Dec 2017 | | 400,682 |
| | Trust F/1401 | 5.25% 15 Dec 2024 | | 389,834 |
| | Tyson Foods Inc | 4.5% 15 Jun 2022 | | 535,807 |
| | Tyson Foods Inc | 2.65% 15 Aug 2019 | | 87,149 |
| | Tyson Foods Inc | 3.95% 15 Aug 2024 | | 287,886 |
| | UBS AG | 5.875% 15 Jul 2016 | | 555,416 |
| | Unicredito Luxem Fin | 6.0% 31 Oct 2017 | | 237,761 |
| | UnitedHealth Group Inc | 2.875% 15 Dec 2021 | | 897,987 |
| | Unum Group | 5.625% 15 Sep 2020 | | 415,216 |
| | Vale Overseas Limited | 5.625% 15 Sep 2019 | | 872,453 |
| | Valero Energy Corp | 6.125% 01 Feb 2020 | | 289,432 |
| | Verizon Communications | 3.5% 01 Nov 2024 | | 293,642 |
| | Verizon Communications | 3.65% 14 Sep 2018 | | 1,317,654 |
| | Verizon Communications | 5.15% 15 Sep 2023 | | 658,979 |
| | Verizon Communications | 5.15% 15 Sep 2023 | | 663,265 |
| | Viacom Inc | 3.875% 01 Apr 2024 | | 156,830 |
| | Viacom Inc | 5.625% 15 Sep 2019 | | 70,836 |
| | Vodafone Group | 2.95% 19 Feb 2023 | | 416,215 |
| | Volkswagen Auto Loan | 0.91% 22 Oct 2018 | | 537,061 |
| | Wachovia Bank Commercial Mortgage | 1.0% 15 Jan 2045 | | 907,783 |

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| | | |
|-----------------------------------|-------------------|---------|
| Wachovia Bank Commercial Mortgage | 1.0% 15 May 2043 | |
| Walgreen Co | 1.8% 15 Sep 2017 | 825,216 |
| Walgreens Boots Alliance | 3.8% 18 Nov 2024 | 465,148 |
| Waste Management Inc | 6.1% 15 Mar 2018 | 301,960 |
| Waste Management Inc | 4.75% 30 Jun 2020 | 446,724 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|---------------------------|---------------------|---------------|
| Wells Fargo & Company | 1.0% 15 Jun 2016 | | 473,082 |
| Wells Fargo & Company | 3.5% 08 Mar 2022 | | 663,508 |
| Wells Fargo & Company | 2.1% 08 May 2017 | | 912,802 |
| Western Union Co | 3.65% 22 Aug 2018 | | 458,061 |
| Western Union Co | 3.35% 22 May 2019 | | 238,544 |
| WF RBS Commercial Mortgage | 3.337% 15 Jun 2046 | | 457,808 |
| WF RBS Commercial Mortgage | 2.921% 15 Dec 2046 | | 554,277 |
| WF RBS Commercial Mortgage Trust | 3.66% 15 Mar 2047 | | 635,649 |
| Williams Partners LP | 5.25% 15 Mar 2020 | | 716,284 |
| Williams Partners LP | 3.9% 15 Jan 2025 | | 265,790 |
| Williams Partners LP | 4.0% 15 Nov 2021 | | 330,732 |
| Williams Partners LP | 7.25% 01 Feb 2017 | | 347,606 |
| World Financial Network | 3.14% 17 Jan 2023 | | 1,452,703 |
| World Financial Network | 1.76% 17 May 2021 | | 317,140 |
| World Financial Network | 1.61% 15 Dec 2021 | | 248,018 |
| World Financial Network Credit | 1.0% 15 Dec 2019 | | 417,421 |
| WPP Finance | 4.75% 21 Nov 2021 | | 205,834 |
| Wyndham Worldwide Corp | 2.5% 01 Mar 2018 | | 494,041 |
| Xerox Corporation | 5.625% 15 Dec 2019 | | 458,038 |
| Yamana Gold Inc | 4.95% 15 Jul 2024 | | 370,298 |
| | | | 213,638,021 |

Separate Investment Contract

| | | |
|---------------------------------------|------------------|-------------|
| * Metropolitan Life Insurance Company | Separate Account | 167,682,833 |
|---------------------------------------|------------------|-------------|

Benefit Responsive Interest Rate Wrapper Contracts

| | | |
|---------------------------------------|---------------------|-----------|
| * Metropolitan Life Insurance Company | Open Ended Maturity | (190,692) |
| * Prudential Financial Inc | Open Ended Maturity | (84,500) |
| * Transamerica Inc. | Open Ended Maturity | (173,467) |
| | | (448,659) |

| | |
|---|----------------|
| Synthetic Guaranteed Investment Contracts (contract value equals \$671,061,967) | \$ 712,934,033 |
|---|----------------|

Commingled Investments:

| | | |
|------------------------|------------------------|-------------|
| * SSgA Daily EAFE Fund | Commingled Investments | 104,083,254 |
|------------------------|------------------------|-------------|

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| | | |
|--|------------------------|-------------|
| * Daily Emer Mkts Index Ser State Str Bk & Tr Co Inv | Commingled Investments | 8,723,434 |
| * Northern Trust S&P 400 Ind Fnd Tier 3 | Commingled Investments | 23,637,744 |
| * SSgA S&P 500 Flagship Fund | Commingled Investments | 335,741,094 |
| Vanguard Target Retirement 2010 | Commingled Investments | 7,283,289 |
| Vanguard Target Retirement 2015 | Commingled Investments | 33,912,603 |
| Vanguard Target Retirement 2020 | Commingled Investments | 58,287,846 |
| Vanguard Target Retirement 2025 | Commingled Investments | 69,326,736 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|---------------------------|---------------------|------------------|
| Vanguard Target Retirement 2030 | Commingled Investments | | 74,434,598 |
| Vanguard Target Retirement 2035 | Commingled Investments | | 86,217,208 |
| Vanguard Target Retirement 2040 | Commingled Investments | | 74,846,576 |
| Vanguard Target Retirement 2045 | Commingled Investments | | 54,603,063 |
| Vanguard Target Retirement 2050 | Commingled Investments | | 54,830,491 |
| Vanguard Target Retirement Income | Commingled Investments | | 22,917,119 |
| * SSGA US Small Cap Index Futures Fd | Commingled Investments | | 138,789,169 |
| Commingled Investments | | | \$ 1,147,634,224 |

