

BAXTER INTERNATIONAL INC

Form 11-K

June 26, 2014

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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, 2013

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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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, 2013 and 2012, 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, 2013 and 2012, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2013 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2013 financial statements taken as a whole.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 25, 2014

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

December 31, 2013 and 2012 (in thousands)

| | 2013 | 2012 |
|--|---------------------|---------------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 35,266 | \$ 47,603 |
| Common stock (including securities on loan of \$1,927 in 2013 and \$2,821 in 2012) | 493,958 | 444,196 |
| U.S. government and government agency issues (including securities on loan of \$5,325 in 2013 and \$8,091 in 2012) | 31,124 | 28,292 |
| Corporate and other obligations (including securities on loan of \$6,520 in 2013 and \$7,559 in 2012) | 38,500 | 40,509 |
| Commingled funds | 977,799 | 381,516 |
| Synthetic guaranteed investment contracts | 733,857 | 777,297 |
| Registered investment companies | 14,879 | 307,109 |
| Collateral held on loaned securities | 14,078 | 18,842 |
| Total investments at fair value | 2,339,461 | 2,045,364 |
| Receivables | | |
| Notes receivables from participants | 47,054 | 43,079 |
| Sponsor contributions | 23,109 | 18,963 |
| Accrued interest and dividends | 2,251 | 1,975 |
| Due from brokers for securities sold | 800 | 1,415 |
| Total receivables | 73,214 | 65,432 |
| Total assets | 2,412,675 | 2,110,796 |
| Liabilities | | |
| Accounts payable | 5,985 | 6,126 |
| Collateral to be paid on loaned securities | 14,078 | 18,842 |
| Total liabilities | 20,063 | 24,968 |
| Net assets available for benefits, reflecting investments at fair value | 2,392,612 | 2,085,828 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (36,932) | (68,692) |
| Net assets available for benefits | \$ 2,355,680 | \$ 2,017,136 |

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, 2013 and 2012 (in thousands)

| | 2013 | 2012 |
|--|--------------|--------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Net appreciation in fair value of investments | \$ 273,896 | \$ 168,628 |
| Interest | 25,520 | 28,982 |
| Dividends | 9,905 | 14,771 |
| Net investment income | 309,321 | 212,381 |
| Participant loan interest | 3,744 | 3,525 |
| Contributions | | |
| Sponsor | 68,003 | 59,471 |
| Participant | 110,936 | 92,936 |
| | 178,939 | 152,407 |
| Total additions | 492,004 | 368,313 |
| Deductions from net assets attributed to | | |
| Benefits paid | 151,562 | 161,649 |
| Plan expenses | 6,845 | 7,138 |
| Total deductions | 158,407 | 168,787 |
| Increase before transfer | 333,597 | 199,526 |
| Transfer from other plan (Refer to Note 11) | 4,947 | 19,658 |
| Net increase | 338,544 | 219,184 |
| Net assets available for benefits | | |
| Beginning of year | 2,017,136 | 1,797,952 |
| End of year | \$ 2,355,680 | \$ 2,017,136 |

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, 2013 and 2012

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 and \$17,000 a year in 2013 and 2012, respectively. 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 participants 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.

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2013 and 2012**

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.

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.

Certain reclassifications have been made to conform the prior period financial statements to the current period presentation.

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. |
| 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

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| | |
|--|---|
| | 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 in 2013 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, Bank of America N.A. and MetLife. 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 \$129 thousand and a loss of \$991 thousand at December 31, 2013 and 2012, 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 \$696.9 million and \$708.6 million at December 31, 2013 and 2012, 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 2.0% and 2.2% at December 31, 2013 and 2012, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 2.7% and 3.4% for the years ended December 31, 2013 and 2012. The credit ratings for Transamerica were AA- at both December 31, 2013 and 2012, the credit ratings for Bank of America N.A. were A at both December 31, 2013 and 2012, and the credit rating for MetLife was AA- at December 31, 2013.

Events that lead to market value withdrawals that exceed 20 percent of the contract value 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 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.

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.

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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

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.

4. Administration of the Plan

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

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Baxter International Inc. and Subsidiaries

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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, 2013 | 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 | \$ 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 | |

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| | | | | |
|---|--------------|------------|--------------|----------|
| Cash and cash equivalents | 16,087 | | 16,087 | |
| Wrapper contracts | (129) | | | (129) |
| Total synthetic guaranteed investment contracts | 733,857 | | 733,986 | (129) |
| 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 | \$ |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2013 and 2012**

| | Balance at December 31, 2012 | 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) |
| (in thousands) | 2012 | (Level 1) | (Level 2) | (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 47,603 | \$ | \$ 47,603 | \$ |
| Common stock: | | | | |
| Healthcare | 233,821 | 233,821 | | |
| Consumer products | 51,020 | 51,020 | | |
| Information technology | 57,333 | 57,333 | | |
| Financial services | 30,371 | 30,371 | | |
| Industrial services and materials | 29,686 | 29,686 | | |
| Energy | 14,125 | 14,125 | | |
| Other | 27,840 | 27,840 | | |
| Total common stock | 444,196 | 444,196 | | |
| U.S. government and government agency issues | 28,292 | | 28,292 | |
| Corporate and other obligations | 40,509 | | 40,509 | |
| Commingled funds: | | | | |
| SSgA S&P 500 fund | 197,250 | | 197,250 | |
| SSgA EAFE equity fund | 90,079 | | 90,079 | |
| SSgA Small cap fund | 94,187 | | 94,187 | |
| Total commingled funds | 381,516 | | 381,516 | |
| Registered investment companies: | | | | |
| Target date retirement funds | 291,573 | 291,573 | | |
| Self-managed funds | 12,772 | 12,772 | | |
| Other | 2,764 | 2,764 | | |
| Total registered investment companies | 307,109 | 307,109 | | |
| Synthetic guaranteed investment contracts: | | | | |
| Corporate and other obligations | 293,972 | | 293,972 | |
| U.S. government and government agency issues | 442,114 | | 442,114 | |
| Cash and cash equivalents | 42,202 | | 42,202 | |
| Wrapper contracts | (991) | | | (991) |

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| | | | | |
|---|--------------|------------|--------------|----------|
| Total synthetic guaranteed investment contracts | 777,297 | | 778,288 | (991) |
| Collateral held on loaned securities | 18,842 | | 18,842 | |
| Total assets | \$ 2,045,364 | \$ 751,305 | \$ 1,295,050 | \$ (991) |

Liability

| | | | | |
|--|-----------|----------|-----------|----|
| Collateral to be paid on loaned securities | \$ 18,842 | \$ 2,859 | \$ 15,983 | \$ |
|--|-----------|----------|-----------|----|

Transfers between hierarchy measurement levels are recognized by the Plan as of the beginning of the reporting period. In 2013, due to a change in the structure of the investment, the target date retirement funds are now classified as commingled funds. In 2012 they were classified as registered investment companies. The fair value of commingled funds is valued based upon the net asset value of the underlying securities and is classified as Level 2.

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2013 and 2012**

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, 2011 | \$ (343) |
| Unrealized losses (relating to assets held at end of year) | (648) |
| 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) |

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. The additions 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, 2013 and 2012 are summarized as follows:

| (in thousands, except per share data) | 2013 | 2012 |
|--|------------|------------|
| Baxter common stock, 2,585,408 shares and 2,516,782 shares at December 31, 2013 and 2012, respectively | \$ 179,815 | \$ 167,769 |
| SSgA S&P 500 Fund | 279,286 | 197,250 |
| MetLife Individual Separate Account | 172,672 | * |
| SSgA Small Cap Fund | 142,953 | * |

* Does not meet 5% threshold

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Investments as of December 31, 2013 and 2012 are segregated into various investment fund options as follows:

| (in thousands) | 2013 | 2012 |
|---|--------------|--------------|
| Cash (available for investment) | \$ 6,121 | \$ 6,597 |
| Stable Income Fund | 748,611 | 803,238 |
| Baxter Common Stock Fund | 181,520 | 168,607 |
| Composite Fund | 158,846 | 154,624 |
| General Equity Fund | 183,162 | 151,465 |
| Cardinal Health Common Stock Fund | 7,307 | 4,847 |
| SSgA S&P 500 Fund | 279,286 | 197,250 |
| SSgA EAFE Equity Fund | 111,718 | 90,079 |
| Edwards Lifesciences Common Stock Fund | 12,935 | 19,658 |
| SSgA Small Cap Fund | 142,953 | 94,187 |
| Northern Trust Domestic Mid Cap | 14,293 | |
| SSgA Emerging Markets Fund | 4,624 | |
| Self-Managed Fund | 49,082 | 44,397 |
| Target Date Retirement Funds | 424,925 | 291,573 |
| Collateral held on loaned securities | 14,078 | 18,842 |
| | | |
| Total investments at fair value | 2,339,461 | 2,045,364 |
| Adjustment from fair value to contract value for Stable Income Fund | (36,932) | (68,692) |
| | | |
| Total investments | \$ 2,302,529 | \$ 1,976,672 |

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) | 2013 | 2012 |
|--|-------------|-------------|
| Baxter common stock | \$ 7,864 | \$ 48,002 |
| Other common stock | 76,699 | 38,620 |
| U.S. government and government agency issues | (1,653) | 38 |
| Corporate and other obligations | (1,752) | 3,365 |
| Commingled funds | 191,201 | 54,283 |
| Registered investment companies | 1,537 | 24,320 |
| | | |
| | \$ 273,896 | \$ 168,628 |

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. In each case, the Trustee would apply the

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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, 2013 and 2012, the Plan had securities on loan with a fair value of \$13.8 million and \$18.5 million, respectively, with cash collateral received of \$14.1 million and \$18.8 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, 2013 and 2012, and the net asset value of this fund was approximately \$1.00 per unit. As of December 31, 2013 and 2012 the cash collateral received is reflected at its fair value of \$14.1 million and \$18.8 million in the 2013 and 2012 Statements of Net Assets Available for Benefits, respectively.

Non-cash collateral of \$1.7 million received for securities on loan at December 31, 2013, 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 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. The Plan did not receive any non-cash collateral for securities on loan at December 31, 2012. Securities lending income allocated to the Plan amounted to \$32 thousand and \$45 thousand for 2013 and 2012, 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, 2013 and 2012, 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 2010.

10. Related Parties

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.

At December 31, 2013 and 2012, 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

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Company, and units of registered investment companies of SSgA, the Plan trustee; shares of common stock 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 Bank of America, 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 ING 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 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.

During 2011, Baxter acquired Baxa Corporation (Baxa). The Baxa 401(k) Plan was merged into the Plan effective October 2012. As a result of this merger, total assets of approximately \$19.7 million were transferred into the Plan.

12. Subsequent Event

On March 27, 2014, Baxter announced plans to create two separate, independent global healthcare companies – one focused on developing and marketing innovative biopharmaceuticals and the other on life-saving medical products. The transaction is intended to take the form of a tax-free distribution to Baxter shareholders of publicly traded stock in the new biopharmaceuticals company. 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, and the effectiveness of a Form 10 registration statement that will be filed with the SEC. Any impact on the Plan as of the issuance date is unknown to the Plan Management.

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SUPPLEMENTAL SCHEDULE

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|----------------------------|---------------------|---------------|
| Cash & Cash Equivalents: | | | |
| Australian Dollar | Cash | | \$ 190 |
| * SSGA Money Market Fund | Short-Term Investment Fund | | 9,264,693 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 26,001,246 |
| | | | \$ 35,266,129 |
| ** Common Stock: | | | |
| 1st Finl Svcs Corp | Common Stock | | 6,270 |
| 22nd Centy Group Inc | Common Stock | | 19,260 |
| 3D Systems Corp | Common Stock | | 10,129 |
| 3Dicon Corp | Common Stock | | 145 |
| 3M Company | Common Stock | | 24,017 |
| 8X8 Inc | Common Stock | | 6,395 |
| ABB LTD | Common Stock | | 31,285 |
| Abbott Laboratories | Common Stock | | 2,404,065 |
| Abbott Laboratories | Common Stock | | 161,299 |
| Abbvie Inc | Common Stock | | 91,458 |
| Access Pharmaceuticals Inc | Common Stock | | 5,411 |
| Acclaim Entertainment Inc | Common Stock | | |
| Ace Ltd | Common Stock | | 1,369,899 |
| Achillion Pharmaceuticals Inc | Common Stock | | 3,319 |
| Acorda Therapeutics Inc | Common Stock | | 14,600 |
| Activision Blizzard Inc | Common Stock | | 3,566 |
| Adaptive Broadband Corp | Common Stock | | |
| Adarna Energy Corp | Common Stock | | |
| Adobe Systems Inc | Common Stock | | 1,916,188 |
| Adolor Corporation Escrow | Common Stock | | |
| ADT Corp | Common Stock | | 445 |
| Advanced Micro Devices Inc | Common Stock | | 27,477 |
| Advanced Optics Electronics Inc | Common Stock | | |
| Advansource Biomaterials Corp | Common Stock | | 128 |
| Advanta Corp | Common Stock | | |
| Aeropostale | Common Stock | | 909 |
| AES Corp | Common Stock | | 772,278 |
| Aethlon Medical Inc | Common Stock | | 16,898 |
| Affymax Inc | Common Stock | | 1,716 |
| Aflac Inc | Common Stock | | 12,556 |
| Agco Corp | Common Stock | | 26,384 |
| Agenus Inc | Common Stock | | 8,018 |
| Agilent Technologies Inc | Common Stock | | 683,318 |

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| | | |
|------------------------|--------------|---------|
| Agnico Eagle Mines Ltd | Common Stock | 13,834 |
| Akorn Inc | Common Stock | 55,395 |
| Aksys Ltd | Common Stock | 2 |
| Alcatel Lucent | Common Stock | 22,396 |
| Alcoa Inc | Common Stock | 619,302 |
| Alcoa Inc | Common Stock | 15,646 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|---------------------------|---------------------|---------------|
| Alexco Resource Corp | Common Stock | | 8,820 |
| Alexion Pharmaceuticals Inc | Common Stock | | 3,229,191 |
| Alj Regl Hldgs Inc | Common Stock | | 1,550 |
| All Amern Gold Corp | Common Stock | | 3 |
| Allergan Inc | Common Stock | | 3,336 |
| Allergan Inc | Common Stock | | 3,471,140 |
| Allergan Inc | Common Stock | | 811,680 |
| Alliance Pharmaceutical Corp | Common Stock | | |
| * Alliancebernstein Hldg LP | Common Stock | | 11,131 |
| Allied Irish Banks | Common Stock | | 4,942 |
| Allscripts Healthcare Solutions Inc | Common Stock | | 7,452 |
| Allstate Corp | Common Stock | | 29,885 |
| Almaden Minerals Ltd | Common Stock | | 11,174 |
| Alnylam Pharmaceuticals Inc | Common Stock | | 6,430 |
| Alon USA Energy Inc | Common Stock | | 9,097 |
| Alternative Living Services | Common Stock | | |
| Altria Group Inc | Common Stock | | 127,995 |
| Aluminum Corp China Ltd | Common Stock | | 148 |
| Amag Pharmaceuticals Inc | Common Stock | | 2,914 |
| Amarantus Bioscience Hldgs Inc | Common Stock | | 88 |
| Amarin Corp | Common Stock | | 39,045 |
| Amarium Technologies Inc | Common Stock | | 648 |
| Amazon.com Inc | Common Stock | | 157,522 |
| Amazon.com Inc | Common Stock | | 7,141,726 |
| Amcore Finl Inc | Common Stock | | |
| Amdocs Ltd Ord | Common Stock | | 8,248 |
| Ameren Corp | Common Stock | | 4,024 |
| American Cap Agy Corp | Common Stock | | 27,704 |
| American Cap Ltd | Common Stock | | 9,384 |
| American Express | Common Stock | | 10,969 |
| American Graphite Technologies Inc | Common Stock | | 160 |
| American Intl Group | Common Stock | | 771,267 |
| American Intl Group | Common Stock | | 5,123 |
| American Intl Group | Common Stock | | 2,706 |
| American Lithium Minerals Inc | Common Stock | | 75 |
| American Rlty Cap Pptys Inc Com | Common Stock | | 6,675 |
| American Tower Corp | Common Stock | | 1,873,835 |
| American Tower Corp | Common Stock | | 18,570 |
| Amerigas Partners LP | Common Stock | | 9,360 |
| Amgen Inc | Common Stock | | 66,353 |
| Amplphi Biosciences Corp | Common Stock | | 10 |
| Amstem Corp | Common Stock | | |

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| | | |
|--------------------------------|--------------|---------|
| Anadarko Petroleum Corp | Common Stock | 3,966 |
| Andrea Electronics Corp | Common Stock | 43 |
| Anheuser-Busch Inbev | Common Stock | 2,662 |
| Ani Pharmaceuticals Inc | Common Stock | 40 |
| Annaly Mortgage Management Inc | Common Stock | 121,229 |
| Antares Pharma Inc | Common Stock | 32,893 |
| AOL Inc | Common Stock | 653 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------------|---------------------------|---------------------|---------------|
| Aon Plc | Common Stock | | 687,552 |
| Apache Corp | Common Stock | | 9,200 |
| Apollo Invt Corp | Common Stock | | 8,680 |
| Apple Inc | Common Stock | | 3,672,588 |
| Apple Inc | Common Stock | | 8,818,594 |
| Applied Materials Inc | Common Stock | | 1,061 |
| Applied Materials Inc | Common Stock | | 620,117 |
| Apricus Biosciences Inc | Common Stock | | 2,385 |
| Aqua America Inc | Common Stock | | 3,604 |
| Aradigm Corp | Common Stock | | 613 |
| Arcelormittal | Common Stock | | 17,840 |
| Arch Coal Inc | Common Stock | | 496 |
| Archer Daniels Midland | Common Stock | | 3,255 |
| Arena Pharmaceutical Inc | Common Stock | | 131,303 |
| Ariad Pharmaceutical Inc | Common Stock | | 12,515 |
| ARM Holdings Plc | Common Stock | | 13,683 |
| ARM Holdings Plc | Common Stock | | 1,806,840 |
| Armour Residential Reit Inc | Common Stock | | 8,020 |
| Array Biopharma Inc | Common Stock | | 6,764 |
| Artificial Life Inc | Common Stock | | 104 |
| Asanko Gold Inc | Common Stock | | 9,840 |
| Asia Pulp & Paper Co Ltd | Common Stock | | |
| Astrazeneca Plc | Common Stock | | 2,672 |
| Astropower Inc | Common Stock | | |
| AT&T Inc | Common Stock | | 114,582 |
| Atlantic Power Corp | Common Stock | | 5,336 |
| Atossa Genetics Inc | Common Stock | | 2,320 |
| ATP Oil & Gas Corp | Common Stock | | 150 |
| Atwood Oceanics Inc | Common Stock | | 5,339 |
| ATX Communications Inc | Common Stock | | |
| Automatic Data Processing Inc | Common Stock | | 32,704 |
| Avalon Rare Metals Inc | Common Stock | | 1,100 |
| Avanir Pharmaceuticals | Common Stock | | 3,998 |
| Awilco Drilling Plc | Common Stock | | 21,500 |
| B/E Aerospace Inc | Common Stock | | 8,703 |
| Babson Cap Partn Invs | Common Stock | | 25,760 |
| Backweb Technologies Ltd | Common Stock | | 401 |
| Baidu Inc | Common Stock | | 38,244 |
| Baker Hughes Inc | Common Stock | | 540,211 |
| Banco Bilbao Vizcaya Argentaria Sa | Common Stock | | 10,674 |
| Banco Santander Sa | Common Stock | | 18,971 |
| Bank New York Mellon Corp | Common Stock | | 15,084 |