Registered Investment Companies:

| | | |
|--------------------------------------|-------------------------------|--------|
| Aberdeen Intl Eqty Fd | Registered Investment Company | 5,504 |
| Aberdeen Select Intl Eqty Fd | Registered Investment Company | 13,004 |
| Acadian Emerging Mkts Port Instl Cl | Registered Investment Company | 5,206 |
| Advisorshares Trust | Registered Investment Company | 8,778 |
| Aegis Value Fund | Registered Investment Company | 4,936 |
| Akre Focus Fd Retail | Registered Investment Company | 12,694 |
| Alliance World Dlr Govt Fd | Registered Investment Company | 9,978 |
| Alps Trust ETF | Registered Investment Company | 19,571 |
| Alps Trust ETF | Registered Investment Company | 1,797 |
| Alps Trust ETF | Registered Investment Company | 3,990 |
| Amana Developing World Fd Inv | Registered Investment Company | 5,772 |
| Amana Growth Fund Inv | Registered Investment Company | 6,285 |
| Amana Income Fund Inv | Registered Investment Company | 57,139 |
| America Europacific Growth Fd | Registered Investment Company | 13,165 |
| American Beacon Largecap Val Inv | Registered Investment Company | 3,462 |
| American Century Equity Income Fd In | Registered Investment Company | 27,199 |
| American Century Heritage Fund Inv | Registered Investment Company | 2,984 |
| American Century Zero Coupon 2020 In | Registered Investment Company | 11,659 |
| American Fd Cap Incm Bldr | Registered Investment Company | 41,783 |
| American Fd Europacific Gr Fd | Registered Investment Company | 10,352 |
| American Fd High Income Trust | Registered Investment Company | 13,992 |
| American Fd Income Fund | Registered Investment Company | 52,270 |
| American Fd Income Fund of America | Registered Investment Company | 9,753 |
| American Fd New Economy Fd | Registered Investment Company | 11,961 |
| American Fd Small Cap Wrld Fd | Registered Investment Company | 10,866 |
| American Fundamental Investors | Registered Investment Company | 11,340 |
| American Funds American Mutual | Registered Investment Company | 11,242 |
| American Funds New Perspective | Registered Investment Company | 10,279 |
| Amg Managers Brandywine Blue Fd | Registered Investment Company | 12,486 |

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| | | |
|--------------------------------------|-------------------------------|---------|
| Amg Managers Emrg Oppty Fd Svc | Registered Investment Company | 6,387 |
| Amg Managers Interm Duration Govt Fd | Registered Investment Company | 24,934 |
| Amg Managers Skyline Special Eq Fund | Registered Investment Company | 13,766 |
| Amg Southernsun Small Cap Inv | Registered Investment Company | 8,222 |
| Amg Yacktman Fd Svc | Registered Investment Company | 265,728 |
| Amg Yacktman Focused Fd Svc | Registered Investment Company | 60,061 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| Apollo Investment Corp | Registered Investment Company | | 8,140 |
| Aqr Core Eqty R6 | Registered Investment Company | | 11,706 |
| Ariel Appreciation Fund Inv | Registered Investment Company | | 31,920 |
| Ariel Fund Inv | Registered Investment Company | | 18,056 |
| Artisan Global Eqty Fd Inv | Registered Investment Company | | 22,405 |
| Artisan International Fund Inv | Registered Investment Company | | 14,256 |
| Artisan International Value Fund | Registered Investment Company | | 15,418 |
| Babson Cap Partn Invs Tr | Registered Investment Company | | 26,460 |
| Baird Core Plus Bd Inv | Registered Investment Company | | 20,381 |
| Barclays Bank Ipath | Registered Investment Company | | 13,549 |
| Barclays Bank Ipath Etn | Registered Investment Company | | 11,144 |
| Barclays Bank Ipath Etn | Registered Investment Company | | 211 |
| Barclays Bank Plc | Registered Investment Company | | 906 |
| Baron Partners Fund Retail | Registered Investment Company | | 22,078 |
| Beck Mack And Oliver | Registered Investment Company | | 2,334 |
| Berkshire Focus Fund | Registered Investment Company | | 4,394 |
| Blackrock Equity Dividend CI I | Registered Investment Company | | 55,660 |
| Blackrock Global Allocation Fd Inst | Registered Investment Company | | 29,421 |
| Blackrock Strat Incm Oppty Port Inst | Registered Investment Company | | 31,336 |
| Bridgeway Aggressive Investors 1 | Registered Investment Company | | 222,783 |
| Buffalo Mid Cap Fund | Registered Investment Company | | 9,028 |
| Buffalo Small Cap Fund | Registered Investment Company | | 3,210 |
| Calvert Global Water Fd | Registered Investment Company | | 1,806 |
| Clipper Fund | Registered Investment Company | | 13,511 |
| Columbia Acorn Int L Fd | Registered Investment Company | | 12,047 |
| Columbia Acorn Intl Select Fd | Registered Investment Company | | 19,098 |
| Columbia Contrarian Core A | Registered Investment Company | | 25,558 |
| Columbia Dividend Income Fd | Registered Investment Company | | 14,042 |
| Columbia Dividend Oppty A | Registered Investment Company | | 25,023 |
| Columbia Marsico Intl Oppty Fd | Registered Investment Company | | 5,257 |
| Columbia Real Estate Equity Fd | Registered Investment Company | | 79,359 |
| Columbia Small Cap Core Fd | Registered Investment Company | | 3,910 |
| Columbia Strategic Income Fd | Registered Investment Company | | 7,468 |
| Columbia Value And Restructuring | Registered Investment Company | | 9,028 |
| Credit Suisse Asset Mgmt Income Fd | Registered Investment Company | | 5,922 |
| Crn Mid Cap Value Fund Investor | Registered Investment Company | | 12,595 |
| Dbx Trackers Msci Et | Registered Investment Company | | 141 |
| Delafield Fund | Registered Investment Company | | 2,685 |
| Delaware Small Cap Value A | Registered Investment Company | | 25,536 |
| Deutsche Alternative Asset Alloc | Registered Investment Company | | 9,332 |
| Deutsche Real Estate Securities | Registered Investment Company | | 4,486 |
| Deutsche S&P 500 Index Fund | Registered Investment Company | | 9,306 |

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| | | |
|--------------------------------------|-------------------------------|--------|
| Deutsche Select Alternative Alloc | Registered Investment Company | 7,380 |
| DFA Emerg Mkts Core Eqty Port Instl | Registered Investment Company | 41,604 |
| DFA Global Real Estate Sec Port | Registered Investment Company | 10,279 |
| DFA Inflation Protect Sec Port Instl | Registered Investment Company | 6,060 |
| DFA Interm Govt Fixed Inc Port Instl | Registered Investment Company | 12,441 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| DFA Intl Core Eqty Port Instl | Registered Investment Company | | 5,231 |
| DFA Intl Real Estate Sec Port Instl | Registered Investment Company | | 2,048 |
| DFA Intl Small Cap Value Port Instl | Registered Investment Company | | 7,453 |
| DFA Intl Small Co Port Instl | Registered Investment Company | | 53,635 |
| DFA Intl Value Port Instl | Registered Investment Company | | 7,478 |
| DFA Real Estate Securities Port Inst | Registered Investment Company | | 2,639 |
| DFA Two Yr Glbl Fixed Inc Port Instl | Registered Investment Company | | 38,952 |
| DFA US Core Eqty 2 Port Instl | Registered Investment Company | | 4,899 |
| DFA US Large Cap Value Port Instl | Registered Investment Company | | 4,826 |
| DFA US Micro Cap Port Instl | Registered Investment Company | | 33,985 |
| DFA US Small Cap Value Port Instl | Registered Investment Company | | 36,515 |
| DFA US Vector Eqty Port Instl | Registered Investment Company | | 11,836 |
| Direxion Monthly Latin America Bull | Registered Investment Company | | |
| Direxion Shares ETF | Registered Investment Company | | 134 |
| Direxion Shs ETF | Registered Investment Company | | 2,310 |
| Direxion Shs ETF | Registered Investment Company | | 3,801 |
| Direxion Shs ETF | Registered Investment Company | | 1,500 |
| Direxion Shs ETF | Registered Investment Company | | 1,217 |
| Direxion Shs ETF | Registered Investment Company | | 5,260 |
| Direxion Shs ETF | Registered Investment Company | | 20,656 |
| Dodge & Cox Income Fd | Registered Investment Company | | 103,878 |
| Dodge & Cox Intl Stock Fd | Registered Investment Company | | 105,228 |
| Dodge & Cox Stock Fund | Registered Investment Company | | 152,449 |
| Doubleline Core Fixed Incm Fd | Registered Investment Company | | 30,025 |
| Doubleline Fds Tr | Registered Investment Company | | 30,564 |
| Doubleline Total Return Bd Fd | Registered Investment Company | | 16,089 |
| Doubleline Total Returnbd Fd | Registered Investment Company | | 26,595 |
| Dreyfus Opportunistic Midcap Value A | Registered Investment Company | | 18,770 |
| Dreyfus Premier Greater China I | Registered Investment Company | | 924 |
| Driehaus Emerging Mkts Growth Fd | Registered Investment Company | | 879 |
| Driehaus International Discovery Fd | Registered Investment Company | | 12,194 |
| Eagle Small Cap Growth Fd | Registered Investment Company | | 10,597 |
| Eaton Vance Sr Fl Rt Tr | Registered Investment Company | | 28,864 |
| Eaton Vance Tax Mgd Sml Cap Fd | Registered Investment Company | | 16,324 |
| Eaton Vance Worldwide Hlth Science | Registered Investment Company | | 4,165 |
| Etf's Phys Platinum | Registered Investment Company | | 7,608 |
| Fairholme Fund | Registered Investment Company | | 4,359 |
| Fam Value Fund Inx | Registered Investment Company | | 139,466 |
| Fidelity Adv New Insights Fd | Registered Investment Company | | 45,824 |
| Fidelity Advisor Ser Vii | Registered Investment Company | | 11,824 |
| Fidelity Canada Fund | Registered Investment Company | | 3,328 |
| Fidelity Cap Apprec Fund | Registered Investment Company | | 31,900 |

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| | | |
|--------------------------------------|-------------------------------|---------|
| Fidelity Cap Tr Focused Stk Fd | Registered Investment Company | 2,442 |
| Fidelity Capital & Income Fund | Registered Investment Company | 88,166 |
| Fidelity Contra Fund | Registered Investment Company | 242,609 |
| Fidelity Convertible Securities Fund | Registered Investment Company | 15,657 |
| Fidelity Discovery Growth Fund | Registered Investment Company | 2,589 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| Fidelity Diversified Intl Fund | Registered Investment Company | | 69,431 |
| Fidelity Dividend Growth | Registered Investment Company | | 36,750 |
| Fidelity Emerging Markets Fd | Registered Investment Company | | 49,509 |
| Fidelity Freedom 2025 Fund | Registered Investment Company | | 8,669 |
| Fidelity Growth Strategies Fund | Registered Investment Company | | 3,466 |
| Fidelity High Income Fund | Registered Investment Company | | 64,394 |
| Fidelity International Discovery Fd | Registered Investment Company | | 65,111 |
| Fidelity Intl Real Estate Fund | Registered Investment Company | | 17,901 |
| Fidelity Large Cap Stock Fd | Registered Investment Company | | 5,036 |
| Fidelity Latin Amer Fund | Registered Investment Company | | 17,467 |
| Fidelity Leveraged Company Stock Fd | Registered Investment Company | | 4,584 |
| Fidelity Low Priced Stock | Registered Investment Company | | 182,054 |
| Fidelity Mid Cap Value | Registered Investment Company | | 6,723 |
| Fidelity New Mkts Income Fd | Registered Investment Company | | 79,182 |
| Fidelity Select Energy Services | Registered Investment Company | | 7,286 |
| Fidelity Select Health Care | Registered Investment Company | | 16,904 |
| Fidelity Select Medical Delivery | Registered Investment Company | | 78,168 |
| Fidelity Select Nat Res | Registered Investment Company | | 8,613 |
| Fidelity Select Portfolios | Registered Investment Company | | 3,279 |
| Fidelity Slct Biotech | Registered Investment Company | | 59,307 |
| Fidelity Slct Chemicalsport | Registered Investment Company | | 13,191 |
| Fidelity Slct Energy | Registered Investment Company | | 16,488 |
| Fidelity Slct It Service Port | Registered Investment Company | | 3,230 |
| Fidelity Slct Technology | Registered Investment Company | | 4,222 |
| Fidelity Spartan Tot Mkt Idx Fid Adv | Registered Investment Company | | 52,155 |
| Fidelity Strategic Income Fund | Registered Investment Company | | 25,936 |
| Fidelity Value Fund | Registered Investment Company | | 3,008 |
| Fidelity Advisor Mid Cap Ii I | Registered Investment Company | | 4,117 |
| First Eagle Fds of America Cl A | Registered Investment Company | | 4,323 |
| First Tr Exchange-Traded Fd | Registered Investment Company | | 10,465 |
| Fmi Intl Fd | Registered Investment Company | | 36,797 |
| Forward Emerging Markets Inst Cl | Registered Investment Company | | 728 |
| Forward Intl Dividend Fd Inv Cl | Registered Investment Company | | 3,943 |
| Fpa Crescent Fd Inst Cl Shares | Registered Investment Company | | 82,758 |
| Franklin Biotechnology Discovery Fd | Registered Investment Company | | 1,159 |
| Franklin Inc Fd | Registered Investment Company | | 19,673 |
| Franklin Rising Div Fund | Registered Investment Company | | 20,538 |
| Franklin Utilities Advisor Class | Registered Investment Company | | 11,251 |
| Fund X Upgrader Fund | Registered Investment Company | | 23,169 |
| Gabelli Utils Fd | Registered Investment Company | | 8,389 |
| Gamco Growth Fund | Registered Investment Company | | 11,780 |
| Glenmede Large Cap Gwth | Registered Investment Company | | 63,753 |