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| | | |
|----------------------------|--------------|-------------|
| * Bank of America | Common Stock | 1,425,233 |
| * Bank of America | Common Stock | 756,434 |
| * Bank of America | Common Stock | 488,518 |
| Bank of Ireland | Common Stock | 4,323 |
| * Baxter International Inc | Common Stock | 179,285,293 |
| * Baxter International Inc | Common Stock | 529,861 |
| Bayer AG | Common Stock | 36,134 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| BB & T Corp | Common Stock | | 6,531 |
| BB Liquidating Inc | Common Stock | | 1 |
| BCE Inc | Common Stock | | 916,922 |
| Beacon Pwr Corp | Common Stock | | 45 |
| Berkshire Hathaway Inc | Common Stock | | 177,840 |
| Best Buy Inc | Common Stock | | 4,601 |
| Beyond Corp | Common Stock | | |
| Big Bear Mng Corp | Common Stock | | |
| Biglari Hldgs Inc | Common Stock | | 507 |
| Bioelectronics Corp | Common Stock | | |
| Biogen Idec Inc | Common Stock | | 44,452 |
| Biogen Idec Inc | Common Stock | | 4,481,451 |
| Biomedical Technology Solutions Hldgs Inc | Common Stock | | 44 |
| Biomerica Inc | Common Stock | | 10,920 |
| Biomoda Inc | Common Stock | | 27 |
| Bionovo Inc | Common Stock | | 50 |
| Biopharm Asia Inc | Common Stock | | |
| Biozone Pharmaceutical Ls Inc | Common Stock | | 170 |
| Bizauctions Inc | Common Stock | | |
| Black Hills Corp | Common Stock | | 5,776 |
| Blackberry Ltd | Common Stock | | 11,755 |
| Blackstone Group LP | Common Stock | | 4,884 |
| Blavod Extreme Spirits | Common Stock | | 71 |
| Blyth Inc | Common Stock | | 3,264 |
| Body Cent Corp | Common Stock | | 2,955 |
| Boeing Co | Common Stock | | 3,627,139 |
| Boeing Co | Common Stock | | 1,078,222 |
| Boeing Co | Common Stock | | 43,318 |
| Boingo Wireless Inc | Common Stock | | 6,154 |
| BP Plc | Common Stock | | 6,065 |
| BP Plc | Common Stock | | 825,603 |
| Braskem S.A. | Common Stock | | 1,785 |
| Brazil Minerals Inc | Common Stock | | 73 |
| Breitbart Energy Partners LP | Common Stock | | 20,859 |
| Bristol Myers Squibb Co | Common Stock | | 75,378 |
| Bristol Myers Squibb Co | Common Stock | | 3,886,699 |
| Broadcom Corp | Common Stock | | 17,231 |
| Broadridge Financial Solutions LLC | Common Stock | | 2,964 |
| Broadwind Energy Inc | Common Stock | | 94 |
| Brookfield Asset Mgmt Inc | Common Stock | | 9,708 |
| Brookfield Infrastructure Partners LP | Common Stock | | 8,324 |
| Brookfield Pty Partners LP | Common Stock | | 279 |

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| | | |
|----------------------------------|--------------|--------|
| Brookfield Residential Pptys Inc | Common Stock | 24 |
| Buckeye Partners LP | Common Stock | 28,404 |
| Buffalo Wild Wings Inc | Common Stock | 16,928 |
| C H Robinson Worldwide Inc | Common Stock | 2,918 |
| CSX Corp | Common Stock | 15,596 |
| Cadence Pharmaceuticals Inc | Common Stock | 20,091 |
| Ceasars Entmt Corp | Common Stock | 431 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------|---------------------------|---------------------|---------------|
| Calamp Corp | Common Stock | | 179,623 |
| Calgon Carbon Corp | Common Stock | | 2,468 |
| Cambridge Heart Inc | Common Stock | | 10 |
| Cameron International Corp | Common Stock | | 590,771 |
| Cameron International Corp | Common Stock | | 4,643 |
| Camtek | Common Stock | | 2,430 |
| Canadian National Railways Co | Common Stock | | 11,404 |
| Canadian Natural Resources Ltd | Common Stock | | 6,768 |
| Canadian Pacific Railway Ltd | Common Stock | | 2,249,245 |
| Canadian Solar Inc | Common Stock | | 447 |
| Cancer Genetics Inc | Common Stock | | 13,780 |
| Cannabis Science Inc | Common Stock | | 520 |
| Cap Gemini | Common Stock | | 6,770 |
| Capital One | Common Stock | | 779,184 |
| Capital One | Common Stock | | 1,486,502 |
| Capitalsource Inc | Common Stock | | 13,292 |
| Capitol Bancorp Ltd | Common Stock | | 1 |
| Capstead Mtg Corp Com No Par | Common Stock | | 12,080 |
| Capstone Turbine Corp | Common Stock | | 129 |
| Cardinal Communications Inc | Common Stock | | |
| Cardinal Health Inc | Common Stock | | 613,539 |
| Cardinal Health Inc | Common Stock | | 7,234,120 |
| Cardinal Health Inc | Common Stock | | 77,742 |
| Carefusion Corp | Common Stock | | 39,820 |
| Carlyle Group LP | Common Stock | | 3,258 |
| Carmax Inc | Common Stock | | 11,802 |
| Catamaran Corp | Common Stock | | 23,873 |
| Caterpillar Inc | Common Stock | | 137,170 |
| CBL & Assoc Pptys Inc | Common Stock | | 306 |
| Celgene Corp | Common Stock | | 32,780 |
| Celgene Corp | Common Stock | | 1,915,495 |
| Cell Therapeutics Inc | Common Stock | | 5,287 |
| Cellceutix Corp | Common Stock | | 4,180 |
| Cemex SA | Common Stock | | 35 |
| Central Fd Cda | Common Stock | | 13,250 |
| Centurytel Inc | Common Stock | | 2,739 |
| Ceragon Networks Ltd | Common Stock | | 446 |
| Cereplast Inc | Common Stock | | 28 |
| Cerus Corp | Common Stock | | 8,385 |
| Channeladvisor Corp | Common Stock | | 4,505 |
| Charter Comm Inc | Common Stock | | |
| Chelsea Therapeutics Intl | Common Stock | | 8,870 |

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| | | |
|----------------------------------|--------------|-----------|
| Cheniere Energy Inc | Common Stock | 17,248 |
| Chesapeake Energy | Common Stock | 82,897 |
| Chevron Corp | Common Stock | 151,100 |
| China Biologic Prods Inc | Common Stock | 2,885 |
| China Energy Svgs Technology Inc | Common Stock | |
| China Shen Zhou Mng & Res Inc | Common Stock | 483 |
| Chipotle Mexican Grill Inc | Common Stock | 1,944,452 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------------|---------------------------|---------------------|---------------|
| Chipotle Mexican Grill Inc | Common Stock | | 18,647 |
| Church & Dwight Inc | Common Stock | | 10,650 |
| Churchill Downs Inc | Common Stock | | 9,529 |
| Ciena Corp | Common Stock | | 48 |
| Circuit City Stores Inc | Common Stock | | |
| Cisco Systems Inc | Common Stock | | 173,779 |
| Cisco Systems Inc | Common Stock | | 1,011,986 |
| CIT Group Inc | Common Stock | | 772,141 |
| Citadel Broadcasting Corp | Common Stock | | |
| Citigroup Inc | Common Stock | | 766,699 |
| Citigroup Inc | Common Stock | | 130,489 |
| Citigroup Inc | Common Stock | | 1,443,349 |
| Citrix Systems Inc | Common Stock | | 793,198 |
| City Bank Lynnwood Wash | Common Stock | | 24 |
| Clarent Corp | Common Stock | | |
| Clean Diesel Technologies Inc | Common Stock | | 3,000 |
| Clean Energy Fuels Corp | Common Stock | | 38,511 |
| Cliffs Nat Res Inc | Common Stock | | 24,998 |
| CMS Energy Corp | Common Stock | | 990 |
| Coach Inc | Common Stock | | 16,535 |
| Coca Cola Co | Common Stock | | 94,329 |
| Coca Cola Co | Common Stock | | 911,696 |
| Coeur D Alene Mines Corp | Common Stock | | 8,951 |
| Coldwater Creek Inc | Common Stock | | 560 |
| Colonial Bancgroup | Common Stock | | |
| Columbia Laboratories Inc | Common Stock | | 496 |
| Comcast Corp | Common Stock | | 620,889 |
| Comcast Corp | Common Stock | | 5,197 |
| Commtouch Software Limited | Common Stock | | 1,294 |
| Compagnie Financiere Richemont SA | Common Stock | | 2,018 |
| Compass Minerals Intl Inc | Common Stock | | 9,080 |
| Conagra Foods Inc | Common Stock | | 8,425 |
| Concho Resources Inc | Common Stock | | 1,997,144 |
| Conocophillips | Common Stock | | 184,266 |
| Consolidated Communications Hldgs Inc | Common Stock | | 1,775 |
| Consolidated Edison Hldg Co Inc | Common Stock | | 27,640 |
| Constellation Energy Partners LLC | Common Stock | | 14,400 |
| Corinthian Colleges Inc | Common Stock | | 3,560 |
| Corning Inc | Common Stock | | 43,148 |
| Cortex Pharmaceuticals Inc | Common Stock | | 199 |
| Costco Wholesale Corp | Common Stock | | 26,577 |
| Costco Wholesale Corp | Common Stock | | 3,577,689 |

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| | | |
|------------------------------|--------------|---------|
| Covidien Plc | Common Stock | 850,658 |
| Covidien Plc | Common Stock | 8,371 |
| Credit Suisse | Common Stock | 6,408 |
| Cree Inc | Common Stock | 631,452 |
| Crestwood Equity Partners LP | Common Stock | 2,766 |
| Cross Timbers Royalty Trust | Common Stock | 441 |
| Cryolife Inc | Common Stock | 5,545 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------|---------------------------|---------------------|---------------|
| Cst Brands Inc | Common Stock | | 2,353 |
| Ctrip Com Intl Ltd | Common Stock | | 6,451 |
| Cubist Pharmaceuticals Inc | Common Stock | | 5,510 |
| CUI Global Inc | Common Stock | | 101 |
| Cummins Inc | Common Stock | | 46,643 |
| CVR Partners LP | Common Stock | | 8,230 |
| CVS Caremark Corp | Common Stock | | 1,045,948 |
| CVS Caremark Corp | Common Stock | | 763,259 |
| CVS Caremark Corp | Common Stock | | 46,236 |
| Cyan Inc | Common Stock | | 10,580 |
| Cyber-Care Inc | Common Stock | | |
| Cyberonics Inc | Common Stock | | 2,879 |
| Cyclacel Pharmaceuticals Inc | Common Stock | | 571 |
| Cytori Therapeutics Inc | Common Stock | | 1,928 |
| Cytosorbents Corp | Common Stock | | 938 |
| Cytrx Corp | Common Stock | | 34,197 |
| D R Horton Inc | Common Stock | | 1,562 |
| Dan River Inc | Common Stock | | |
| Daulton Cap Corp | Common Stock | | 1 |
| Daystar Technologies Inc | Common Stock | | 1 |
| DBX ETF | Common Stock | | 174 |
| Decisionpoint Sys Inc | Common Stock | | 5 |
| Deckers Outdoor | Common Stock | | 38,007 |
| Deere & Co | Common Stock | | 6,793 |
| Delcath Systems Inc | Common Stock | | 605 |
| Denbury Res Inc | Common Stock | | 8,215 |
| Dendreon Corp | Common Stock | | 92,795 |
| Dennys Corp | Common Stock | | 1,079 |
| Derma Sciences Inc | Common Stock | | 2,164 |
| Destiny Media Technologies Inc | Common Stock | | 5,675 |
| Deutsche Bank AG | Common Stock | | 4,824 |
| Devon Energy Corp | Common Stock | | 9,281 |
| Diageo Plc | Common Stock | | 1,559,953 |
| Diamond Offshore Drilling Inc | Common Stock | | 854 |
| Diana Containerships Inc | Common Stock | | 28 |
| Diana Shipping Inc | Common Stock | | 3,052 |
| Digerati Technologies Inc | Common Stock | | 25 |
| Digital Rlty Tr Inc Com | Common Stock | | 3,938 |
| DirecTV | Common Stock | | 777,745 |
| DirecTV | Common Stock | | 20,027 |
| Discover Finl Svcs | Common Stock | | 27,416 |
| Discovery Communications | Common Stock | | 2,765,625 |

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| | | |
|----------------------------|--------------|---------|
| Discovery Laboratories Inc | Common Stock | 86 |
| Divine Inc | Common Stock | |
| Dolby Laboratories Inc | Common Stock | 5,784 |
| Dollar General Corp | Common Stock | 970,882 |
| Dollar General Corp | Common Stock | 12,305 |
| Dominion Resources Inc | Common Stock | 45,849 |
| Doral Financial Corp | Common Stock | 31 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Dow Chemical Co | Common Stock | | 69,364 |
| Downey Finl Corp | Common Stock | | |
| Dryships Inc | Common Stock | | 31,026 |
| Du Pont E I De Nemours & Co | Common Stock | | 782,691 |
| Du Pont E I De Nemours & Co | Common Stock | | 52,304 |
| Duke Energy Corp | Common Stock | | 155,639 |
| Duke Realty Corp | Common Stock | | 6,768 |
| Duma Energy Corp | Common Stock | | 820 |
| Dunkin Brands Group Inc | Common Stock | | 2,165,017 |
| Dunkin Brands Group Inc | Common Stock | | 7,326 |
| Dynacor Gold Mines Inc | Common Stock | | 3,369 |
| Dynamic Materials Corp | Common Stock | | 761 |
| Dynegy Inc | Common Stock | | 4 |
| E M C Corp | Common Stock | | 14,845 |
| E Trade Finl Corp | Common Stock | | 14,573 |
| Eagle Bulk Shipping Inc | Common Stock | | 115 |
| Eastman Kodak Co | Common Stock | | 3,471 |
| Eaton Corp Plc | Common Stock | | 22,836 |
| Eaton Scientific Sys Inc | Common Stock | | 60 |
| EB2B Commerce Inc | Common Stock | | |
| Ebay Inc | Common Stock | | 14,484 |
| Ebay Inc | Common Stock | | 1,662,899 |
| Ecolocap Solutions Inc | Common Stock | | |
| E-Commerce China Dangdang Inc | Common Stock | | 4,775 |
| EDAP Tms S.A. | Common Stock | | 88,500 |
| Edwards Lifesciences Corp | Common Stock | | 12,805,716 |
| Edwards Lifesciences Corp | Common Stock | | 193,860 |
| Eldorado Gold Corp | Common Stock | | 17,243 |
| Eline Entertainment Group Inc | Common Stock | | |
| Emcore Corp | Common Stock | | 5 |
| Emerson Electric Co | Common Stock | | 5,448 |
| Emulex Corp | Common Stock | | 823 |
| Enbridge Energy Partners LP | Common Stock | | 2,987 |
| Enbridge Inc | Common Stock | | 4,368 |
| Encana Corp | Common Stock | | 537,381 |
| Encana Corp | Common Stock | | 17,148 |
| Endeavour Silver Corp | Common Stock | | 1,815 |
| Endologix Inc | Common Stock | | 1,744 |
| Energy Conversion Devices Inc | Common Stock | | |
| Energy Focus Inc | Common Stock | | 2,350 |
| Energy Transfer Partners LP | Common Stock | | 30,663 |
| Engility Hldgs Inc | Common Stock | | 200 |