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| | | |
|-------------------------|-------------------------------|--------|
| Global X ETF | Registered Investment Company | 1,510 |
| Global X ETF | Registered Investment Company | 14,996 |
| Global X Exch Traded Fd | Registered Investment Company | 4,593 |
| Global X Exch Traded Fd | Registered Investment Company | 3,339 |
| Goldman Sachs Tr | Registered Investment Company | 13,567 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|----------------------------------|----------------------------|----------------------|
| Goldman Sachs Tr Mid Cap Eq Svc Shs | Registered Investment Company | | 5,489 |
| Greenspring Fund | Registered Investment Company | | 22,675 |
| Growth Fund of America | Registered Investment Company | | 11,514 |
| Hancock Horizon Funds | Registered Investment Company | | 183,713 |
| Hancock John Pfd Eqty Fd | Registered Investment Company | | 65,312 |
| Harbor Bond Fund Inst | Registered Investment Company | | 96,399 |
| Harbor International Fd Investor | Registered Investment Company | | 67,021 |
| Harbor International Fund Instl | Registered Investment Company | | 90,565 |
| Harding Loevner Emerging Markets | Registered Investment Company | | 17,580 |
| Hartford Small Cap Growth | Registered Investment Company | | 239 |
| Heartland Value Fund Inv | Registered Investment Company | | 24,848 |
| Hennessy Focus Fd Inv | Registered Investment Company | | 3,591 |
| Hennessy Gas Utility Index Fd | Registered Investment Company | | 20,509 |
| Hodges Fund | Registered Investment Company | | 2,573 |
| Hugoton Royalty Tr Sbi | Registered Investment Company | | 1,667 |
| Hussman Invt Tr | Registered Investment Company | | 10,197 |
| Hussman Strategic Growth | Registered Investment Company | | 11,216 |
| Hussman Strategic Total Return Fd | Registered Investment Company | | 12,342 |
| Icon Healthcare Fd | Registered Investment Company | | 10,346 |
| Invesco Comstock | Registered Investment Company | | 25,447 |
| Invesco Eqty And Incm | Registered Investment Company | | 20,350 |
| Invesco Eqty And Incm | Registered Investment Company | | 25,363 |
| Invesco European Growth Fd Investor | Registered Investment Company | | 1,067 |
| Invesco Insd Mun Incm Tr Sbi | Registered Investment Company | | 70,231 |
| Invesco Van Kampen Sr Incm Tr | Registered Investment Company | | 21,529 |
| Ishares Core S&P ETF Midcap | Registered Investment Company | | 40,110 |
| Ishares DJ US Transn Idx | Registered Investment Company | | 28,220 |
| Ishares Gold Trust | Registered Investment Company | | 7,665 |
| Ishares Intl ETF Developed R/E | Registered Investment Company | | 1,502 |
| Ishares Morningstar Fund | Registered Investment Company | | 39,609 |
| Ishares Msci Aus Idx Fd | Registered Investment Company | | 133 |
| Ishares Msci Bric Idx Fd | Registered Investment Company | | 14,958 |
| Ishares Msci Emerging Mkts Indx Fd | Registered Investment Company | | 37,483 |
| Ishares Msci ETF | Registered Investment Company | | 15,778 |
| Ishares Msci ETF | Registered Investment Company | | 9,315 |
| Ishares Msci ETF | Registered Investment Company | | 40,177 |
| Ishares Msci ETF | Registered Investment Company | | 14,569 |
| Ishares Msci Hk Idx Fd | Registered Investment Company | | 6,984 |
| Ishares Msci S F Indx Fd | Registered Investment Company | | 2,787 |
| Ishares Msci Singapore | Registered Investment Company | | 40,688 |
| Ishares S&P Euro 350 | Registered Investment Company | | 10,960 |
| Ishares S&P Midcap 400 Value Index | Registered Investment Company | | 100,448 |