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| | | |
|---------------------------------|--------------|-----------|
| Enron Corp | Common Stock | |
| Enterprise Products Pptns LP | Common Stock | 105,977 |
| Entravision Communications Corp | Common Stock | 914 |
| Entremed Inc | Common Stock | 62 |
| EOG Resources Inc | Common Stock | 2,227,471 |
| Epix Pharmaceuticals Inc | Common Stock | |
| Erickson Air-Crane Inc | Common Stock | 10,395 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Escrow Cdc Liquidating Trust | Common Stock | | |
| Estee Lauder Companies | Common Stock | | 2,806,843 |
| Evergreen Solar Inc | Common Stock | | |
| Evolving Sys Inc | Common Stock | | 19,480 |
| Exelixis Inc | Common Stock | | 4,322 |
| Exelon Corp | Common Stock | | 903,350 |
| Exelon Corp | Common Stock | | 24,596 |
| Exeter Resource Corp | Common Stock | | 2,120 |
| Exone Co | Common Stock | | 7,074 |
| Expedia Inc | Common Stock | | 2,159 |
| Expeditors Intl Wash Inc | Common Stock | | 13,671 |
| Express Scripts Holding Co | Common Stock | | 20,018 |
| Express Scripts Holding Co | Common Stock | | 2,546,441 |
| Exxon Mobil Corp | Common Stock | | 53,899 |
| Exxon Mobil Corp | Common Stock | | 2,298,401 |
| F5 Networks Inc | Common Stock | | 13,629 |
| Facebook Inc | Common Stock | | 3,798,981 |
| Facebook Inc | Common Stock | | 726,121 |
| Fairpoint Communications Inc | Common Stock | | |
| Federal Natl Mtg Assn | Common Stock | | 98,328 |
| Ferrellgas Partners LP | Common Stock | | 2,295 |
| Fireeye Inc | Common Stock | | 402,983 |
| First China Pharmaceutical Group Inc | Common Stock | | 2,025 |
| First Majestic Silver Corp | Common Stock | | 9,800 |
| First Physicians Cap Group Inc | Common Stock | | |
| First Solar Inc | Common Stock | | 3,552 |
| Flexsteel Inds Inc | Common Stock | | 6,146 |
| Flextronics Intl Ltd | Common Stock | | 7,770 |
| Flextronics Intl Ltd | Common Stock | | 593,854 |
| Fluor Corp | Common Stock | | 4,169 |
| FMC Technologies Inc | Common Stock | | 947,839 |
| Focus Gold Corp | Common Stock | | |
| Food Technology Svc Inc | Common Stock | | 3,550 |
| Ford Motor Co | Common Stock | | 1,256,244 |
| Ford Motor Co | Common Stock | | 219,236 |
| Fortress Invt Group Llc Del Cl A Delaware | Common Stock | | 4,280 |
| Fossil Group Inc | Common Stock | | 2,399 |
| Foster Wheeler AG | Common Stock | | 23,101 |
| Franco Nevada Corp | Common Stock | | 41,001 |
| Franklin Res Inc | Common Stock | | 38,690 |
| Freddie Mac | Common Stock | | 68,605 |
| Freeport McMoran Copper & Gold Inc | Common Stock | | 127,167 |

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| | | |
|---|--------------|--------|
| Fresenius Kabi Pharmaceuticals Hldg Inc | Common Stock | |
| Frontier | Common Stock | 28,090 |
| Fuel Sys Solutions Inc | Common Stock | 3,468 |
| Fuel Tech Inc | Common Stock | 553 |
| Futuremedia Plc | Common Stock | |
| FX Energy Inc | Common Stock | 512 |
| Galena Biopharma | Common Stock | 645 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------------|---------------------------|---------------------|---------------|
| Gas Nat Inc | Common Stock | | 2,435 |
| Geeknet Inc | Common Stock | | 4,034 |
| Generac Hldgs Inc | Common Stock | | 22,826 |
| General Dynamics Corp | Common Stock | | 14,396 |
| General Electric Co | Common Stock | | 2,327,751 |
| General Electric Co | Common Stock | | 318,060 |
| General Electric Co | Common Stock | | 766,691 |
| General Mills Inc | Common Stock | | 96,183 |
| General Motors Co | Common Stock | | 14,305 |
| Generex Biotechnology Corp | Common Stock | | 225 |
| Genetic Technologies Ltd | Common Stock | | 14 |
| Geo Group Inc | Common Stock | | 945 |
| Geopharma Inc | Common Stock | | 17 |
| Giant Interactive Group Inc | Common Stock | | 4,413 |
| Gilead Sciences Inc | Common Stock | | 3,360,327 |
| Gilead Sciences Inc | Common Stock | | 53,396 |
| Glaxosmithkline Plc | Common Stock | | 1,335 |
| GMX Resources Inc | Common Stock | | 2 |
| Gogo Inc | Common Stock | | 1,067 |
| Gold Fields Ltd | Common Stock | | 1,280 |
| Goldcorp Inc | Common Stock | | 22 |
| Golden Star Resources Ltd | Common Stock | | 1,760 |
| Goldman Sachs Group Inc | Common Stock | | 3,213,492 |
| Goldman Sachs Group Inc | Common Stock | | 12,617 |
| Google Inc | Common Stock | | 8,073,019 |
| Google Inc | Common Stock | | 719,323 |
| Google Inc | Common Stock | | 66,122 |
| GPO Aeroportuario Del Sureste Sab | Common Stock | | 2,690 |
| Grace W R & Co Del | Common Stock | | 29,661 |
| Grand Pacaraima Gold Corp | Common Stock | | 2 |
| Graphic Packaging Hldg Co | Common Stock | | 1,920 |
| Great Basin Gold | Common Stock | | 28 |
| Great Panther Silver Limited | Common Stock | | 3,650 |
| Green Earth Technologies Inc | Common Stock | | 1,020 |
| Green Innovations Ltd | Common Stock | | 234 |
| Greenhunter Energy Inc | Common Stock | | |
| Grifols Sa | Common Stock | | 2,853 |
| Groupon Inc | Common Stock | | 8,000 |
| GSI Technology Inc | Common Stock | | 3,320 |
| Guess? Inc | Common Stock | | 1,119 |
| Guggenheim | Common Stock | | 18,708 |
| Halliburton Co | Common Stock | | 1,222,766 |

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|-----------------------------------|--------------|---------|
| Halliburton Co | Common Stock | 1,817 |
| Halozyme Therapeutics Inc | Common Stock | 176,567 |
| Hannon Armstrong Sustainable Infl | Common Stock | 2,792 |
| Hansen Med Inc | Common Stock | 3,028 |
| Hanwha Solarone Company Ltd | Common Stock | 28 |
| Hartford Finl Svcs Group Inc | Common Stock | 4,862 |
| Hasbro Inc | Common Stock | 7,633 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|---------------|
| Hatteras Finl Corp Com | Common Stock | | 3,754 |
| HCA Hlds Inc | Common Stock | | 23,855 |
| HCP Inc Com | Common Stock | | 11,300 |
| Headwaters Inc | Common Stock | | 12,238 |
| Health Care Reit Inc | Common Stock | | 5,357 |
| Healthwarehouse.com | Common Stock | | 9 |
| Hecla Mining Co | Common Stock | | 9,223 |
| Hemp Inc | Common Stock | | 200 |
| Henry Jack & Associates Inc | Common Stock | | 11,013 |
| Hercules Offshore Inc | Common Stock | | 26,736 |
| Hermes International | Common Stock | | 4,357 |
| Hertz Global Hlds Inc | Common Stock | | 18,031 |
| Hess Corp | Common Stock | | 762,217 |
| Hewlett-Packard Co | Common Stock | | 39,432 |
| Hi-Crush Partners LP | Common Stock | | 3,704 |
| Hipericket Inc | Common Stock | | 36,700 |
| Hollyfrontier Corporation | Common Stock | | 30,969 |
| Hologic Inc | Common Stock | | 2,235 |
| Home Depot Inc | Common Stock | | 217,081 |
| Home Solutions Amer Inc | Common Stock | | |
| Honda Motor Co | Common Stock | | 26,878 |
| Honeywell International Inc | Common Stock | | 1,222,532 |
| Honeywell International Inc | Common Stock | | 45,779 |
| Horizon Lines Inc | Common Stock | | 34 |
| Hospira Inc | Common Stock | | 14,861 |
| Hospira Inc | Common Stock | | 533,984 |
| Houston Amern Energy Corp | Common Stock | | 7,725 |
| Hovnanian Enterprise Inc | Common Stock | | 12,419 |
| Howard Hughes Corp | Common Stock | | 3,123 |
| HSBC Holdings Plc | Common Stock | | 34,610 |
| HSN Inc | Common Stock | | 748 |
| Hugoton Rty Tr Tex Unit Ben Int | Common Stock | | 1,377 |
| Huntington Bancshares Inc | Common Stock | | 6,626 |
| Hydrogenics Corporation | Common Stock | | 1,379 |
| Hyperdynamics Corp | Common Stock | | 4,831 |
| IAC / Interactivecrp | Common Stock | | 2,128 |
| Iamgold Corp | Common Stock | | 6,660 |
| Icahn Enterprises LP | Common Stock | | 47,046 |
| ICG Group Inc | Common Stock | | 1,397 |
| Idearc Inc | Common Stock | | |
| Idera Pharmaceuticals Inc | Common Stock | | 4,630 |
| IGI Laboratories Inc | Common Stock | | 1,052 |

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| | | |
|-----------------------|--------------|---------|
| Igo Inc | Common Stock | 10 |
| Illinois Tool Works | Common Stock | 5,435 |
| Illumina Inc | Common Stock | 11,059 |
| Illumina Inc | Common Stock | 548,237 |
| Imaging3 Inc | Common Stock | |
| Imation Corp | Common Stock | 468 |
| Implant Sciences Corp | Common Stock | 9,398 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------------|---------------------------|---------------------|---------------|
| Inception Mng Inc | Common Stock | | 14 |
| Incyte Genomics Inc | Common Stock | | 146,574 |
| Inditex Unspn Adr | Common Stock | | 3,929,974 |
| Indymac Bancorp Inc | Common Stock | | |
| Infinera Corp | Common Stock | | 8,802 |
| Infinity Energy Resources Inc | Common Stock | | 20,989 |
| Infosys Technologies Limited | Common Stock | | 2,830 |
| ING | Common Stock | | 8,221 |
| Ingles Mkts Inc | Common Stock | | 21,236 |
| Inovio Biomedical Corp | Common Stock | | 435,000 |
| Inplay Technologies Inc | Common Stock | | |
| Insmmed Incorporated | Common Stock | | 2,516 |
| Insys Therapeutics Inc | Common Stock | | 1,239 |
| Intel Corp | Common Stock | | 188,649 |
| Intelsat SA | Common Stock | | 2,254 |
| Interactive Leisure Sys Inc | Common Stock | | 6 |
| Intercontinental Exchange Grp Inc | Common Stock | | 22,557 |
| Intermolecular Inc | Common Stock | | 12,300 |
| Intermune Inc | Common Stock | | 18,118 |
| Interoil Corp | Common Stock | | 24,715 |
| Interval Leisure Group Inc | Common Stock | | 371 |
| Intl Business Mach | Common Stock | | 39,077 |
| Intl Fuel Tech Inc | Common Stock | | 156 |
| Intrexon Corp | Common Stock | | 23,800 |
| Intuitive Surgical Inc | Common Stock | | 1,920 |
| Invensense Inc | Common Stock | | 10,390 |
| Invesco Ltd | Common Stock | | 733,245 |
| Invesco Van Kampen | Common Stock | | 2,297 |
| Invivo Therapeutics Hldgs Corp | Common Stock | | 2,296 |
| Invo Bioscience Inc | Common Stock | | 108 |
| IPG Photonics Corp | Common Stock | | 14,746 |
| ISC8 Inc | Common Stock | | 13 |
| Isis Pharmaceuticals | Common Stock | | 3,586 |
| Italk Inc | Common Stock | | 56 |
| Ite Hldgs Corp | Common Stock | | 2,396 |
| Ivanhoe Energy Inc | Common Stock | | 1,198 |
| Ja Solar Holdings Co Ltd | Common Stock | | 2,430 |
| Jabil Circuit Inc | Common Stock | | 26,160 |
| James Riv Coal Co | Common Stock | | 2,700 |
| Jazz Pharmaceuticals Plc | Common Stock | | 12,656 |
| JDS Uniphase Corp | Common Stock | | 2,428 |
| Jensen Portfolio, Inc | Common Stock | | 94,495 |

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|-----------------------------|--------------|-----------|
| Jetblue Awys Corp | Common Stock | 10,675 |
| John Bean Technologies Corp | Common Stock | 676 |
| Johnson & Johnson | Common Stock | 194,499 |
| Johnson & Johnson | Common Stock | 850,146 |
| Johnson Controls Inc | Common Stock | 1,248,682 |
| Johnson Controls Inc | Common Stock | 9,051 |
| Joy Global Inc | Common Stock | 4,387 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|---------------------------|---------------------|---------------|
| JP Morgan Chase & Co | Common Stock | | 39,675 |
| JP Morgan Chase & Co | Common Stock | | 9,270 |
| JP Morgan Chase & Co | Common Stock | | 1,235,773 |
| Juniper Networks Inc | Common Stock | | 38,369 |
| Kandi Technologies Corp | Common Stock | | 17,685 |
| Kansas City Southern | Common Stock | | 938,350 |
| Kearny Finl Corp | Common Stock | | 11,630 |
| Keryx Biopharmaceuticals Inc | Common Stock | | 1,295 |
| Keycorp | Common Stock | | 13,420 |
| Kilroy Realty Corp | Common Stock | | 3,385 |
| Kimberly Clark Corp | Common Stock | | 41,784 |
| Kinder Morgan Energy Partners LP | Common Stock | | 244,692 |
| Kinder Morgan Inc Delaware | Common Stock | | 21,664 |
| Kinder Morgan Mgmt LLC | Common Stock | | 73,962 |
| Kinross Gold Corp | Common Stock | | 8,760 |
| KKR & Co LP | Common Stock | | 9,736 |
| Kma Global Solutions Intl Inc | Common Stock | | 70 |
| Knightsbridge Tank | Common Stock | | 8,914 |
| Kobex Minerals Inc | Common Stock | | 471 |
| Kodiak Oil & Gas Corp | Common Stock | | 11,210 |
| Kohl s Corp | Common Stock | | 622,023 |
| Kohl s Corp | Common Stock | | 65,925 |
| Kraft Foods Group Inc | Common Stock | | 54,689 |
| Krispy Kreme Doughnuts Inc | Common Stock | | 19,290 |
| Kronos Worldwide Inc | Common Stock | | 79 |
| L-3 Communications Hldgs Inc | Common Stock | | 4,043 |
| Laboratory Corp Of America Hldgs | Common Stock | | 18,274 |
| LDK Solar Co Ltd | Common Stock | | 1,006 |
| Leap Wireless Intl Inc | Common Stock | | |
| Legacy Resvs LP | Common Stock | | 2,816 |
| Lehman Brothers Holdings Inc | Common Stock | | |
| Level 3 | Common Stock | | 6,634 |
| Lifeline Biotechnologies Inc | Common Stock | | |
| Lilly Eli & Co | Common Stock | | 16,575 |
| Limelight Networks Inc | Common Stock | | 2,970 |
| Linkedin Corp | Common Stock | | 3,348,037 |
| Linn Co Llc | Common Stock | | 4,382 |
| Linn Energy LLC | Common Stock | | 99,461 |
| Linux Gold Corp | Common Stock | | 25 |
| Lions Gate Entertainment Corp | Common Stock | | 12,664 |
| Lithia Motors Inc | Common Stock | | 3,493 |
| Live Nation Entertainment Inc | Common Stock | | 336 |

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|----------------------------------|--------------|---------|
| Lone Pine Resources Inc | Common Stock | 8,383 |
| Loral Space & Communications Ltd | Common Stock | |
| Lorillard Inc | Common Stock | 5,123 |
| Lowe's Companies, Inc | Common Stock | 606,712 |
| Lowe's Companies, Inc | Common Stock | 23,858 |
| LPBP Inc | Common Stock | |
| LSI Logic Corp | Common Stock | 364 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Lululemon Athletica Inc | Common Stock | | 64,933 |
| Lynas Corporation | Common Stock | | 132 |
| Lyondellbasell Industries N V | Common Stock | | 40,140 |
| M 2003 Plc | Common Stock | | |
| M D U Res Group Inc | Common Stock | | 3,190 |
| Macquarie Infrastructure Co | Common Stock | | 27,215 |
| Macys Inc | Common Stock | | 26,700 |
| Mahanagar Tel Nigam Ltd | Common Stock | | 80 |
| Main Str Cap Corp | Common Stock | | 42,596 |
| Mallinckrodt Plc | Common Stock | | 105 |
| Mandalay Digital Group Inc | Common Stock | | 13 |
| Manhattan Scientific Inc | Common Stock | | 6,230 |
| Manitowoc Inc | Common Stock | | 4,431 |
| Mankind Corp | Common Stock | | 73,762 |
| Marathon Oil Corp | Common Stock | | 56,480 |
| Marathon Oil Corp | Common Stock | | 1,118,915 |
| Marathon Petroleum Corp | Common Stock | | 66,208 |
| Markel Corp Hldg Co | Common Stock | | 13,928 |
| Marlin Midstream Partners LP | Common Stock | | 13,440 |
| Marsh & McLennan Cos | Common Stock | | 692,423 |
| Mast Therapeutics Inc | Common Stock | | 13,860 |
| Mastercard Inc | Common Stock | | 7,961,876 |
| Mastercard Inc | Common Stock | | 75,191 |
| Mazor Robotics Ltd | Common Stock | | 976 |
| McDonald's Corp | Common Stock | | 723,386 |
| McDonald's Corp | Common Stock | | 53,752 |
| McKesson Corp | Common Stock | | 545,860 |
| Medbox Inc | Common Stock | | 237 |
| Medclean Technologies Inc | Common Stock | | 24 |
| Medical Pptys Tr Inc | Common Stock | | 7,615 |
| Medicines Co | Common Stock | | 19,310 |
| Medivation Inc | Common Stock | | 2,170 |
| Medtronic Inc | Common Stock | | 13,230 |
| Meetme Inc | Common Stock | | 9,150 |
| Merck & Co Inc | Common Stock | | 97,515 |
| Merck & Co Inc | Common Stock | | 1,140,762 |
| * MetLife Inc | Common Stock | | 6,172 |
| MGIC Invst Corp Wis | Common Stock | | 2,125 |
| MGM Mirage | Common Stock | | 1,646 |
| Michael Kors Holdings Ltd | Common Stock | | 1,845,548 |
| Michael Kors Holdings Ltd | Common Stock | | 113,666 |
| Micro Imaging Technology Inc | Common Stock | | 21 |