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|-----------------------------------|-------------------------------|--------|
| Ishares S&P U S Pfd Fund | Registered Investment Company | 22,717 |
| Ishares Silver Trust Index Fund | Registered Investment Company | 17,078 |
| Ishares Tr | Registered Investment Company | 7,917 |
| Ishares Tr Cohen & Steer Reit ETF | Registered Investment Company | 47,645 |
| Ishares Tr Goldman Sachs | Registered Investment Company | 7,664 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| Ishares Tr Gs Investop | Registered Investment Company | | 59,108 |
| Ishares Tr Lehman 1-3 Yr Treasury Bd | Registered Investment Company | | 28,966 |
| Ishares Tr Lehman Aggregate Bd Fd | Registered Investment Company | | 37,991 |
| Ishares Tr Lehman Bond Fund | Registered Investment Company | | 16,621 |
| Ishares Tr Lehman Tips Bond Fund | Registered Investment Company | | 34,051 |
| Ishares Tr Msci Eafe ETF | Registered Investment Company | | 68,993 |
| Ishares Tr Nasdaq Biotech Index Fd | Registered Investment Company | | 6,067 |
| Ishares Trust Iboxx \$ High Yield | Registered Investment Company | | 13,619 |
| Ishares Trust S&P 500 Index | Registered Investment Company | | 17,420 |
| Ivy Asset Strategy Fund Cl R | Registered Investment Company | | 6,149 |
| Ivy Global Natural | Registered Investment Company | | 3,713 |
| Ivy Mid Cap Growth I | Registered Investment Company | | 10,740 |
| James Balanced Golden Rainbow Fund | Registered Investment Company | | 9,897 |
| Janus Balanced Fund | Registered Investment Company | | 80,422 |
| Janus Contrarian Fund | Registered Investment Company | | 26,140 |
| Janus Fund | Registered Investment Company | | 8,396 |
| Janus Global Life Sciences | Registered Investment Company | | 83,298 |
| Janus Global Research Fd | Registered Investment Company | | 10,445 |
| Janus Overseas Fd | Registered Investment Company | | 12,884 |
| Janus Research Fund Class | Registered Investment Company | | 2,401 |
| Janus Triton Fund | Registered Investment Company | | 36,862 |
| Janus Triton Fund | Registered Investment Company | | 73,462 |
| Janus Venture Fund | Registered Investment Company | | 8,409 |
| Jensen Quality Growth Fd | Registered Investment Company | | 105,570 |
| Jpmorgan Chase & Co | Registered Investment Company | | 9,190 |
| Jpmorgan Equity Income | Registered Investment Company | | 63,540 |
| Jpmorgan Strategic Income Oppty Sel | Registered Investment Company | | 46,613 |
| Kinetics Small Cap Opportunities Fd | Registered Investment Company | | 4,181 |
| Laudus Mondrian Em Mkt | Registered Investment Company | | 18,110 |
| Lazard Developing Mkts Equity Open | Registered Investment Company | | 1,570 |
| Lazard Intl Strategic | Registered Investment Company | | 19,033 |
| Lazard Us Realty Incm Port Open | Registered Investment Company | | 25,429 |
| * Loomis Sayles Bond | Registered Investment Company | | 58,186 |
| * Loomis Sayles Bond Fund | Registered Investment Company | | 82,353 |
| * Loomis Sayles Glbl Bd Fd | Registered Investment Company | | 8,896 |
| * Loomis Sayles Ltd Term Govt Agency | Registered Investment Company | | 4,993 |
| * Loomis Sayles Sr Floating Rate | Registered Investment Company | | 19,737 |
| Manning & Napier Equity Series | Registered Investment Company | | 70,277 |
| Manning & Napier Overseas Series | Registered Investment Company | | 3,277 |
| Manning & Napier Problend Maximum | Registered Investment Company | | 1,318 |
| Market Vectors ETF | Registered Investment Company | | 9,572 |
| Market Vectors ETF | Registered Investment Company | | 10,800 |

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|-------------------------------|-------------------------------|--------|
| Market Vectors ETF | Registered Investment Company | 8,456 |
| Market Vectors ETF | Registered Investment Company | 8,124 |
| Marsico Intl Opportunities Fd | Registered Investment Company | 16,829 |
| Matthews Asia Dividend Fund | Registered Investment Company | 13,839 |
| Matthews China Investor | Registered Investment Company | 1,976 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|----------------------------------|----------------------------|----------------------|
| Matthews India Inv Fund | Registered Investment Company | | 6,854 |
| Matthews Pacific Tiger Fd Inv | Registered Investment Company | | 554 |
| Merger Fund | Registered Investment Company | | 64,609 |
| Meridian Growth Fund Legacy | Registered Investment Company | | 47,912 |
| Merk Hard Currency Fund Inv Shares | Registered Investment Company | | 9,944 |
| Metropolitan West Total Return Bd M | Registered Investment Company | | 37,410 |
| Mutual Global Discovery Fd | Registered Investment Company | | 20,251 |
| Nb Socially Responsive Fd | Registered Investment Company | | 3,239 |
| Neuberger Berman Focus Fd | Registered Investment Company | | 5,979 |
| Neuberger Berman Real Estate Fd Trst | Registered Investment Company | | 36,897 |
| New Ireland Fund Inc | Registered Investment Company | | 8,985 |
| Nicholas Fund | Registered Investment Company | | 8,879 |
| Northern Small Cap Core Fd | Registered Investment Company | | 16,492 |
| Nuveen Qual Pfd Inc Fd | Registered Investment Company | | 137,950 |
| Oakmark Equity Income Fd | Registered Investment Company | | 303,769 |
| Oakmark Fund | Registered Investment Company | | 178,673 |
| Oakmark Global Fund | Registered Investment Company | | 33,296 |
| Oakmark International Fund | Registered Investment Company | | 154,760 |
| Oakmark Intl Small Cap Fd | Registered Investment Company | | 4,509 |
| Oakmark Select Fd | Registered Investment Company | | 25,243 |
| Oppenheimer Developing Mkts | Registered Investment Company | | 7,976 |
| Oppenheimer Developing Mkts Fd | Registered Investment Company | | 25,982 |
| Oppenheimer Developing Mkts | Registered Investment Company | | 6,695 |
| Oppenheimer Steelpath Mlp Alpha | Registered Investment Company | | 29,063 |
| Pacific Financial Core Eqty Fd | Registered Investment Company | | 20,669 |
| Pacific Financial Explorer Fd Inv | Registered Investment Company | | 1,933 |
| Pacific Financial Strat Cons Inv | Registered Investment Company | | 14,825 |
| Parkway Pptys Inc | Registered Investment Company | | 10,469 |
| Parnassus Core Eqty Fd Inv | Registered Investment Company | | 159,847 |
| Parnassus Endeavor Fd | Registered Investment Company | | 3,507 |
| Parnassus Fund | Registered Investment Company | | 7,693 |
| Parnassus Small-Cap Fd | Registered Investment Company | | 2,492 |
| Perkins Mid Cap Value Fund | Registered Investment Company | | 10,645 |
| Permanent Portfolio | Registered Investment Company | | 168,008 |
| Permian Basin Royalty Tr | Registered Investment Company | | 3,343 |
| Pimco All Asset Fund | Registered Investment Company | | 10,981 |
| Pimco All Asset Fund Instl | Registered Investment Company | | 52,874 |
| Pimco ETF | Registered Investment Company | | 65,338 |
| Pimco Global Advantage Strat Bd Inst | Registered Investment Company | | 14,333 |
| Pimco Incm Fd Inst Cl | Registered Investment Company | | 27,063 |
| Pimco Income D | Registered Investment Company | | 45,956 |
| Pimco Real Estate Real | Registered Investment Company | | 20,397 |