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| | | |
|---------------------|--------------|---------|
| Micron Technology | Common Stock | 21,750 |
| Microsoft Corp | Common Stock | 56,967 |
| Microsoft Corp | Common Stock | 735,513 |
| Microvision Inc Del | Common Stock | 3,300 |
| Miller Herman Inc | Common Stock | 2,952 |
| Mimedx Group Inc | Common Stock | 17,366 |
| Mirant Corp | Common Stock | |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------------|---------------------------|---------------------|---------------|
| Miravant Medical Technology | Common Stock | | |
| Mitek Sys Inc | Common Stock | | 5,940 |
| Modern Energy Corp | Common Stock | | |
| Molecular Insight Pharmaceuticals Inc | Common Stock | | |
| Molina Healthcare Inc | Common Stock | | 6,950 |
| Molycorp Inc Delaware | Common Stock | | 7,166 |
| Momenta Pharmaceuticals Inc | Common Stock | | 849 |
| Mondelez International Inc | Common Stock | | 3,002,109 |
| Mondelez International Inc | Common Stock | | 48,800 |
| Monitise Plc | Common Stock | | 1,602 |
| Monsanto Co | Common Stock | | 4,695,356 |
| Monsanto Co | Common Stock | | 1,300,493 |
| Monsanto Co | Common Stock | | 17,493 |
| Monster Beverage Corp | Common Stock | | 3,253 |
| Morgan Stanley | Common Stock | | 2,450,820 |
| Morgan Stanley | Common Stock | | 12,544 |
| Mosaic Co | Common Stock | | 487,775 |
| Mosaic Co | Common Stock | | 11,273 |
| Motorola Solutions Inc | Common Stock | | 4,793 |
| Multi-Corp Intl Inc | Common Stock | | 540 |
| Musclepharm Corp | Common Stock | | 1,824 |
| Myecheck Inc | Common Stock | | 162 |
| Nanogen Inc | Common Stock | | 8 |
| Nanosphere Inc | Common Stock | | 172 |
| National Grid New | Common Stock | | 13,064 |
| National Oilwell Varco Inc | Common Stock | | 2,386 |
| Navidea Biopharmaceuticals Inc | Common Stock | | 20,607 |
| Navios Maritime Holdings Inc | Common Stock | | 47,852 |
| Navios Maritime Partners LP | Common Stock | | 9,560 |
| Neon Communications Inc | Common Stock | | |
| Neostem Inc | Common Stock | | 61,380 |
| Nephros Inc | Common Stock | | 530 |
| Nestle SA | Common Stock | | 7,342 |
| Netapp Inc | Common Stock | | 599,203 |
| Netapp Inc | Common Stock | | 3,291 |
| Netflix Inc | Common Stock | | 2,115,142 |
| Netgear Inc | Common Stock | | 3,294 |
| New Centy Finl Corp | Common Stock | | |
| New Ireland Fd Inc | Common Stock | | 9,144 |
| Newfield Exploration Co | Common Stock | | 17,241 |
| Newmont Mng Corp Hldg | Common Stock | | 24,162 |
| Nextera Energy Inc | Common Stock | | 79,977 |

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| | | |
|-------------------------------------|--------------|-----------|
| Nike Inc | Common Stock | 19,537 |
| Nike Inc | Common Stock | 3,912,260 |
| Nokia Corp | Common Stock | 24,783 |
| Nordic American Tanker Shipping Ltd | Common Stock | 33,058 |
| Nordstrom Inc | Common Stock | 2,781 |
| Norstra Energy Inc | Common Stock | 331 |
| Nortel Networks Corp | Common Stock | |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|---------------------------|---------------------|---------------|
| North American Palladium | Common Stock | | 1,302 |
| Northfield Laboratories Inc | Common Stock | | |
| Northwest Biotherapeutics Inc | Common Stock | | 154,193 |
| Novartis AG | Common Stock | | 49,687 |
| Novartis AG | Common Stock | | 1,111,203 |
| Novartis AG | Common Stock | | 722,282 |
| Novatel Wireless Inc | Common Stock | | 2,844 |
| Novavax Inc | Common Stock | | 4,096 |
| Novelos Therapeutics Inc | Common Stock | | 20 |
| Novo Nordisk | Common Stock | | 27,058 |
| Novo Nordisk | Common Stock | | 3,140,196 |
| NPS Pharmaceuticals Inc | Common Stock | | 30,360 |
| NRG Energy Inc | Common Stock | | 11,028 |
| NTT Docomo Inc | Common Stock | | 13,208 |
| Nuance | Common Stock | | 3,800 |
| Nucor Corp | Common Stock | | 24,307 |
| Nutri Sys Inc | Common Stock | | 493 |
| Nuverra Environmental Solutions Inc | Common Stock | | 11,753 |
| Nvidia Corp | Common Stock | | 30,482 |
| Nxstage Med Inc | Common Stock | | 3,850 |
| O Reilly Automotive Inc | Common Stock | | 11,326 |
| Occidental Petroleum Corp | Common Stock | | 3,469 |
| Ocean Rig Udw Inc | Common Stock | | 924 |
| Oclaro Inc | Common Stock | | 498 |
| Office Depot Inc | Common Stock | | 10,580 |
| Oilsands Quest Inc | Common Stock | | 30 |
| Olin Corp | Common Stock | | 3,366 |
| Omega Healthcare Invs Inc | Common Stock | | 4,951 |
| Omega Navigation Enterprises Inc | Common Stock | | |
| Omniceil Inc | Common Stock | | 12,765 |
| Oncogenex Pharmaceuticals Inc | Common Stock | | 142 |
| Oncolytics Biotech Inc | Common Stock | | 240,715 |
| Oncomed Pharmaceuticals Inc | Common Stock | | 59,040 |
| Onconova Therapeutics Inc | Common Stock | | 20,113 |
| Opko Health Inc | Common Stock | | 5,528 |
| Optigenex Inc | Common Stock | | 4 |
| Oracle Corp | Common Stock | | 1,229,740 |
| Oracle Corp | Common Stock | | 51,309 |
| Orange | Common Stock | | 12,968 |
| Orbital Sciences Corp | Common Stock | | 11,650 |
| Orexigen Therapeutics Inc | Common Stock | | 5,630 |
| Organovo Hldgs Inc | Common Stock | | 3,044 |

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| | | |
|--------------------------|--------------|---------|
| Origin Agritech Limited | Common Stock | 635 |
| Osh One Liquidating Corp | Common Stock | 2 |
| Osiris Therapeutics Inc | Common Stock | 12,060 |
| Outerwall Inc | Common Stock | 4,709 |
| Owens Illinois Inc | Common Stock | 349,778 |
| Owens Illinois Inc | Common Stock | 551,166 |
| Oxigene Inc | Common Stock | 3,100 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|---------------------------|---------------------|---------------|
| Paa Nat Gas Storage LP | Common Stock | | 24,187 |
| Paccar Inc | Common Stock | | 5,917 |
| Pacific Ethanol Inc | Common Stock | | 1,710 |
| Palatin Technologies Inc | Common Stock | | 37 |
| Pan American Silver Corp | Common Stock | | 6,670 |
| Panacos Pharmaceuticals Inc | Common Stock | | |
| Pandora Media Inc | Common Stock | | 665 |
| Parametric Sound Corp | Common Stock | | 17,313 |
| Parkway Properties Inc | Common Stock | | 7,966 |
| Patriot Coal Corp | Common Stock | | 20 |
| Patterson-Uti Energy Inc | Common Stock | | 12,660 |
| Pay Chest Inc | Common Stock | | |
| Paychex Inc | Common Stock | | 36,912 |
| PDI Inc | Common Stock | | 481 |
| PDL Biopharma Inc | Common Stock | | 12,660 |
| Peabody Energy Corp | Common Stock | | 1,177 |
| Pembina Pipeline Corporation | Common Stock | | 144 |
| Penn West Petroleum Ltd | Common Stock | | 4,379 |
| Pennantpark Invt Corp | Common Stock | | 1,220 |
| Penney J C Co Inc | Common Stock | | 14,640 |
| Pennymac Mortgage Investment | Common Stock | | 26,348 |
| Pentair Ltd | Common Stock | | 388 |
| Pepco Hldgs Inc | Common Stock | | 60,145 |
| Pepsico Inc | Common Stock | | 41,529 |
| Perceptron Inc | Common Stock | | 12,483 |
| Peregrine Pharmaceuticals Inc | Common Stock | | 329 |
| Permian Basin Rty Tr | Common Stock | | 4,501 |
| Perrigo Co Plc | Common Stock | | 8,287 |
| Perrigo Co Plc | Common Stock | | 2,049,964 |
| Pershing Gold Corp | Common Stock | | 7,798 |
| Petmedexpress Inc | Common Stock | | 2,068 |
| Petrochina Co Ltd | Common Stock | | 1,317 |
| Petroleo Brasileiro Sa Petrobras | Common Stock | | 53,476 |
| Petsmart Inc | Common Stock | | 5,093 |
| Pfizer Inc | Common Stock | | 2,086,957 |
| Pfizer Inc | Common Stock | | 168,684 |
| Pharmacyclics Inc | Common Stock | | 10,578 |
| Pharmathene Inc | Common Stock | | 27,900 |
| Pharmos Corp | Common Stock | | 1 |
| Philip Morris Intl Inc | Common Stock | | 152,867 |
| Phillips 66 | Common Stock | | 97,828 |
| Pilgrims Pride Corp | Common Stock | | 4,469 |

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|---------------------------------|--------------|--------|
| Pilot Gold Inc | Common Stock | 4,856 |
| Pioneer Energy Svcs Corp | Common Stock | 801 |
| Pitney Bowes Inc | Common Stock | 16,310 |
| Pixelworks Inc | Common Stock | 4,820 |
| Plains All American Pipeline LP | Common Stock | 49,440 |
| Platinum Group Metals Ltd | Common Stock | 3,510 |
| Platinum Studios Inc California | Common Stock | |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Plum Creek Timber Co Inc | Common Stock | | 13,953 |
| Pluristem Therapeutics Inc | Common Stock | | 1,218 |
| PMC-Sierra Inc | Common Stock | | 4,501 |
| PNC Financial Services Group | Common Stock | | 1,378,922 |
| Polymedix Inc | Common Stock | | 2 |
| Polymet Mining Corp | Common Stock | | 14,023 |
| Pop3 Media Corp | Common Stock | | |
| Portfolio Recovery Assocs Inc | Common Stock | | 4,914 |
| Positiveid Corp | Common Stock | | 11 |
| Potash Corp Sask Inc | Common Stock | | 125,023 |
| Potbelly Corp | Common Stock | | 30,350 |
| Power 3 Med Prods Inc | Common Stock | | |
| PPG Industries | Common Stock | | 75,864 |
| Prana Biotechnology Ltd | Common Stock | | 90,618 |
| Precision Castparts Corp | Common Stock | | 3,232 |
| Precision Castparts Corp | Common Stock | | 3,918,888 |
| Priceline.com Inc | Common Stock | | 3,487 |
| Priceline.com Inc | Common Stock | | 5,128,451 |
| Pricesmart Inc | Common Stock | | 1,753 |
| Primero Mining | Common Stock | | 2,220 |
| Procter & Gamble Co | Common Stock | | 546,643 |
| Procter & Gamble Co | Common Stock | | 137,534 |
| Progenics Pharmaceuticals | Common Stock | | 5,330 |
| Prologis Inc Com | Common Stock | | 385 |
| Prospect Energy Corp | Common Stock | | 34,007 |
| Prothena Corp Plc | Common Stock | | 3,554 |
| Provectus Pharmaceutical Inc | Common Stock | | 12,050 |
| Proxim Wireless Corp | Common Stock | | 48 |
| Pulse Beverage Corp | Common Stock | | 2,460 |
| Qr Energy LP | Common Stock | | 19,654 |
| Quadrant 4 Sys Corp | Common Stock | | 1,900 |
| Qualcomm Inc | Common Stock | | 30,601 |
| Qualcomm Inc | Common Stock | | 916,482 |
| Quality Systems | Common Stock | | 22,265 |
| Quantum Fuel Sys Technologies Worldwide Inc | Common Stock | | 4,875 |
| Quest Diagnostics Inc | Common Stock | | 13,385 |
| Questcor Phar Inc | Common Stock | | 2,777 |
| Radian Group Inc | Common Stock | | 7,204 |
| Radiant Pharmaceuticals Corp | Common Stock | | |
| Ralph Lauren Corp | Common Stock | | 1,805,446 |
| Rambus Inc | Common Stock | | 9,470 |
| Ramp Corp | Common Stock | | |

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| | | |
|--------------------|--------------|-----------|
| Ranger Equity Bear | Common Stock | 9,800 |
| Rayonier Inc | Common Stock | 16,419 |
| Raystream Inc | Common Stock | |
| Raytheon Co | Common Stock | 4,601 |
| Realty Income Corp | Common Stock | 19,336 |
| Red Hat Inc | Common Stock | 2,582,688 |
| Regions Finl Corp | Common Stock | 15,215 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------------|---------------------------|---------------------|---------------|
| Reliance Steel and Aluminum Co | Common Stock | | 7,584 |
| Rentech Nitrogen Partners LP | Common Stock | | 71,444 |
| Repligen Corp | Common Stock | | 4,774 |
| Republic Services Inc | Common Stock | | 340,949 |
| Resource Cap Corp | Common Stock | | 141,940 |
| Rhino Resource Partners LP | Common Stock | | 2,276 |
| Ricebran Technologies | Common Stock | | 2,021 |
| Rite Aid Corp | Common Stock | | 1,265 |
| Rock-Tenn Co | Common Stock | | 15,752 |
| Rockwell Automation Inc | Common Stock | | 47,264 |
| Rolls Royce Holdings | Common Stock | | 1,129,816 |
| Rosetta Stone Inc | Common Stock | | 1,222 |
| Royal Bk Scotland Group Plc | Common Stock | | 567 |
| Royal Dutch Shell | Common Stock | | 7,127 |
| Royal Gold Inc | Common Stock | | 13,821 |
| Rubicon Minerals Corp | Common Stock | | 15,929 |
| Rxi Pharmaceuticals Corp | Common Stock | | 31,900 |
| Salesforce.com Inc | Common Stock | | 3,223,536 |
| Samson Oil & Gas Ltd | Common Stock | | 415 |
| San Gold Corporation | Common Stock | | 72 |
| San Juan Basin Rty Tr | Common Stock | | 8,418 |
| Sandisk Corp | Common Stock | | 28,216 |
| Sandridge Energy Inc | Common Stock | | 30,775 |
| Sanmina Corp | Common Stock | | 3,340 |
| Sanofi SA | Common Stock | | 11,519 |
| Sanofi SA | Common Stock | | 699,035 |
| Santarus Inc | Common Stock | | 15,980 |
| Sarepta Therapeutics Inc | Common Stock | | 136,479 |
| Satcon Technology Corp | Common Stock | | 1 |
| Savient Pharmaceuticals Inc | Common Stock | | 17 |
| Schlumberger Ltd | Common Stock | | 2,653,193 |
| Schlumberger Ltd | Common Stock | | 71,553 |
| Schlumberger Ltd | Common Stock | | 720,735 |
| Charles Schwab Corp | Common Stock | | 554,555 |
| Seadrill Ltd | Common Stock | | 19,951 |
| Seagate Technology Plc | Common Stock | | 17,968 |
| Sears Canada Inc | Common Stock | | 1,040 |
| Senesco Technologies Inc | Common Stock | | 6,010 |
| Senior Housing Prop Trust | Common Stock | | 44,460 |
| SESA Sterlite Ltd | Common Stock | | 566 |
| Ship Finance International Limited | Common Stock | | 466 |
| Sibanye Gold Limited | Common Stock | | 481 |

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| | | |
|---------------------------|--------------|---------|
| Silver Bay Realty Tr Corp | Common Stock | 192 |
| Silver Wheaton Corp | Common Stock | 45,193 |
| Sirius Xm Hldgs Inc | Common Stock | 269,164 |
| Skyworks Solutions Inc | Common Stock | 1,000 |
| SMF Energy Corp | Common Stock | 604 |
| Smith & Wesson Hldg Corp | Common Stock | 6,745 |
| Smurfit Stone Container | Common Stock | |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|---------------------------|---------------------|---------------|
| Socket Mobile Inc | Common Stock | | 18,459 |
| Solar Cap Ltd | Common Stock | | 17,787 |
| Soligenix Inc | Common Stock | | 5,994 |
| Sony Corp | Common Stock | | 53 |
| Sothebys Hldgs Inc | Common Stock | | 2,128 |
| Southern Co | Common Stock | | 228,161 |
| Southern Copper Corp | Common Stock | | 28,834 |
| Southwest Airlines | Common Stock | | 15,138 |
| Southwest Airlines | Common Stock | | 612,060 |
| Southwestern Energy Co | Common Stock | | 753,430 |
| Spectra Energy Corp | Common Stock | | 45,267 |
| Spectranetics Corp | Common Stock | | 8,000 |
| Spirit Aerosystems Hldgs Inc | Common Stock | | 2,556 |
| Splunk Inc | Common Stock | | 1,993,164 |
| Spongetech Delivery Sys Inc | Common Stock | | |
| Sports Concepts Inc | Common Stock | | |
| Sprint Corporation | Common Stock | | 28,896 |
| Sprott Physical Silver Trust | Common Stock | | 30,873 |
| Sprouts Farmers Market Inc | Common Stock | | 417,882 |
| Spyglass Resources Corp | Common Stock | | 175 |
| St Jude Medical Inc | Common Stock | | 13,127 |
| Stag Indl Inc | Common Stock | | 5,227 |
| Standex Intl Corp | Common Stock | | 6,288 |
| Stanley Black & Decker Inc | Common Stock | | 5,277 |
| Star Bulk Carriers Corp | Common Stock | | 213 |
| Starbucks Corp | Common Stock | | 7,839 |
| Starbucks Corp | Common Stock | | 2,142,538 |
| Statoil Asa | Common Stock | | 5,078 |
| Steelcase Inc | Common Stock | | 7,930 |
| Stellar Biotechnologies Inc | Common Stock | | 5,628 |
| Stem Cell Innovations Inc | Common Stock | | |
| Stemcells Inc | Common Stock | | 12,460 |
| Stereotaxis Inc | Common Stock | | 2,353 |
| Stevia Corp | Common Stock | | 49 |
| Stryker Corp | Common Stock | | 2,404 |
| Sulphco Inc | Common Stock | | 6 |
| Suncor Energy | Common Stock | | 2,417 |
| Sunesis Pharmaceuticals Inc | Common Stock | | 7,897 |
| Suntech Pwr Hldgs Co Ltd | Common Stock | | 143 |
| Suntrust Banks Inc | Common Stock | | 8,423 |
| Surebeam Corp | Common Stock | | |
| Swatch Group AG | Common Stock | | 1,946,980 |

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| | | |
|------------------------------------|--------------|---------|
| Swift Energy Co | Common Stock | 3,375 |
| Swingplane Ventures Inc | Common Stock | 6 |
| Symantec Corp | Common Stock | 669,421 |
| Syntax Brillian Corp | Common Stock | |
| Sysco Corp | Common Stock | 4,946 |
| Tableau Software Inc | Common Stock | 384,092 |
| Taiwan Semiconductor Manufacturing | Common Stock | 7,011 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------|---------------------------|---------------------|---------------|
| Target Corp | Common Stock | | 13,398 |
| Taseko Mines Ltd | Common Stock | | 34,109 |
| Taser International Inc | Common Stock | | 38,112 |
| Tasman Metals Ltd | Common Stock | | 3,030 |
| Tata Mtrs Ltd | Common Stock | | 23,090 |
| Te Connectivity Ltd | Common Stock | | 1,212 |
| Tearlab Corporation | Common Stock | | 467 |
| Teck Cominco Ltd | Common Stock | | 2,601 |
| Templeton Global Income Fd Inc | Common Stock | | 1,590 |
| Teradata Corp | Common Stock | | 229,089 |
| Terex Corp | Common Stock | | 3,149 |
| Terra Inventions Corp | Common Stock | | 4 |
| Terra Nitrogen Co LP | Common Stock | | 6,350 |
| Tesla Motors Inc | Common Stock | | 1,515,525 |
| Tesla Motors Inc | Common Stock | | 221,732 |
| Tesoro Pete Corp | Common Stock | | 1,872 |
| Teva Pharmaceutical Inds Ltd | Common Stock | | 57,412 |
| Texas Instruments Inc | Common Stock | | 1,380,989 |
| Texas Instruments Inc | Common Stock | | 776,129 |
| TG Therapeutics Inc | Common Stock | | 4 |
| Thedirectory.com Inc | Common Stock | | 580 |
| Thermo Fisher Scientific Inc | Common Stock | | 780,667 |
| Thompson Creek Metals Co Inc | Common Stock | | 90,470 |
| Thornburg Mtg Inc Com | Common Stock | | |
| Threshold Pharmaceuticals Inc | Common Stock | | 234 |
| Time Warner Cable Inc | Common Stock | | 5,285 |
| Time Warner Inc | Common Stock | | 1,437,423 |
| Time Warner Inc | Common Stock | | 619,608 |
| Time Warner Inc | Common Stock | | 11,016 |
| Titan Iron Ore Corp | Common Stock | | 40 |
| Titan Medical Inc | Common Stock | | 80,918 |
| TJX Companies Inc | Common Stock | | 4,405,388 |
| Torch Energy Royalty Trust | Common Stock | | 10 |
| Torchlight Energy Res Inc | Common Stock | | 152,947 |
| Total | Common Stock | | 10,610 |
| Tousa Inc | Common Stock | | |
| Toyota Motor Corp | Common Stock | | 30,662 |
| Transcanada Corp | Common Stock | | 9,132 |
| Transmeridian Expl Inc | Common Stock | | |
| Transmontaigne Partners LP | Common Stock | | 8,500 |
| Transocean Ltd Zug Namen | Common Stock | | 4,172 |
| Transwitch Corp | Common Stock | | 6 |

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| | | |
|--------------------------------|--------------|---------|
| Travelers Cos Inc | Common Stock | 2,082 |
| Tree.com Inc | Common Stock | 66 |
| Triangle Petroleum Corporation | Common Stock | 4,160 |
| Trimedyne Inc | Common Stock | 1,100 |
| Tripadvisor Inc | Common Stock | 941,986 |
| Tripadvisor Inc | Common Stock | 2,568 |
| TRW Automotive Hldgs Corp | Common Stock | 7,439 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|---------------|
| Turkcell Iletisim Hizmet | Common Stock | | 759 |
| Turkish Invt Fd Inc | Common Stock | | 14,831 |
| Twenty First Century Fox | Common Stock | | 1,073,772 |
| Twitter Inc | Common Stock | | 1,154,080 |
| Twitter Inc | Common Stock | | 74,471 |
| Two Hbrs Invt Corp | Common Stock | | 2,600 |
| Tyco International Ltd | Common Stock | | 903 |
| US Shipping Partner LP | Common Stock | | |
| UAL Corp | Common Stock | | |
| Ultra Petroleum Corp | Common Stock | | 17,753 |
| Under Armour Inc | Common Stock | | 1,753,837 |
| Under Armour Inc | Common Stock | | 35,618 |
| Unilever Plc | Common Stock | | 3,641 |
| Union Pacific Corp | Common Stock | | 2,326,808 |
| Union Pacific Corp | Common Stock | | 41,467 |
| Uniroyal Tech Corp | Common Stock | | |
| United Parcel Svc Inc | Common Stock | | 18,983 |
| United States Natural Gas | Common Stock | | 25,738 |
| United States Steel Corp | Common Stock | | 1,493 |
| United Sts Gasoline | Common Stock | | 5,993 |
| United Technologies Corp | Common Stock | | 2,881,903 |
| Unitedhealth Group Inc | Common Stock | | 1,784,529 |
| Unitedhealth Group Inc | Common Stock | | 609,714 |
| Universal Display Corp | Common Stock | | 7,903 |
| US Bancorp | Common Stock | | 10,706 |
| USA Graphite Inc | Common Stock | | 12 |
| USEC Inc | Common Stock | | 199 |
| USG Corp | Common Stock | | 3,689 |
| Vale SA | Common Stock | | 18,707 |
| Valero Energy Corp | Common Stock | | 31,289 |
| Valmont Inds Inc | Common Stock | | 1,497 |
| Vanguard Nat Res LLC | Common Stock | | 5,904 |
| Vapor Corp | Common Stock | | 1,830 |
| Vasco Data Security Intl | Common Stock | | 263 |
| Vaso Active Pharmaceuticals Inc | Common Stock | | |
| Vector Group Ltd | Common Stock | | 18,016 |
| Veeva Systems Inc | Common Stock | | 17,655 |
| Velatel Global | Common Stock | | |
| Venaxis Inc | Common Stock | | 58 |
| Veolia Environnement | Common Stock | | 11,926 |
| Verisign Inc | Common Stock | | 598 |
| Veriteq Corp | Common Stock | | 747 |

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| | | |
|----------------------------|--------------|-----------|
| Verizon Communications | Common Stock | 284,229 |
| Vertex Pharmaceuticals Inc | Common Stock | 7,430 |
| Vertex Pharmaceuticals Inc | Common Stock | 2,869,199 |
| VG Life Sciences Inc | Common Stock | 4 |
| Via Net Works Inc | Common Stock | |
| Via Pharmaceuticals Inc | Common Stock | |
| Viacom Inc | Common Stock | 1,457,529 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------|---------------------------|---------------------|---------------|
| Vipshop Hldgs Ltd | Common Stock | | 4,184 |
| Viragen Inc | Common Stock | | |
| Virexx Med Corp | Common Stock | | |
| Viropharma Inc | Common Stock | | 4,985 |
| Viropro Inc | Common Stock | | 9,224 |
| Virtual Piggy Inc | Common Stock | | 148,350 |
| Visa Inc | Common Stock | | 4,670,170 |
| Vivus Inc | Common Stock | | 4,540 |
| VMware Inc | Common Stock | | 2,439,797 |
| VMware Inc | Common Stock | | 15,251 |
| Voc Energy Trust | Common Stock | | 9,258 |
| Vodafone Group | Common Stock | | 65,255 |
| Vodafone Group | Common Stock | | 2,012,654 |
| Vodafone Group | Common Stock | | 807,391 |
| Volcano Corp | Common Stock | | 6,555 |
| Voltari Corp | Common Stock | | 17 |
| Vonage Hldgs Corp | Common Stock | | 2,248 |
| Voxeljet AG | Common Stock | | 8,885 |
| Walgreen Company | Common Stock | | 80,673 |
| Walmart Stores Inc | Common Stock | | 16,330 |
| Walt Disney Co | Common Stock | | 3,291,893 |
| Walt Disney Co | Common Stock | | 147,987 |
| Walter Energy Inc | Common Stock | | 10,810 |
| Waste Management Inc | Common Stock | | 13,232 |
| Weatherford Int Ltd | Common Stock | | 30,980 |
| Weatherford Int Ltd | Common Stock | | 743,370 |
| Wellpoint Inc | Common Stock | | 437,909 |
| Wells Fargo & Co | Common Stock | | 98,124 |
| Wellstar Intl Inc | Common Stock | | |
| Wendys | Common Stock | | 13,974 |
| Westell Technologies Inc | Common Stock | | 4,050 |
| Western Pac Minerals Ltd | Common Stock | | |
| Western Refng Inc | Common Stock | | 132 |
| Western Union Co | Common Stock | | 1,725 |
| Westlake Chem Corp | Common Stock | | 3,070 |
| Westport Innovations Inc | Common Stock | | 43,142 |
| Whiting Pete Corp | Common Stock | | 18,561 |
| Whiting USA | Common Stock | | 3,659 |
| Whole Foods Market Inc | Common Stock | | 2,795,210 |
| Whole Foods Market Inc | Common Stock | | 2,681 |
| Wi-Lan Inc | Common Stock | | 13,480 |
| Williams Cos Inc | Common Stock | | 12,899 |

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|----------------------------|--------------|-----------|
| Windstream Hldgs Inc | Common Stock | 144,625 |
| Women First Healthcare Inc | Common Stock | |
| Workday Inc | Common Stock | 1,456,013 |
| WPX Energy Inc | Common Stock | 1,447 |
| Wuxi Pharmatech Cayman Inc | Common Stock | 15,352 |
| Xerox Corp | Common Stock | 3,848 |
| Xinyuan Real Estate Co Ltd | Common Stock | 803 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|----------------|
| Xoma Corp Del | Common Stock | | 6,500 |
| Xybernaut Corp | Common Stock | | |
| Yahoo Inc | Common Stock | | 40,560 |
| Yamana Gold Inc | Common Stock | | 30,798 |
| Yandex N.V. | Common Stock | | 11,434 |
| Yelp Inc Cl A | Common Stock | | 5,446 |
| Yingli Green Energy Hldg Co Ltd | Common Stock | | 1,009 |
| Youku Tudou Inc Adr | Common Stock | | 430,845 |
| YRC Worldwide Inc | Common Stock | | 30 |
| Yum! Brands Inc | Common Stock | | 9,809 |
| Zagg Inc | Common Stock | | 13,049 |
| Zap.com | Common Stock | | 72 |
| Zimmer Holdings Inc | Common Stock | | 93 |
| Zion Oil & Gas Inc | Common Stock | | 1,410 |
| Zynga Inc | Common Stock | | 2,660 |
| Common Stock | | | \$ 493,958,242 |

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

| | | |
|--------------------------|--------------------|-----------|
| Bonos Y Oblig Del Estado | 5.5% 30 Apr 2021 | 143,477 |
| Bonos Y Oblig Del Estado | 5.85% 31 Jan 2022 | 447,506 |
| Buoni Poliennali Del Tes | 5.5% 01 Nov 2022 | 382,552 |
| Fannie Mae | 7.25% 15 May 2030 | 345,407 |
| Fannie Mae | 6.625% 15 Nov 2030 | 1,187,285 |
| Fed HM LN PC Pool A58677 | 5.5% 01 Mar 2037 | 180,543 |
| Fed HM LN PC Pool C09004 | 3.5% 01 Jul 2042 | 831,042 |
| Fed HM LN PC Pool C48827 | 6.0% 01 Mar 2031 | 6,733 |
| Fed HM LN PC Pool C91370 | 4.5% 01 May 2031 | 306,748 |
| Fed HM LN PC Pool G12334 | 5.0% 01 Sep 2021 | 87,633 |
| Fed HM LN PC Pool J16933 | 3.0% 01 Oct 2026 | 71,706 |
| Fed HM LN PC Pool J18615 | 3.0% 01 Apr 2027 | 36,778 |
| Fed HM LN PC Pool J18702 | 3.0% 01 Mar 2027 | 180,575 |
| Fed HM LN PC Pool J18832 | 3.0% 01 Apr 2027 | 25,777 |
| Fed HM LN PC Pool J19087 | 3.0% 01 May 2027 | 20,951 |
| Fed Republic Of Brazil | 4.25% 07 Jan 2025 | 352,457 |
| FNMA Pool 256398 | 6.0% 01 Sep 2021 | 17,069 |
| FNMA Pool 581043 | 6.0% 01 May 2016 | 4,850 |
| FNMA Pool 615005 | 6.0% 01 Dec 2016 | 10,505 |
| FNMA Pool 694448 | 5.5% 01 Apr 2033 | 137,127 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | 119,203 |

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|------------------|------------------|---------|
| FNMA Pool 748115 | 6.0% 01 Oct 2033 | 45,912 |
| FNMA Pool 815316 | 5.5% 01 May 2035 | 176,845 |
| FNMA Pool 822979 | 5.5% 01 Apr 2035 | 176,495 |
| FNMA Pool 885504 | 6.0% 01 Aug 2021 | 54,214 |
| FNMA Pool 902793 | 6.5% 01 Nov 2036 | 76,999 |
| FNMA Pool AH3765 | 4.0% 01 Jan 2041 | 843,902 |
| FNMA Pool AH3979 | 4.0% 01 Feb 2041 | 300,721 |
| FNMA Pool AH4008 | 4.0% 01 Mar 2041 | 397,261 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| FNMA Pool AH9374 | 4.5% 01 Apr 2041 | | 408,547 |
| FNMA Pool AL0920 | 5.0% 01 Jul 2037 | | 326,096 |
| FNMA Pool AO3466 | 3.0% 01 Jun 2027 | | 379,611 |
| FNMA Pool AO3540 | 3.0% 01 Jun 2042 | | 178,174 |
| FNMA Pool AO5515 | 3.5% 01 Jul 2042 | | 46,068 |
| FNMA Pool AO8494 | 2.5% 01 Aug 2027 | | 687,697 |
| FNMA Pool AP6604 | 3.0% 01 Sep 2042 | | 699,972 |
| FNMA Pool MA0734 | 4.5% 01 May 2031 | | 300,920 |
| FNMA Pool MA0918 | 4.0% 01 Dec 2041 | | 823,073 |
| GNMA II Pool 710082 | 4.698% 20 Jul 2061 | | 60,011 |
| GNMA II Pool 710089 | 4.7% 20 Oct 2061 | | 42,872 |
| GNMA II Pool 766519 | 4.668% 20 May 2062 | | 55,972 |
| GNMA II Pool 766522 | 4.538% 20 Nov 2062 | | 63,646 |
| GNMA II Pool 766544 | 4.499% 20 Dec 2062 | | 63,589 |
| GNMA II Pool 766549 | 4.616% 20 Jul 2062 | | 94,805 |
| Kingdom Of Spain | 4.0% 06 Mar 2018 | | 1,073,251 |
| Mex Bonos Desarr | 6.5% 10 Jun 2021 | | 1,545,952 |
| Obrigacoes Do Tesouro | 5.65% 15 Feb 2024 | | 665,531 |
| Republic Of Philippines | 3.9% 26 Nov 2022 | | 213,437 |
| Republic Of South Africa | 5.875% 16 Sep 2025 | | 281,195 |
| Tenn Valley Authority | 3.5% 15 Dec 2042 | | 396,740 |
| United Mexican States | 6.05% 11 Jan 2040 | | 429,239 |
| US Treasury N/B | 3.0% 15 May 2042 | | 1,903,223 |
| US Treasury N/B | 2.75% 15 Aug 2042 | | 70,367 |
| US Treasury N/B | 3.125% 15 Feb 2043 | | 621,009 |
| US Treasury N/B | 2.875% 15 May 2043 | | 467,845 |
| US Treasury N/B | 3.625% 15 Aug 2043 | | 335,473 |
| US Treasury N/B | 3.75% 15 Nov 2043 | | 691,477 |
| US Treasury N/B | 1.875% 31 Aug 2017 | | 4,629,258 |
| US Treasury N/B | 0.25% 31 Mar 2014 | | 705,807 |
| US Treasury N/B | 1.75% 15 May 2022 | | 547,465 |
| US Treasury N/B | 1.0% 30 Jun 2019 | | 1,290,223 |
| US Treasury N/B | 1.625% 15 Aug 2022 | | 76,201 |
| US Treasury N/B | 0.25% 31 Aug 2014 | | 553,058 |
| US Treasury N/B | 0.125% 31 Dec 2014 | | 2,895,227 |
| US Treasury N/B | 0.25% 31 Jul 2015 | | 532,828 |
| U.S. Government and Government Agency Issues | | | \$ 31,124,132 |