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|-----------------------------------|-------------------------------|--------|
| Pimco Real Return Fd Cl D | Registered Investment Company | 68,188 |
| Pimco Stocksplus Ar Short Strat A | Registered Investment Company | 8,915 |
| Pimco Total Return Fd Cl D | Registered Investment Company | 13,542 |
| Pimco Total Return Fund Cl A | Registered Investment Company | 38,009 |
| Powershares ETF Fd T | Registered Investment Company | 8,636 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| Powershares Exch Trad Fd Tr | Registered Investment Company | | 9,620 |
| Powershares Exch Trad Fd Tr | Registered Investment Company | | 6,237 |
| Powershares Exch Trad Fd Tr | Registered Investment Company | | 28,681 |
| Powershares Exch Trad Fd Tr | Registered Investment Company | | 64,092 |
| Powershares Exch Trad Fd Tremrg Mkt | Registered Investment Company | | 30,131 |
| Powershares Qqq Trust Ser 1 | Registered Investment Company | | 597,732 |
| Powershs Db Commdty | Registered Investment Company | | 1,882 |
| Powershs Db Multi Sector | Registered Investment Company | | 3,485 |
| Primecap Odyssey Aggr Growth Fd | Registered Investment Company | | 3,247 |
| Principal Fds Inc | Registered Investment Company | | 5,664 |
| Principal Large Cap Growth I | Registered Investment Company | | 122 |
| Profunds Biotechnology Svc | Registered Investment Company | | 12,393 |
| Proshares Short High Yld | Registered Investment Company | | 23,512 |
| Proshares Tr Ultra Oil & Gas | Registered Investment Company | | 5,131 |
| Proshares Ultrapro E | Registered Investment Company | | 13,411 |
| Proshares Ultra Qqq | Registered Investment Company | | 110,349 |
| Proshs Ultra Finl Ne | Registered Investment Company | | 63,993 |
| Proshs Ultrapro ETF | Registered Investment Company | | 74,600 |
| Proshs Ultrasht ETF | Registered Investment Company | | 100 |
| * Prudential Invt Portfolio 16 | Registered Investment Company | | 18,091 |
| * Prudential Jennison Nat Rescl R | Registered Investment Company | | 5,269 |
| Putnam Capital Spectrum Fd | Registered Investment Company | | 52,641 |
| Putnam Diversified Income Trust | Registered Investment Company | | 19,703 |
| Putnam High Income Secs Fd | Registered Investment Company | | 20,275 |
| Rivernorth Dblne Strat Incm Fd | Registered Investment Company | | 167,073 |
| Robeco Boston Partner | Registered Investment Company | | 117,793 |
| Rowe T Price Emerging | Registered Investment Company | | 39,679 |
| Rowe T Price Intl Fds Incemrgn Mkts | Registered Investment Company | | 28,243 |
| Royce Low Priced Stock Fd | Registered Investment Company | | 95,041 |
| Royce Opportunity Fd Investment Sh | Registered Investment Company | | 4,596 |
| Royce Pennsylvania Mutual Fd Invesmt | Registered Investment Company | | 228,592 |
| Royce Premier Fd Investment | Registered Investment Company | | 70,866 |
| Royce Special Equity Fd Inv | Registered Investment Company | | 20,895 |
| Royce Total Return Fd Inv | Registered Investment Company | | 47,106 |
| Rs Global Natural Resources Fd | Registered Investment Company | | 6,899 |
| Rs Invt Tr | Registered Investment Company | | 3,176 |
| Rs Value Fund A | Registered Investment Company | | 29,392 |
| Rydex Biotechnology Fd Inv Class | Registered Investment Company | | 8,783 |
| Rydex ETF Tr | Registered Investment Company | | 21,836 |
| Rydex ETF Trust | Registered Investment Company | | 998 |
| Rydex Health Care Fund | Registered Investment Company | | 4,934 |
| Rydex Utilities Fd Investor | Registered Investment Company | | 19,057 |