**** Corporate and Other Obligations:**

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| | | |
|---|--------------------|---------|
| Alcoa Inc | 5.87% 23 Feb 2022 | 331,009 |
| Alexandria Real Estate Equities Pfd Ser E 6.45% | Preferred Stock | 21,200 |
| American Axle & Mfg Inc | 5.125% 15 Feb 2019 | 35,486 |
| American Tower Corp | 4.625% 01 Apr 2015 | 148,620 |
| American Tower Corp | 4.5% 15 Jan 2018 | 221,986 |
| Americredit Automobile Receivables | 1.19% 08 May 2018 | 98,357 |
| Americredit Automobile Receivables | 1.79% 08 Mar 2019 | 78,272 |
| Amphenol Corp | 4.75% 15 Nov 2014 | 326,275 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------------|---------------------------|---------------------|---------------|
| Anadarko Petroleum Corp | 6.375% 15 Sep 2017 | | 419,160 |
| Arcelormittal | 7.25% 01 Mar 2041 | | 353,382 |
| Associates Corp NA | 6.95% 01 Nov 2018 | | 176,108 |
| Audatex North America Inc | 6.0% 15 Jun 2021 | | 408,283 |
| Avon Products Inc | 4.6% 15 Mar 2020 | | 48,925 |
| Banc of America Commercial Mortgage | 1.0% 10 Apr 2049 | | 164,016 |
| Banco Santander Bras Ci | 4.625% 13 Feb 2017 | | 410,491 |
| Banco Santander Chile | 3.875% 20 Sep 2022 | | 186,136 |
| * Bank of America | 6.4% 28 Aug 2017 | | 204,775 |
| * Bank of America | 5.625% 01 Jul 2020 | | 445,394 |
| * Bank of America | 5.0% 13 May 2021 | | 145,571 |
| BBVA Banco Continental | 3.25% 08 Apr 2018 | | 281,226 |
| Bear Stearns Commercial Mortgage | 1.0% 11 Jun 2040 | | 193,652 |
| Braskem America Finance | 7.125% 22 Jul 2041 | | 294,695 |
| Brocade Communications | 6.875% 15 Jan 2020 | | 47,623 |
| Bunge Limited Finance Co | 4.1% 15 Mar 2016 | | 78,147 |
| CBRE Services Inc | 5.0% 15 Mar 2023 | | 175,476 |
| CCO Hldgs LLC/Cap Corp | 6.5% 30 Apr 2021 | | 106,459 |
| CCO Hldgs LLC/Cap Corp | 5.25% 15 Mar 2021 | | 221,453 |
| CD Commercial Mortgage Trust | 5.322% 11 Dec 2049 | | 497,078 |
| Celulosa Arauco | 5.0% 21 Jan 2021 | | 224,039 |
| Centurylink Inc | 5.625% 01 Apr 2020 | | 85,342 |
| Chesapeake Energy Corp | 3.25% 15 Mar 2016 | | 204,308 |
| Cielo Sa/Cielo Usa Inc | 3.75% 16 Nov 2022 | | 351,285 |
| Citigroup Cap Xi Cap Secs Trups 6.00% | Preferred Stock | | 24,880 |
| Citigroup Inc | 4.45% 10 Jan 2017 | | 347,570 |
| Citigroup Inc | 4.05% 30 Jul 2022 | | 161,001 |
| Citigroup Inc | 1.3% 01 Apr 2016 | | 222,536 |
| CNOOC Finance | 4.25% 09 May 2043 | | 166,280 |
| CNPC General Capital | 3.95% 19 Apr 2022 | | 190,482 |
| Comcast Corp | 5.65% 15 Jun 2035 | | 95,643 |
| Comm Mortgage Trust | 1.0% 10 Dec 2049 | | 55,635 |
| Continental Resources | 4.5% 15 Apr 2023 | | 55,018 |
| Contl Airlines | 4.0% 29 Apr 2026 | | 166,910 |
| Contl Airlines | 5.983% 19 Oct 2023 | | 278,121 |
| Cox Communications Inc | 5.45% 15 Dec 2014 | | 30,936 |
| Credit Suisse Mortgage Trust | 1.0% 15 Jan 2049 | | 347,340 |
| Crown Castle Towers LLC | 3.214% 15 Aug 2035 | | 100,605 |
| Delhaize Group | 4.125% 10 Apr 2019 | | 319,544 |
| Deluxe Corp | 6.0% 15 Nov 2020 | | 555,260 |
| Digital Rlty Tr Inc Pfd Ser F | Preferred Stock | | 20,580 |

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|--------------------------|--------------------|---------|
| Dolphin Energy Ltd | 5.5% 15 Dec 2021 | 215,606 |
| Dun & Bradstreet Corp | 3.25% 01 Dec 2017 | 139,633 |
| Ecopetrol SA | 5.875% 18 Sep 2023 | 46,846 |
| Ecopetrol SA | 7.375% 18 Sep 2043 | 181,839 |
| Embarq Corp | 7.995% 01 Jun 2036 | 629,390 |
| Energy Transfer Partners | 6.05% 01 Jun 2041 | 434,925 |
| Energy Transfer Partners | 5.2% 01 Feb 2022 | 88,302 |
| Enersis SA/Cayman Island | 7.375% 15 Jan 2014 | 153,238 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Enron Cap Res LP Pfd Ser A 9% | Preferred Stock | | |
| Equifax Inc | 7.0% 01 Jul 2037 | | 219,276 |
| Firstenergy Corp | 2.75% 15 Mar 2018 | | 140,586 |
| Ford Motor Co | 7.45% 16 Jul 2031 | | 290,028 |
| Ford Motor Credit Co LLC | 5.75% 01 Feb 2021 | | 331,629 |
| Ford Motor Credit Co LLC | 5.0% 15 May 2018 | | 428,671 |
| Freeport Mcomoran | 2.375% 15 Mar 2018 | | 196,869 |
| Frontier Communications | 7.875% 15 Jan 2027 | | 274,713 |
| Frontier Communications | 8.5% 15 Apr 2020 | | 259,714 |
| GCCFC Commercial Mortgage | 5.736% 10 Dec 2049 | | 132,237 |
| GE Equipment | 0.6% 23 May 2016 | | 636,112 |
| General Elec Cap Corp | 5.3% 11 Feb 2021 | | 331,142 |
| General Elec Cap Corp | 3.75% 14 Nov 2014 | | 431,920 |
| General Elec Cap Corp | 2.95% 09 May 2016 | | 196,290 |
| General Motors Finl Co | 6.75% 01 Jun 2018 | | 89,992 |
| Georgia Pacific LLC | 7.37% 01 Dec 2025 | | 158,293 |
| Georgia Pacific LLC | 7.25% 01 Jun 2028 | | 303,301 |
| Georgia Pacific LLC | 7.75% 15 Nov 2029 | | 231,149 |
| Georgia Pacific LLC | 8.875% 15 May 2031 | | 6,853 |
| Goldman Sachs Group | 6.15% 01 Apr 2018 | | 282,873 |
| Goldman Sachs Group | 5.25% 27 Jul 2021 | | 253,880 |
| Grupo Televisa Sab | 7.25% 14 May 2043 | | 122,014 |
| GS Mortgage Securities Trust | 1.0% 10 Aug 2045 | | 498,422 |
| HCA Inc | 7.5% 15 Feb 2022 | | 406,112 |
| Health Care Reit Inc Pfd Ser J | Preferred Stock | | 36,400 |
| Hospitality Pptys Tr Redeemable Cum Pfd Ser D 7.125% | Preferred Stock | | 60,138 |
| Intl Lease Finance Corp | 6.25% 15 May 2019 | | 704,988 |
| Intl Lease Finance Corp | 3.875% 15 Apr 2018 | | 346,228 |
| Ipic Gmtm Ltd | 6.875% 01 Nov 2041 | | 308,238 |
| JP Morgan Chase & Co | 3.7% 20 Jan 2015 | | 132,281 |
| JP Morgan Chase & Co | 4.25% 15 Oct 2020 | | 47,070 |
| JP Morgan Chase & Co | 4.625% 10 May 2021 | | 74,461 |
| JP Morgan Chase & Co | 4.5% 24 Jan 2022 | | 255,712 |
| Lotte Shopping Co Ltd | 3.375% 09 May 2017 | | 227,314 |
| Methanex Corp | 3.25% 15 Dec 2019 | | 190,973 |
| Mexichem Sab DE CV | 6.75% 19 Sep 2042 | | 206,232 |
| Midwest Banc Hldgs Inc Perp Pfd Ser A 7.75% | Preferred Stock | | |
| ML CFC Commercial Mortgage Trust | 1.0% 12 Mar 2051 | | 97,687 |
| Modern Energy Corp | Preferred Stock | | |
| Morgan Stanley | 5.5% 24 Jul 2020 | | 320,041 |
| Morgan Stanley | 5.55% 27 Apr 2017 | | 275,187 |

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|---|--------------------|---------|
| Morgan Stanley | 5.375% 15 Oct 2015 | 68,986 |
| Morgan Stanley | 5.5% 26 Jan 2020 | 182,771 |
| Morgan Stanley Cap Tr Vi Cap Secs 6.60% | Preferred Stock | 19,640 |
| Morgan Stanley Capital I Trust | 1.0% 12 Apr 2049 | 687,872 |
| Morgan Stanley Capital I Trust | 5.569% 15 Dec 2044 | 654,572 |
| Murray St Inv Trust | 4.67% 09 Mar 2017 | 26,922 |
| Myriad Int Holding BV | 6.375% 28 Jul 2017 | 142,870 |
| Myriad Int Holding BV | 6.0% 18 Jul 2020 | 268,546 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------------|----------------------------|----------------------|
| Nabors Industries Inc | 5.1% 15 Sep 2023 | | 325,105 |
| National Retail Pptys Inc Pfd Ser D 6.625% | Preferred Stock | | 22,150 |
| National Rural Util Coop | 1.0% 30 Apr 2043 | | 170,000 |
| Newfield Exploration Co | 5.75% 30 Jan 2022 | | 223,599 |
| OI Sa Spon Adr Ea Repr 1 Pfd Shs | Preferred Stock | | 10,335 |
| Olin Corp | 5.5% 15 Aug 2022 | | 73,822 |
| Osh One Liquidating Corp Pfd | Preferred Stock | | |
| Oshkosh Corp | 8.5% 01 Mar 2020 | | 169,007 |
| Perkinelmer Inc | 5.0% 15 Nov 2021 | | 219,059 |
| Pertamina Persero | 5.625% 20 May 2043 | | 531,763 |
| Petrobras Global Finance | 5.625% 20 May 2043 | | 149,018 |
| Petrobras Intl Fin Co | 6.75% 27 Jan 2041 | | 261,662 |
| Petroleos Mexicanos | 3.5% 18 Jul 2018 | | 96,203 |
| Phillips 66 | 4.3% 01 Apr 2022 | | 160,441 |
| Pko Fin Ab | 4.63% 28 Sep 2022 | | 235,756 |
| Plains Exploration & Pro | 6.875% 15 Feb 2023 | | 346,574 |
| Polyone Corp | 5.25% 15 Mar 2023 | | 173,176 |
| Post Holdings Inc | 7.375% 15 Feb 2022 | | 242,841 |
| Post Holdings Inc | 7.375% 15 Feb 2022 | | 63,350 |
| Protective Life Corp Sub Deb 6.0% | Preferred Stock | | 21,210 |
| Qtel International Fin | 7.875% 10 Jun 2019 | | 331,735 |
| Qwest Corp Nt 6.125% | Preferred Stock | | 18,950 |
| Qwest Corp Nt 7.00% | Preferred Stock | | 21,940 |
| Regency Ctrs Corp Cum Red Pfd Ser 6 6.625% | Preferred Stock | | 21,700 |
| Reynolds American Inc | 7.25% 15 Jun 2037 | | 485,295 |
| Rock Tenn Co | 4.0% 01 Mar 2023 | | 127,230 |
| Rowan Companies Inc | 5.0% 01 Sep 2017 | | 256,660 |
| Royal Bank Of Scotland Plc | 5.625% 24 Aug 2020 | | 27,988 |
| Royal Bk Scotland Group Plc Pref Ser T 7.25% | Preferred Stock | | 9,984 |
| RPM International Inc | 6.125% 15 Oct 2019 | | 252,315 |
| Santander Drive Auto | 2.7% 15 Aug 2018 | | 116,565 |
| Santander Drive Auto | 1.94% 15 Dec 2016 | | 482,979 |
| Santander Drive Auto | 1.94% 15 Mar 2018 | | 144,227 |
| Sealed Air Corp | 5.25% 01 Apr 2023 | | 139,145 |
| Sealed Air Corp | 6.5% 01 Dec 2020 | | 95,469 |
| Sequoia Mortgage Trust | 1.0% 25 May 2043 | | 242,787 |
| Service Corp Intl | 5.375% 15 Jan 2022 | | 94,914 |
| Sidewinder Drilling Inc | 9.75% 15 Nov 2019 | | 95,518 |
| SK Telecom Co Ltd | 6.625% 20 Jul 2027 | | 228,721 |
| SLM Corp | 6.25% 25 Jan 2016 | | 650,075 |
| SLM Corp | 4.875% 17 Jun 2019 | | 339,223 |

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| | | |
|--------------------------|--------------------|---------|
| SM Energy Co | 6.5% 01 Jan 2023 | 170,752 |
| Springleaf Funding Trust | 3.92% 16 Jan 2023 | 355,553 |
| Sprint Capital Corp | 6.875% 15 Nov 2028 | 455,709 |
| Steel Dynamics Inc | 5.25% 15 Apr 2023 | 59,205 |
| Telefonica Emisiones Sau | 5.134% 27 Apr 2020 | 157,243 |
| Telefonica Emisiones Sau | 3.992% 18 Feb 2016 | 196,933 |
| Telefonica Emisiones Sau | 5.462% 16 Feb 2021 | 10,412 |
| Telemar Norte Leste Sa | 5.5% 23 Oct 2020 | 247,108 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|---------------------------|---------------------|---------------|
| Telephone & Data Sys Inc 6.875% | Preferred Stock | | 22,640 |
| Thai Oil Pcl | 4.875% 23 Jan 2043 | | 318,141 |
| Time Warner Cable Inc | 5.875% 15 Nov 2040 | | 68,287 |
| Time Warner Cable Inc | 5.5% 01 Sep 2041 | | 110,381 |
| Time Warner Cable Inc | 4.5% 15 Sep 2042 | | 104,655 |
| Toyota Motor Credit Corp | 1.75% 22 May 2017 | | 337,080 |
| Transec SA | 4.625% 26 Jul 2023 | | 189,951 |
| Transocean Inc | 6.5% 15 Nov 2020 | | 507,068 |
| Transport De Gas Peru | 4.25% 30 Apr 2028 | | 306,511 |
| USG Corp | 9.75% 15 Jan 2018 | | 186,694 |
| Valeant Pharmaceuticals | 6.375% 15 Oct 2020 | | 140,372 |
| Verizon Communications | 6.4% 15 Feb 2038 | | 188,375 |
| Verizon Communications | 3.65% 14 Sep 2018 | | 271,581 |
| Verizon Communications | 6.55% 15 Sep 2043 | | 658,044 |
| Vesey Str Invt Tr | 4.404% 01 Sep 2016 | | 26,842 |
| Votorantim Cimentos SA | 7.25% 05 Apr 2041 | | 187,484 |
| Western Union Co | 2.375% 10 Dec 2015 | | 85,829 |
| Whirlpool Corp | 4.7% 01 Jun 2022 | | 235,639 |
| Windstream Corp | 8.125% 01 Sep 2018 | | 68,950 |
| Windstream Corp | 7.5% 01 Apr 2023 | | 178,504 |
| Wolverine World Wide | 6.125% 15 Oct 2020 | | 58,071 |
| World Financial Network | 3.14% 17 Jan 2023 | | 658,655 |
| World Financial Network | 1.76% 17 May 2021 | | 689,512 |
| Corporate and Other Obligations | | | \$ 38,500,226 |

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

| | | |
|--------------------------------|----------------------------|------------|
| * State Street Bank & Trust Co | Short-Term Investment Fund | 4,389,061 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 9,068,086 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 2,629,807 |
| | | 16,086,954 |

U.S. Government and Government Agency Issues

| | | |
|--------------------------------|--------------------|-----------|
| California St | 5.75% 01 Mar 2017 | 450,169 |
| Contra Costa Ca Cmnty Clg Dist | 5.0% 01 Aug 2038 | 498,318 |
| Fannie Mae | 0.875% 20 Dec 2017 | 4,534,855 |

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|--------------------------|--------------------|-----------|
| Fannie Mae | 2.625% 20 Nov 2014 | 6,189,682 |
| Fed HM LN PC Pool 1L1358 | 1.0% 01 May 2036 | 859,317 |
| Fed HM LN PC Pool 1Q0669 | 1.0% 01 Nov 2037 | 59,698 |
| Fed HM LN PC Pool 1Q1159 | 1.0% 01 May 2038 | 538,781 |
| Fed HM LN PC Pool A89385 | 4.5% 01 Oct 2039 | 2,348,681 |
| Fed HM LN PC Pool C09004 | 3.5% 01 Jul 2042 | 319,993 |
| Fed HM LN PC Pool G01843 | 6.0% 01 Jun 2035 | 518,974 |
| Fed HM LN PC Pool G03205 | 5.5% 01 Jul 2035 | 101,699 |