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|----------------------------|-------------------------------|--------|
| San Juan Basin Royal | Registered Investment Company | 2,537 |
| Sch US Div Equity Et | Registered Investment Company | 4,012 |
| Sch US Mid-Cap ETF | Registered Investment Company | 31,242 |
| Sch US Tips ETF | Registered Investment Company | 59,772 |
| Schroder Emrg Mkt Eqty Adv | Registered Investment Company | 52,580 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|-------------------------------|---------------------|---------------|
| Schwab 1000 Index Fund | Registered Investment Company | | 27,125 |
| Schwab Cap Tr | Registered Investment Company | | 30,209 |
| Schwab Intermediate-Term Bond Fund | Registered Investment Company | | 5,022 |
| Schwab Intl Eq ETF | Registered Investment Company | | 23,012 |
| Schwab Monthly Income Enh Payout | Registered Investment Company | | 28,903 |
| Schwab Total Stk Mkt Index | Registered Investment Company | | 1,111 |
| Schwab Us Broad Market ETF | Registered Investment Company | | 13,109 |
| Schwab Us Scap ETF | Registered Investment Company | | 26,458 |
| Sector Spdr Fincl Select | Registered Investment Company | | 4,946 |
| Sector Spdr Tr | Registered Investment Company | | 6,429 |
| Sector Spdr Tr Con Svcs | Registered Investment Company | | 55,251 |
| Selected Intl Fd | Registered Investment Company | | 4,925 |
| Selected Intl Fd | Registered Investment Company | | 4,947 |
| Shelton S&P Midcap Index Fd | Registered Investment Company | | 17,843 |
| Spdr Barclays ETF | Registered Investment Company | | 392 |
| Spdr DJ Wilshire Large Cap Growth | Registered Investment Company | | 9,684 |
| Spdr DJ Wilshire Small Cap Value | Registered Investment Company | | 15,227 |
| Spdr Dow Jones Reit ETF | Registered Investment Company | | 55,358 |
| Spdr Gold Trust Spdr Gold Shares | Registered Investment Company | | 196,834 |
| Spdr Index Shs Fds S & P Emkts ETF | Registered Investment Company | | 52,986 |
| Spdr S&P 400 Mid Cap Value ETF | Registered Investment Company | | 15,437 |
| Spdr S&P 400 Mid Capgrowth ETF | Registered Investment Company | | 15,526 |
| Spdr S&P 600 Small Cap Growth | Registered Investment Company | | 15,486 |
| Spdr S&P Emerging Europe | Registered Investment Company | | 3,305 |
| Spdr S&P Pharmaceuticals | Registered Investment Company | | 16,626 |
| Spdr Trust Unit | Registered Investment Company | | 45,630 |
| Sprott Phys Sil Tr E | Registered Investment Company | | 6,027 |
| * SSgA Emerging Markets Fund Instl | Registered Investment Company | | 26,551 |
| * SSgA Intl Stock Selection Fund Instl | Registered Investment Company | | 8,489 |
| Sunamerica Focused | Registered Investment Company | | 25,181 |
| T Rowe Price Capital Appreciation Fd | Registered Investment Company | | 768,467 |
| T Rowe Price Corporate Income Fund | Registered Investment Company | | 130,207 |
| T Rowe Price Emrg Europe Fd | Registered Investment Company | | 1,727 |
| T Rowe Price Equity Income Fund | Registered Investment Company | | 32,764 |
| T Rowe Price Growth Stk Adv | Registered Investment Company | | 4,812 |
| T Rowe Price Health Sciences Fd | Registered Investment Company | | 113,756 |
| T Rowe Price International Bond Fund | Registered Investment Company | | 8,331 |
| T Rowe Price Intl Discovery Fund | Registered Investment Company | | 97,687 |
| T Rowe Price Latin America Fund | Registered Investment Company | | 7,774 |
| T Rowe Price Media & Telecom Fund | Registered Investment Company | | 5,034 |
| T Rowe Price Mid Cap Value | Registered Investment Company | | 31,599 |
| T Rowe Price Mid-Cap Growth Fund | Registered Investment Company | | 24,179 |

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|----------------------------------|-------------------------------|--------|
| T Rowe Price New Horizons Fund | Registered Investment Company | 57,911 |
| T Rowe Price Retirement 2015 Adv | Registered Investment Company | 28,922 |
| T Rowe Price Retirement 2025 Adv | Registered Investment Company | 31,570 |
| T Rowe Price Retirement 2040 Fd | Registered Investment Company | 6,946 |
| T Rowe Price Value Fund | Registered Investment Company | 37,398 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| T Rowe Retirement 2040 Fd Advisor Cl | Registered Investment Company | | 6,941 |
| TCW Emerging Markets Inc Fund | Registered Investment Company | | 7,800 |
| TCW Relative Value Div Appr Fd | Registered Investment Company | | 35,975 |
| TCW Total Return Bond Fd | Registered Investment Company | | 64,352 |
| TCW Total Return Bond Fd | Registered Investment Company | | 81,103 |
| Tekia Healthcare Inv | Registered Investment Company | | 16,036 |
| Templeton Emerg Mkts Income | Registered Investment Company | | 2,268 |
| Templeton Emrg Mkts Small Cap Fd | Registered Investment Company | | 6,731 |
| Templeton Global Bd | Registered Investment Company | | 49,329 |
| Templeton Global Bond Fd Advisor | Registered Investment Company | | 6,686 |
| Templeton Global Bond Fund | Registered Investment Company | | 38,169 |
| Templeton Global Bond Fund Cl A | Registered Investment Company | | 9,889 |
| Templeton Global Income Fd Inc | Registered Investment Company | | 1,438 |
| Templeton Global Total | Registered Investment Company | | 19,561 |
| Teton Westwood Equity Fund | Registered Investment Company | | 1,563 |
| Teton Westwood Mighty Mites Fund | Registered Investment Company | | 41,960 |
| Third Avenue Value Fund Instl | Registered Investment Company | | 5,743 |
| Thompson Largecap Fund | Registered Investment Company | | 191 |
| Touchstone Sands Capital Instl Growt | Registered Investment Company | | 16,258 |
| Touchstone Small Cap Value | Registered Investment Company | | 14,190 |
| Tributary Growth Opps Inst | Registered Investment Company | | 6,029 |
| Turkish Invt Fd Inc | Registered Investment Company | | 19,148 |
| Tweedy Browne Global Value Fd | Registered Investment Company | | 105,401 |
| UBS Ag Jersey Brh | Registered Investment Company | | 2,287 |
| UBS E-Tracs Shs | Registered Investment Company | | 2,143 |
| Undiscovered Mgrsbehavioral Value | Registered Investment Company | | 16,230 |
| United St Nat Gas Fd | Registered Investment Company | | 6,189 |
| United States Oil Fund | Registered Investment Company | | 2,749 |
| United Sttaes Gas Fd ETF | Registered Investment Company | | 3,415 |
| US Global Inv Global Res | Registered Investment Company | | 1,192 |
| US Global Inv World Precious Minrls | Registered Investment Company | | 237 |
| US Global Investors Emerg Europe Fd | Registered Investment Company | | 1,683 |
| Value Line Sm Cap Opportunities Fd | Registered Investment Company | | 45,837 |
| Vanguard 500 Index Fd Investor Shs | Registered Investment Company | | 237,190 |
| Vanguard Balanced Index Fund Inv | Registered Investment Company | | 9,478 |
| Vanguard Bd Index Fd | Registered Investment Company | | 21,932 |
| Vanguard Bd Index Fund | Registered Investment Company | | 17,462 |
| Vanguard Capital Value Investor | Registered Investment Company | | 3,779 |
| Vanguard Corp Bond ETF Short Term | Registered Investment Company | | 27,552 |
| Vanguard Developed Mkts Index Inv | Registered Investment Company | | 39,449 |
| Vanguard Div Appr Viprs | Registered Investment Company | | 60,440 |
| Vanguard Dividend Growth Fund | Registered Investment Company | | 72,253 |