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|---------------------------------------|----------------------------------|----------------------------|----------------------|
| Fed HM LN PC Pool G03737 | 6.5% 01 Nov 2037 | | 544,187 |
| Fed HM LN PC Pool G08542 | 4.0% 01 Aug 2043 | | 2,758,523 |
| Fed HM LN PC Pool G12743 | 5.5% 01 Aug 2022 | | 124,524 |
| Fed HM LN PC Pool J16933 | 3.0% 01 Oct 2026 | | 35,355 |
| Fed HM LN PC Pool J18615 | 3.0% 01 Apr 2027 | | 21,760 |
| Fed HM LN PC Pool J18702 | 3.0% 01 Mar 2027 | | 114,231 |
| Fed HM LN PC Pool J18832 | 3.0% 01 Apr 2027 | | 14,525 |
| Fed HM LN PC Pool J19087 | 3.0% 01 May 2027 | | 13,773 |
| Fed HM LN PC Pool Q03572 | 4.0% 01 Sep 2041 | | 2,560,434 |
| Fed HM LN PC Pool Q11095 | 3.5% 01 Sep 2042 | | 2,574,693 |
| Federal Farm Credit Bank | 1.0% 29 Sep 2014 | | 837,221 |
| Federal Home Loan Mortgage Cor | 4.0% 01 Dec 2099 | | 1,498,907 |
| Federal Natl Mtg Assn | 3.5% 01 Dec 2099 | | 1,420,957 |
| Florida St Hurricane Catastrop Flsgen | 2.995% 01 Jul 2020 | | 902,539 |
| FNMA Conv 15Yr TBA | 2.5% 01 Dec 2099 | | 1,969,356 |
| FNMA Pool 254693 | 5.5% 01 Apr 2033 | | 175,686 |
| FNMA Pool 725222 | 5.5% 01 Feb 2034 | | 229,120 |
| FNMA Pool 725423 | 5.5% 01 May 2034 | | 170,606 |
| FNMA Pool 725424 | 5.5% 01 Apr 2034 | | 78,396 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | | 70,647 |
| FNMA Pool 725946 | 5.5% 01 Nov 2034 | | 207,395 |
| FNMA Pool 735141 | 5.5% 01 Jan 2035 | | |
| FNMA Pool 735667 | 5.0% 01 Jul 2035 | | 1,396,241 |
| FNMA Pool 735676 | 5.0% 01 Jul 2035 | | 395,499 |
| FNMA Pool 743132 | 5.0% 01 Oct 2018 | | 424,117 |
| FNMA Pool 745275 | 5.0% 01 Feb 2036 | | 1,216,196 |
| FNMA Pool 745327 | 6.0% 01 Mar 2036 | | |
| FNMA Pool 756363 | 1.0% 01 Dec 2033 | | 118,659 |
| FNMA Pool 770946 | 5.0% 01 Apr 2034 | | 296,341 |
| FNMA Pool 776971 | 5.0% 01 Apr 2034 | | 309,186 |
| FNMA Pool 831540 | 6.0% 01 Jun 2036 | | 394,612 |
| FNMA Pool 844444 | 5.0% 01 Dec 2035 | | 506,316 |
| FNMA Pool 888340 | 5.0% 01 Aug 2036 | | 356,724 |
| FNMA Pool 888521 | 1.0% 01 Mar 2034 | | 209,120 |
| FNMA Pool 889004 | 1.0% 01 Aug 2037 | | 300,950 |
| FNMA Pool 889361 | 6.0% 01 Mar 2038 | | |
| FNMA Pool 914789 | 5.0% 01 Apr 2037 | | 970,133 |
| FNMA Pool 931745 | 5.0% 01 Aug 2024 | | 1,713,641 |
| FNMA Pool 986148 | 5.5% 01 Jan 2038 | | 1,247,588 |
| FNMA Pool AD8529 | 4.5% 01 Aug 2040 | | 452,629 |
| FNMA Pool AK2989 | 3.0% 01 May 2027 | | 1,280,809 |
| FNMA Pool AL0139 | 1.0% 01 Feb 2039 | | 542,237 |

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| | | |
|-----------------------------|------------------|-----------|
| FNMA Pool AL2891 | 3.5% 01 Dec 2042 | 1,849,352 |
| FNMA Pool AO5515 | 3.5% 01 Jul 2042 | 384,068 |
| FNMA Pool AQ5046 | 3.0% 01 Dec 2042 | 35,055 |
| FNMA Pool AR6071 | 3.0% 01 Apr 2043 | 22,900 |
| FNMA TBA 30Yr Single Family | 3.5% 01 Dec 2099 | 4,837,750 |
| FNMA TBA Jan 30 Single Fam | 4.5% 01 Feb 2099 | 1,742,406 |
| FNMA TBA Jan 30 Single Fam | 5.0% 01 Dec 2099 | 1,025,040 |

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|---------------------------------|---------------------------|---------------------|---------------|
| FNMA TBA Single Family Mortgage | 4.0% 01 Dec 2099 | | 1,061,726 |
| Freddie Mac | 4.875% 13 Jun 2018 | | 4,046,767 |
| Illinois St | 2.42% 01 Apr 2017 | | 1,357,162 |
| Japan Treasury Disc Bill | 0.01% 14 Jan 2014 | | 1,758,957 |
| Japan Treasury Disc Bill | 0.01% 20 Jan 2014 | | 1,481,213 |
| Met Transprtn Auth NY | 5.0% 15 Nov 2038 | | 515,002 |
| North Carolina State Education | 1.0% 25 Jul 2025 | | 1,407,723 |
| Province of Ontario | 4.0% 07 Oct 2019 | | 2,017,185 |
| Province of Quebec | 4.6% 26 May 2015 | | 1,225,984 |
| Republic Of Indonesia | 3.375% 15 Apr 2023 | | 224,800 |
| Republic Of Poland | 6.375% 15 Jul 2019 | | 45,490 |
| Republic Of Poland | 3.875% 16 Jul 2015 | | 438,800 |
| Russia Foreign Bond | 1.0% 31 Mar 2030 | | 177,386 |
| Sacramento City | 5.0% 01 Jul 2031 | | 496,444 |
| San Antonio Tx Elec Gas Reve | 5.0% 01 Feb 2043 | | 490,077 |
| State of Qatar | 4.5% 20 Jan 2022 | | 288,391 |
| Treasury Bill | 0.10% 06 Feb 2014 | | 3,721,496 |
| Treasury Bill | 0.1% 20 Mar 2014 | | 37,797,884 |
| Tsy Infl Ix N/B | 0.125% 15 Apr 2016 | | 3,849,708 |
| Univ of Massachusetts Ma Bldg | 5.0% 01 Nov 2039 | | 500,779 |
| US Treasury N/B | 1.25% 30 Nov 2018 | | 1,647,334 |
| US Treasury N/B | 1.875% 30 Apr 2014 | | 5,720,105 |
| US Treasury N/B | 3.625% 15 Feb 2020 | | 3,833,939 |
| US Treasury N/B | 2.5% 30 Apr 2015 | | 7,252,553 |
| US Treasury N/B | 1.875% 30 Jun 2015 | | 1,913,493 |
| US Treasury N/B | 1.5% 31 Aug 2018 | | 1,524,764 |
| US Treasury N/B | 1.375% 30 Sep 2018 | | 6,069,887 |
| US Treasury N/B | 0.875% 4/30/20 17 | | 358,958 |
| US Treasury N/B | 0.25% 15 Oct 2015 | | 3,114,589 |
| US Treasury N/B | 0.75% 31 Oct 2017 | | 1,218,146 |
| US Treasury N/B | 1.625% 15 Nov 2022 | | 4,584,856 |
| US Treasury N/B | 1.75% 15 May 2023 | | 2,214,508 |
| US Treasury N/B | 0.25% 31 May 2015 | | 1,893,460 |
| US Treasury N/B | 2.5% 15 Aug 2023 | | 7,718,365 |
| US Treasury N/B | 2.75% 15 Nov 2023 | | 1,484,982 |
| US Treasury N/B | 0.625% 15 Nov 2016 | | 1,843,152 |
| US Treasury N/B | 0.25% 31 Dec 2015 | | 18,948,243 |
| US Treasury N/B | 1.5% 31 Dec 2018 | | 2,713,117 |
| US Treasury N/B | 1.0% 31 Aug 2016 | | 2,484,883 |
| US Treasury N/B | 0.25% 31 Aug 2014 | | 19,463,009 |
| US Treasury N/B | 0.125% 30 Apr 2015 | | 5,671,063 |
| US Treasury N/B | 1.75% 31 Oct 2020 | | 1,390,937 |

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| | | |
|-----------------|--------------------|-------------|
| US Treasury N/B | 6.5% 15 Nov 2026 | 58,488 |
| US Treasury N/B | 2.125% 31 May 2015 | 36,386,023 |
| US Treasury N/B | 1.75% 31 May 2016 | 9,637,010 |
| US Treasury N/B | 0.25% 31 Jan 2014 | 31,541,308 |
| US Treasury N/B | 1.375% 31 Jul 2018 | 14,454,905 |
| | | 312,815,622 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Corporate and Other Obligations | | | |
| 21st Century Fox America Company | 4.5% 15 Feb 2021 | | 401,547 |
| ABN AMRO Bank N.V. | 2.5% 30 Oct 2018 | | 473,618 |
| ABN AMRO Bank N.V. | 4.25% 02 Feb 2017 | | 417,274 |
| ABN AMRO Bank N.V. | 2.5% 30 Oct 2018 | | 531,612 |
| Ace Ina Holdings Company | 5.6% 15 May 2015 | | 192,004 |
| Agilent Technologies Inc | 6.5% 01 Nov 2017 | | 569,194 |
| Alcoa Inc | 6.75% 15 Jul 2018 | | 465,990 |
| Allegheny Technologies | 5.87% 15 Aug 2023 | | 540,491 |
| Allegheny Technologies | 5.95% 15 Jan 2021 | | 121,131 |
| Allied World Assurance | 7.5% 01 Aug 2016 | | 184,314 |
| Ally Auto Receivables Trust | 0.72% 20 May 2016 | | 761,264 |
| Ally Master Owner Trust | 1.54% 15 Sep 2019 | | 1,212,435 |
| Ally Master Owner Trust | 1.0% 15 Feb 2018 | | 496,766 |
| Ally Master Owner Trust | 1.0% 15 Feb 2018 | | 696,446 |
| Altria Group Inc | 4.75% 05 May 2021 | | 887,599 |
| Amazon.com Inc | 0.65% 27 Nov 2015 | | 982,333 |
| America Movil | 3.625% 30 Mar 2015 | | 718,342 |
| American Express | 0.59% 15 May 2018 | | 578,690 |
| American Express | 0.68% 15 Mar 2018 | | 1,047,909 |
| American Intl Group | 4.875% 15 Sep 2016 | | 561,079 |
| American Intl Group | 5.45% 18 May 2017 | | 435,037 |
| American Intl Group | 3.8% 22 Mar 2017 | | 218,214 |
| American Intl Group | 4.875% 01 Jun 2022 | | 313,755 |
| American Intl Group | 6.4% 15 Dec 2020 | | 977,503 |
| American Tower | 5.05% 01 Sep 2020 | | 396,153 |
| Americredit Automobile Receivables | 0.96% 09 Jan 2017 | | 581,008 |
| Americredit Automobile Receivables | 0.49% 08 Apr 2016 | | 240,683 |
| Americredit Automobile Receivables | 0.92% 09 Apr 2018 | | 656,768 |
| Americredit Automobile Receivables | 0.96% 09 Apr 2018 | | 272,865 |
| Americredit Automobile Receivables | 1.55% 08 Jul 2016 | | 703,062 |
| Anadarko Petroleum Corp | 6.375% 15 Sep 2017 | | 893,698 |
| Aon Plc | 3.5% 30 Sep 2015 | | 492,544 |
| Apple Inc | 1.0% 03 May 2018 | | 371,649 |
| Asciano Finance | 3.125% 23 Sep 2015 | | 482,607 |
| AT&T Inc | 5.8% 15 Feb 2019 | | 457,338 |
| AT&T Inc | 1.0% 27 Nov 2018 | | 745,148 |
| Baidu Inc | 2.25% 28 Nov 2017 | | 196,165 |
| Baidu Inc | 3.25% 06 Aug 2018 | | 290,148 |
| * Bank of America | 6.4% 28 Aug 2017 | | 975,992 |
| * Bank of America | 6.875% 25 Apr 2018 | | 247,357 |

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| | | |
|-------------------|--------------------|---------|
| * Bank of America | 6.0% 01 Sep 2017 | 749,935 |
| * Bank of America | 1.0% 15 Jan 2019 | 926,715 |
| * Bank of America | 5.65% 01 May 2018 | 149,524 |
| * Bank of America | 7.625% 01 Aug 2019 | 205,172 |
| * Bank of America | 5.625% 01 Jul 2020 | 939,565 |
| * Bank of America | 5.7% 24 Jan 2022 | 38,547 |
| * Bank of America | 3.875% 22 Mar 2017 | 124,626 |

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, 2013**

| | Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|----------------------------------|----------------------------------|----------------------------|----------------------|
| * | Bank of America | 5.42% 15 Mar 2017 | | 320,926 |
| * | Bank of America | 5.49% 15 Mar 2019 | | 969,467 |
| * | Bank of America | 6.1% 15 Jun 2017 | | 351,103 |
| * | Bank of America | 3.75% 12 Jul 2016 | | 460,335 |
| * | Bank of America | 2.6% 15 Jan 2019 | | 302,975 |
| * | Bank of America | 6.05% 18 May 2016 | | 433,580 |
| * | Bank of America | 6.875% 25 Apr 2018 | | 172,575 |
| * | Bank of America | 1.03% 15 Dec 2016 | | 387,290 |
| | Barclays Bank Plc | 5.125% 08 Jan 2020 | | 404,603 |
| | Barrick NA Finance LLC | 4.4% 30 May 2021 | | 758,883 |
| | Barrick NA Finance LLC | 4.4% 30 May 2021 | | 177,073 |
| * | Baxter International Inc | 1.85% 15 Jan 2017 | | 216,371 |
| | BBVA US | 4.664% 09 Oct 2015 | | 956,450 |
| | Bear Stearns Commercial Mortgage | 1.0% 11 Jun 2040 | | 1,107,574 |
| | Bear Stearns Commercial Mortgage | 1.0% 11 Sep 2038 | | 271,227 |
| | Bear Stearns Commercial Mortgage | 1.0% 11 Sep 2038 | | 56,976 |
| | Bear Stearns Commercial Mortgage | 5.533% 12 Oct 2041 | | 6,312 |
| | Bear Stearns Commercial Mortgage | 1.0% 12 Jan 2045 | | 792,403 |
| | Bear Stearns Cos LLC | 7.25% 01 Feb 2018 | | 879,647 |
| | Berkshire Hathaway Fin | 1.6% 15 May 2017 | | 663,140 |
| | BNP Paribas | 2.4% 12 Dec 2018 | | 921,527 |
| | Boston Properties LP | 3.7% 15 Nov 2018 | | 272,007 |
| | BP Capital Markets Plc | 1.846% 05 May 2017 | | 933,674 |
| | BP Capital Markets Plc | 4.5% 01 Oct 2020 | | 473,082 |
| | BP Capital Markets Plc | 1.375% 06 Nov 2017 | | 364,135 |
| | BPCE SA | 5.7% 22 Oct 2023 | | 265,280 |
| | British Telecom Plc | 1.625% 28 Jun 2016 | | 412,280 |
| | British Telecom Plc | 1.625% 28 Jun 2016 | | 480,994 |
| | Bunge Limited Finance Co | 8.5% 15 Aug 2019 | | 300,038 |
| | Burlington North Santa Fe | 5.75% 15 Mar 2018 | | 299,525 |
| | Canadian National Railways Co | 1.45% 15 Dec 2018 | | 930,949 |
| | Capital Auto Receivables | 0.79% 20 Jun 2017 | | 451,644 |
| | Capital One | 5.25% 21 Feb 2017 | | 399,788 |
| | Capital One | 1.0% 15 Mar 2017 | | 559,734 |
| | Capital One | 1.5% 22 Mar 2018 | | 1,324,771 |
| | Carmax Auto Owner Trust | 0.84% 15 Mar 2017 | | 1,577,205 |
| | Carmax Auto Owner Trust | 0.89% 15 Sep 2016 | | 427,672 |
| | Carmax Auto Owner Trust | 1.41% 16 Feb 2016 | | 773,615 |
| | Caterpillar Financial | 1.0% 25 Nov 2018 | | 952,888 |
| | CBS Corp | 8.875% 15 May 2019 | | 211,491 |
| | CBS Corp | 5.75% 15 Apr 2020 | | 278,528 |
| | CD Commercial Mortgage Trust | 5.322% 28 Jun 2016 | | 1,491,825 |

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|------------------------------|--------------------|---------|
| Cellco Part/Veri Wirelss | 8.5% 15 Nov 2018 | 418,881 |
| Centerpoint Energy Resources | 4.5% 15 Jan 2021 | 103,788 |
| CF Industries Inc | 7.125% 01 May 2020 | 901,034 |
| Chase | 1.3% 18 Feb 2020 | 448,956 |
| CIT Equipment Collateral | 1.1% 22 Aug 2016 | 181,122 |
| CIT Equipment Collateral | 1.13% 20 Jul 2020 | 458,088 |
| Citifinancial Mortgage | 1.0% 25 Jan 2033 | 55,444 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Citigroup Commercial Mortgage | 1.0% 10 Dec 2049 | | 435,295 |
| Citigroup Commercial Mortgage | 5.431% 15 Oct 2045 | | 244,182 |
| Citigroup Commercial Mortgage | 1.0% 15 Mar 2049 | | 282,809 |
| Citigroup Inc | 5.375% 09 Aug 2020 | | 476,000 |
| Citigroup Inc | 4.5% 14 Jan 2022 | | 479,484 |
| Citigroup Inc | 6.01% 15 Jan 2015 | | 590,203 |
| Citigroup Inc | 5.375% 09 Aug 2020 | | 438,363 |
| Citigroup Inc | 4.5% 14 Jan 2022 | | 760,987 |
| Cleveland Electric | 5.7% 01 Apr 2017 | | 219,248 |
| CNH Equipment Trust | 0.63% 17 Jan 2017 | | 375,758 |
| CNH Equipment Trust | 0.49% 15 Mar 2017 | | 459,724 |
| CNH Equipment Trust | 0.94% 15 May 2017 | | 268,961 |
| CNH Equipment Trust | 1.74% 17 Jan 2017 | | 487,379 |
| Coca Cola Co | 3.3% 01 Sep 2021 | | 1,364,444 |
| Coca Cola Co | 3.2% 01 Nov 2023 | | 935,895 |
| Comcast Corp | 5.15% 01 Mar 2020 | | 331,077 |
| Comcast Corp | 4.95% 15 Jun 2016 | | 175,312 |
| Comcast Corp | 6.5% 15 Jan 2017 | | 195,076 |
| Comm Mortgage Trust | 3.147% 15 Aug 2045 | | 230,226 |
| Comm Mortgage Trust | 1.0% 10 Jul 2045 | | 967,681 |
| Comm Mortgage Trust | 1.0% 10 Oct 2046 | | 818,358 |
| Comm Mortgage Trust | 1.8726% 12 Apr 2035 | | 234,940 |
| Comm Mortgage Trust | 3.689% 10 Aug 2046 | | 917,012 |
| Conagra Foods Inc | 1.9% 25 Jan 2018 | | 1,031,621 |
| Cons Edison Co | 5.3% 01 Dec 2016 | | 870,785 |
| Constellation Energy | 5.15% 01 Dec 2020 | | 90,081 |
| Consumers Energy | 6.12% 15 Mar 2019 | | 315,657 |
| Countrywide Finl Corp | 6.25% 15 May 2016 | | 78,384 |
| Coventry Health Care Inc | 6.125% 1/15/2015 | | 30,827 |
| Coventry Health Care Inc | 5.95% 3/15/2017 | | 93,509 |
| Coventry Health Care Inc | 6.3% 8/15/2014 | | 261,879 |
| Cox Communications Inc | 6.2% 01 Jun 2018 | | 898,971 |
| Crane Co | 2.75% 15 Dec 2018 | | 154,928 |
| Credit Based Asset Servicing | 1.0% 25 Jan 2033 | | 117,450 |
| Credit Suisse | 6.5% 08 Aug 2023 | | 283,643 |
| Credit Suisse | 5.3% 13 Aug 2019 | | 983,052 |
| Credit Suisse Mortgage Trust | 1.0% 15 Jun 2038 | | 597,017 |
| Credit Suisse Mortgage Trust | 5.467% 15 Sep 2039 | | |
| CS First Boston Mortgage | 1.0% 15 Feb 2038 | | 268,808 |
| CVS Caremark Corp | 2.25% 05 Dec 2018 | | 1,045,718 |
| Daimler Finance NA LLC | 1.25% 11 Jan 2016 | | 852,015 |
| Delta Air Lines | 7.75% 17 Jun 2021 | | 563,939 |