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|------------------------------------|-------------------------------|---------|
| Vanguard Emerging Mkts Stock Index | Registered Investment Company | 14,190 |
| Vanguard Energy Fund Inv | Registered Investment Company | 201,224 |
| Vanguard Equity Inc Fd Admiral Shs | Registered Investment Company | 14,223 |
| Vanguard Ftse Emerging Mkts ETF | Registered Investment Company | 95,248 |
| Vanguard Global Equity Fd Investor | Registered Investment Company | 29,262 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| Vanguard GNMA Fund Admiral Shrs | Registered Investment Company | | 6,371 |
| Vanguard GNMA Fund Investor Shs | Registered Investment Company | | 5 |
| Vanguard Growth Index Fd | Registered Investment Company | | 11,794 |
| Vanguard Health Care Fund Inv | Registered Investment Company | | 95,021 |
| Vanguard High Div Yield Index Inv | Registered Investment Company | | 21,033 |
| Vanguard High-Yield Corporate Fd Inv | Registered Investment Company | | 37,316 |
| Vanguard Index Funds | Registered Investment Company | | 6,498 |
| Vanguard Index Funds | Registered Investment Company | | 40,112 |
| Vanguard Index Funds | Registered Investment Company | | 26,411 |
| Vanguard Inflation Protected Sec Fd | Registered Investment Company | | 67,861 |
| Vanguard Inter Term Bond Index Fd I | Registered Investment Company | | 82,781 |
| Vanguard Inter Term Tax Exmpt Fd Inv | Registered Investment Company | | 1,490 |
| Vanguard Interm Term Inv Grd Fund | Registered Investment Company | | 30,508 |
| Vanguard Interm-Term Inv Grd Adm Shs | Registered Investment Company | | 30,101 |
| Vanguard Intl Equity Index Fd | Registered Investment Company | | 5,241 |
| Vanguard Long Term Treasury Fd Inv | Registered Investment Company | | 48,068 |
| Vanguard Mid Cap Index Fd Inv | Registered Investment Company | | 154,644 |
| Vanguard Mid Cap Value | Registered Investment Company | | 7,362 |
| Vanguard Mid-Cap Value Index Inv | Registered Investment Company | | 10,714 |
| Vanguard Pacific Stock Index Fd Inv | Registered Investment Company | | 7,030 |
| Vanguard Precious Metals Mining Inv | Registered Investment Company | | 2,600 |
| Vanguard Reit | Registered Investment Company | | 11,988 |
| Vanguard Reit Index Fund Inv | Registered Investment Company | | 180,429 |
| Vanguard Short Term | Registered Investment Company | | 148,618 |
| Vanguard Short Term Trea Admiral Shs | Registered Investment Company | | 6,294 |
| Vanguard Sh-Term ETF Inf Pro Secs | Registered Investment Company | | 45,828 |
| Vanguard Small Cap Growth Index Fd | Registered Investment Company | | 66,193 |
| Vanguard Small Cap Value | Registered Investment Company | | 12,911 |
| Vanguard Small-Cap Index Fund | Registered Investment Company | | 106,514 |
| Vanguard Strategic Equity Fund Inv | Registered Investment Company | | 31,771 |
| Vanguard Target Retirement 2040 Fd I | Registered Investment Company | | 6,797 |
| Vanguard Total Intl ETF | Registered Investment Company | | 30,315 |
| Vanguard Total Intl Stk Index Fd Inv | Registered Investment Company | | 6,842 |
| Vanguard Total Stock Markt Indx Fd I | Registered Investment Company | | 56,992 |
| Vanguard Total Stock Mkt | Registered Investment Company | | 165,619 |
| Vanguard Total Stock Mkt Indx Fd Adm | Registered Investment Company | | 78,613 |
| Vanguard Value Index Fund | Registered Investment Company | | 18,450 |
| Vanguard Wellington Fund Inv | Registered Investment Company | | 138,611 |
| Vanguard Windsor II Portfolio Inv | Registered Investment Company | | 66,522 |
| Vanguard World Funds | Registered Investment Company | | 18,592 |
| Vanguard World Funds | Registered Investment Company | | 4,179 |
| Vanguard World Funds | Registered Investment Company | | 11,162 |

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| | | |
|------------------------------------|-------------------------------|--------|
| Vanguard World Funds | Registered Investment Company | 22,210 |
| Vanguard World Funds | Registered Investment Company | 11,691 |
| * Voya Prime Rate Trust | Registered Investment Company | 7,946 |
| Wasatch Hoisington US Treas Fd Inv | Registered Investment Company | 14,597 |
| Wasatch Micro Cap Value Fund Inv | Registered Investment Company | 3,734 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2014**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|--|----------------------------|-------------------------|
| Wells Fargo Adv Premier Lg Co Gr Adm | Registered Investment Company | | 67,883 |
| Wells Fargo Advtg Prem Lrg Co Gr Inv | Registered Investment Company | | 42,801 |
| Wells Fargo Advtg Spcl Sml Cp Val A | Registered Investment Company | | 16,516 |
| Wisdomtree Diefa Hi Yld | Registered Investment Company | | 22,972 |
| Wisdomtree ETF | Registered Investment Company | | 9,341 |
| Wisdomtree Eur Smcap Div | Registered Investment Company | | 257 |
| Wisdomtree Trust | Registered Investment Company | | 4,216 |
| Registered Investment Companies | | | \$ 16,920,862 |
| * Notes Receivables from Participants | Interest rates range from 3.25% to 10.5% | | \$ 50,453,884 |
| Collateral Held on Loaned Securities | | | |
| *SSgA Quality D Short-term Investment Fund | | | \$ 12,903,200 |
| Total Investments | | | \$ 2,568,496,054 |

* Party-in-interest

** These investments include securities that were loaned to brokers under the securities lending program with the Trustee.

(1) Cost information not required for participant-directed investments.

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SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

BAXTER INTERNATIONAL INC. AND SUBSIDIARIES
INCENTIVE INVESTMENT PLAN

Date: June 19, 2015

By: /s/ Robert J. Hombach
Robert J. Hombach
Member of the Administrative Committee