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|----------------------|--------------------|---------|
| Diageo Capital Plc | 7.375% 15 Jan 2014 | 302,377 |
| DirecTV Holdings LLC | 4.75% 01 Oct 2014 | 145,289 |
| DirecTV Holdings LLC | 4.6% 15 Feb 2021 | 251,212 |
| DirecTV Holdings LLC | 3.8% 15 Mar 2022 | 224,338 |
| Discover Bank | 7.0% 15 Apr 2020 | 452,655 |
| Discover Card | 0.81% 15 Aug 2017 | 302,700 |
| Discover Card | 1.04% 15 Apr 2019 | 626,602 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------|---------------------------|---------------------|---------------|
| Discover Card | 0.86% 15 Nov 2017 | | 264,762 |
| Dominion Resources Inc | 1.95% 15 Aug 2016 | | 929,797 |
| Dow Chemical Co | 8.55% 15 May 2019 | | 300,277 |
| Dow Chemical Co | 4.125% 15 Nov 2021 | | 321,639 |
| Dryrock | 0.64% 15 Aug 2018 | | 573,930 |
| Duke Energy Indiana Inc | 1.0% 11 Jul 2016 | | 258,181 |
| Duke Realty LP | 8.25% 15 Aug 2019 | | 72,287 |
| Enel Finance Intl NV | 6.25% 15 Sep 2017 | | 679,199 |
| Energy Transfer Partners | 4.65% 01 Jun 2021 | | 335,307 |
| Energy Transfer Partners | 6.7% 01 Jul 2018 | | 555,841 |
| Energy Transfer Partners | 4.15% 01 Oct 2020 | | 913,191 |
| Enterprise Products | 5.2% 01 Sep 2020 | | 276,010 |
| Enterprise Products | 3.35% 15 Mar 2023 | | 318,886 |
| Enterprise Products | 1.25% 13 Aug 2015 | | 964,817 |
| ERAC USA Finance LLC | 2.25% 10 Jan 2014 | | 929,540 |
| Ericsson | 4.125% 15 May 2022 | | 472,885 |
| ERP Operating LP | 5.25% 15 Sep 2014 | | 416,664 |
| Eurasian Development | 5.0% 28 Sep 2020 | | 450,483 |
| Exelon Generation Co LLC | 4.0% 01 Oct 2020 | | 408,521 |
| Extended Stay America Trust | 1.0% 05 Dec 2031 | | 258,239 |
| Extended Stay America Trust | 2.2952% 05 Dec 2031 | | 330,464 |
| Federal Realty Invs Trst | 5.65% 01 Jun 2016 | | 299,708 |
| FHLMC Multifamily Structured | 3.23% 25 Jul 2021 | | 3,670,138 |
| FHLMC Multifamily Structured | 2.412% 25 Aug 2018 | | 302,422 |
| FHLMC Multifamily Structured | 2.13% 25 Jan 2019 | | 649,274 |
| FHLMC Multifamily Structured | 2.086% 25 Mar 2019 | | 901,372 |
| FHLMC Multifamily Structured | 1.883% 25 May 2019 | | 3,138,142 |
| FHLMC Multifamily Structured | 1.0% 25 Feb 2023 | | 1,241,482 |
| FHLMC Multifamily Structured | 2.917% 25 Aug 2020 | | 539,347 |
| FHLMC Multifamily Structured | 1.603% 25 Jan 2022 | | 840,269 |
| FHLMC Multifamily Structured | 2.615% 25 Mar 2023 | | 585,097 |
| Fifth Third Auto Trust | 0.61% 15 Sep 2017 | | 390,958 |
| Fifth Third Bancorp | 3.5% 15 Mar 2022 | | 179,336 |
| First National | 1.0% 15 Oct 2019 | | 340,566 |
| Ford Credit | 1.0% 15 Jan 2016 | | 973,135 |
| Ford Credit | 4.2% 15 Feb 2017 | | 1,315,831 |
| Ford Credit Auto Lease Trust | 0.54% 15 Nov 2014 | | 202,509 |
| Ford Credit Auto Owner Trust | 1.0% 15 Sep 2017 | | 318,129 |
| Ford Credit Floorplan Master | 0.85% 15 Jan 2018 | | 299,649 |
| Ford Motor Credit Co LLC | 8.125% 15 Jan 2020 | | 1,545,265 |
| Ford Motor Credit Co LLC | 5.875% 02 Aug 2021 | | 832,878 |
| Ford Motor Credit Co LLC | 5.875% 02 Aug 2021 | | 992,835 |

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|---------------------------|--------------------|-----------|
| Freeport McMoran | 2.375% 15 Mar 2018 | 248,491 |
| Freeport Mcmoran | 2.15% 01 Mar 2017 | 455,414 |
| Gazprom (Gaz Capital SA) | 6.212% 22 Nov 2016 | 328,271 |
| GCCFC Commercial Mortgage | 5.444% 10 Mar 2039 | 1,207,784 |
| GCCFC Commercial Mortgage | 5.444% 10 Mar 2039 | 844,296 |
| GDF Suez | 1.625% 10 Oct 2017 | 171,451 |
| General Elec Cap Corp | 1.76% 15 Sep 2022 | 1,337,172 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|----------------------------------|----------------------------|----------------------|
| GE Equipment | 1.0% 24 Aug 2015 | | 99,943 |
| General Elec Cap Corp | 5.5% 08 Jan 2020 | | 1,225,725 |
| General Elec Cap Corp | 4.65% 17 Oct 2021 | | 206,716 |
| Genworth Holdings Inc | 7.7% 15 Jun 2020 | | 283,834 |
| Genworth Holdings Inc | 7.2% 15 Feb 2021 | | 870,033 |
| Gerdau Trade Inc | 5.75% 30 Jan 2021 | | 101,236 |
| Gerdau Trade Inc | 4.75% 15 Apr 2023 | | 372,922 |
| Glaxosmithkline Capital Company | 1.5% 5/08/20 17 | | 895,601 |
| Glencore Funding LLC | 4.125% 30 May 2023 | | 304,624 |
| Goldman Sachs Group | 6.25% 01 Sep 2017 | | 841,070 |
| Goldman Sachs Group | 7.5% 15 Feb 2019 | | 474,055 |
| Goldman Sachs Group | 6.0% 15 Jun 2020 | | 345,858 |
| Goldman Sachs Group | 5.75% 24 Jan 2022 | | 355,987 |
| Goldman Sachs Group | 1.0% 29 Nov 2023 | | 894,461 |
| Goldman Sachs Group | 5.25% 27 Jul 2021 | | 788,345 |
| Goldman Sachs Group | 5.75% 24 Jan 2022 | | 509,335 |
| GS Mortgage Securities Trust | 1.0% 11 Aug 2029 | | 2,897,548 |
| GS Mortgage Securities Trust | 1.0% 10 Jul 2026 | | 852,502 |
| GS Mortgage Securities Trust | 4.751% 10 Jul 2039 | | 746,242 |
| GS Mortgage Securities Trust | 1.0% 11 Aug 2029 | | 513,612 |
| GS Mortgage Securities Trust | 1.0% 10 Aug 2038 | | 277,929 |
| Harley Davidson Motorcycle | 0.68% 15 Apr 2017 | | 365,194 |
| Hartford Finl Svcs Grp | 4.0% 30 Mar 2015 | | 80,871 |
| Hartford Finl Svcs Grp | 5.5% 30 Mar 2020 | | 261,386 |
| Hartford Finl Svcs Grp | 5.125% 15 Apr 2022 | | 211,970 |
| HCP Inc | 5.375% 01 Feb 2021 | | 543,388 |
| Health Care Reit Inc | 5.25% 15 Jan 2022 | | 528,825 |
| Health Care Reit Inc | 2.25% 15 Mar 2018 | | 365,561 |
| Healthcare Realty Trust | 3.75% 15 Apr 2023 | | 72,018 |
| Hess Corp | 8.125% 15 Feb 2019 | | 531,798 |
| Hewlett Packard Co | 4.30% 01 Jun 2021 | | 877,744 |
| Hewlett Packard Co | 4.65% 09 Dec 2021 | | 99,190 |
| Hewlett Packard Co | 4.3% 01 Jun 2021 | | 261,351 |
| Hilton USA Trust | 2.662% 05 Nov 2030 | | 1,046,575 |
| Honda Auto Receivables | 0.7% 16 Feb 2016 | | 497,247 |
| Honda Auto Receivables | 0.56% 15 May 2016 | | 862,261 |
| HSBC Holdings PLC | 5.1% 05 Apr 2021 | | 248,743 |
| Humana Inc | 7.2% 15 Jun 2018 | | 500,755 |
| Huntington Auto Trust | 1.01% 15 Jan 2016 | | 126,030 |
| Huntington Auto Trust | 1.18% 15 Jun 2017 | | 1,127,172 |
| Hyundai Auto Lease | 0.66% 15 Jun 2016 | | 518,176 |
| Hyundai Auto Receivables | 1.65% 15 Feb 2017 | | 721,450 |

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|-------------------------------------|-------------------|-----------|
| ING Bank | 2.0% 25 Sep 2015 | 504,474 |
| Intl Bk Recon & Develop | 9.25% 15 Jul 2017 | 155,399 |
| Intl Paper Co | 7.95% 15 Jun 2018 | 70,917 |
| Jabil Circuit Inc | 8.25% 15 Mar 2018 | 102,790 |
| John Deere Capital Corp | 2.0% 13 Jan 2017 | 410,656 |
| JP Morgan Chase Commercial Mortgage | 5.42% 15 Jan 2049 | 1,451,655 |
| JP Morgan Chase & Co | 6.0% 15 Jan 2018 | 997,191 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|----------------------------------|----------------------------|----------------------|
| JP Morgan Chase & Co | 4.4% 22 Jul 2020 | | 298,105 |
| JP Morgan Chase & Co | 6.0% 15 Jan 2018 | | 448,176 |
| JP Morgan Chase Commercial Mortgage | 1.0% 12 Jun 2043 | | 687,584 |
| JP Morgan Chase Commercial Mortgage | 5.439% 15 Jan 2049 | | 1,072,931 |
| JP Morgan Chase Commercial Mortgage | 1.0% 12 Feb 2051 | | 949,327 |
| JP Morgan Chase Commercial Mortgage | 2.7493% 15 Nov 2043 | | 328,369 |
| JP Morgan Chase Commercial Mortgage | 1.0% 12 Dec 2044 | | 66,303 |
| JP Morgan Chase Commercial Mortgage | 3.1425% 15 Dec 2047 | | 960,674 |
| Kazmunaygas National Co | 7.0% 05 May 2020 | | 223,910 |
| Kinder Morgan | 5.95% 15 Feb 2018 | | 453,363 |
| Kinder Morgan | 6.85% 15 Feb 2020 | | 717,119 |
| Kinder Morgan | 4.15% 01 Mar 2022 | | 189,329 |
| Kinder Morgan | 3.95% 01 Sep 2022 | | 355,573 |
| Korea Finance Corp | 2.25% 07 Aug 2017 | | 875,548 |
| Korea National Oil Corp | 3.125% 03 Apr 2017 | | 496,066 |
| Kraft Foods Group Inc | 5.375% 10 Feb 2020 | | 466,561 |
| LB UBS Commercial Mortgage | 5.3% 15 Nov 2038 | | 307,729 |
| LB UBS Commercial Mortgage | 1.0% 15 Jun 2029 | | 42,474 |
| Liberty Property LP | 5.5% 15 Dec 2016 | | 75,188 |
| Liberty Property LP | 6.625% 01 Oct 2017 | | 44,571 |
| Life Technologies Corp | 6.0% 01 Mar 2020 | | 609,337 |
| Lincoln National Corp | 4.3% 15 Jun 2015 | | 142,815 |
| Lincoln National Corp | 8.75% 01 Jul 2019 | | 127,751 |
| Lorillard Tobacco Co | 2.3% 21 Aug 2017 | | 672,881 |
| Lorillard Tobacco Co | 3.75% 20 May 2023 | | 416,340 |
| Lyondellbasell Ind | 5.0% 15 Apr 2019 | | 929,388 |
| M&T Bank Auto Receivables Trust | 1.06% 15 Nov 2017 | | 423,370 |
| Macquarie Bank Ltd | 5.0% 22 Feb 2017 | | 98,134 |
| Macquarie Group Ltd | 4.875% 10 Aug 2017 | | 201,175 |
| Macys Retail Hldgs Inc | 3.875% 15 Jan 2022 | | 402,826 |
| Manuf & Traders Trust Co | 1.0% 28 Dec 2020 | | 253,075 |
| Marathon Petroleum Corp | 5.125% 01 Mar 2021 | | 161,272 |
| McKesson Corp | 3.25% 01 Mar 2016 | | 1,049,586 |
| Mercedes Benz Auto Lease Trust | 0.59% 15 Feb 2016 | | 336,863 |
| Merrill Lynch Mortgage | 1.0% 25 Aug 2036 | | 13,969 |
| Merrill Lynch Mortgage | 4.96% 12 Jul 2038 | | 292,760 |
| Merrill Lynch Mortgage | 1.0% 12 Aug 2043 | | 346,320 |
| Methanex Corp | 3.25% 15 Dec 2019 | | 231,778 |
| * MetLife Inc | 7.717% 15 Feb 2019 | | 142,319 |
| * MetLife Inc | 6.817% 15 Aug 2018 | | 430,751 |
| * MetLife Inc | 6.75% 01 Jun 2016 | | 337,447 |
| ML CFC Commercial Mortgage Trust | 1.0% 12 Mar 2051 | | 1,204,119 |

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| | | |
|----------------------------------|--------------------|-----------|
| ML CFC Commercial Mortgage Trust | 5.166% 12 Dec 2049 | 1,298,167 |
| ML CFC Commercial Mortgage Trust | 5.7% 12 Sep 2049 | 800,053 |
| Morgan Stanley | 5.5% 24 Jul 2020 | 544,127 |
| Morgan Stanley | 5.5% 28 Jul 2021 | 339,249 |
| Morgan Stanley | 5.625% 23 Sep 2019 | 353,935 |
| Morgan Stanley | 5.55% 27 Apr 2017 | 222,518 |
| Morgan Stanley | 5.95% 28 Dec 2017 | 772,648 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------|---------------------------|---------------------|---------------|
| Morgan Stanley | 5.5% 28 Jul 2021 | | 451,245 |
| Morgan Stanley | 6.625% 01 Apr 2018 | | 1,451,657 |
| Morgan Stanley BAML Trust | 4.039% 15 Nov 2046 | | 450,570 |
| Morgan Stanley Capital I Trust | 4.89% 12 Jun 2047 | | 913,459 |
| Morgan Stanley Capital I Trust | 1.0% 12 Aug 2041 | | 9,471 |
| Morgan Stanley Capital I Trust | 1.0% 11 Jun 2042 | | 579,421 |
| Morgan Stanley Capital I Trust | 1.0% 11 Jun 2042 | | 812,798 |
| Motel 6 Trust | 1.9483% 05 Oct 2025 | | 491,263 |
| Murray St Inv Trust I | 1.0% 08 Mar 2017 | | 48,202 |
| Mylan Inc | 4.2% 29 Nov 2023 | | 909,225 |
| Mylan Inc | 2.55% 28 Mar 2019 | | 741,767 |
| Mylan Inc | 2.55% 28 Mar 2019 | | 472,034 |
| Nabors Industries Inc | 5.10% 15 Sep 2023 | | 179,723 |
| Nabors Industries Inc | 5.0% 15 Sep 2020 | | 617,633 |
| Natl Grid PLC | 6.3% 01 Aug 2016 | | 547,135 |
| NBC Universal Enterprise | 1.0% 15 Apr 2016 | | 968,573 |
| NCUA Guaranteed Notes | 1.0% 07 Oct 2020 | | 778,562 |
| NCUA Guaranteed Notes | 1.0% 08 Dec 2020 | | 2,713,694 |
| NCUA Guaranteed Notes | 2.9% 29 Oct 2020 | | 713,632 |
| Nevada Power Co | 6.5% 01 Aug 2018 | | 288,034 |
| Newmont Mining Corp | 3.5% 15 Mar 2022 | | 650,169 |
| Nisource Finance Corp | 6.8% 15 Jan 2019 | | 418,996 |
| Nisource Finance Corp | 5.25% 15 Sep 2017 | | 376,043 |
| Nissan Auto Lease Trust | 0.45% 15 Jun 2015 | | 149,105 |
| Nissan Auto Lease Trust | 0.57% 15 Jan 2016 | | 474,720 |
| Noble Energy Inc | 8.25% 01 Mar 2019 | | 419,677 |
| Noble Holding Intl Ltd | 4.9% 01 Aug 2020 | | 37,996 |
| Noble Holding Intl Ltd | 3.95% 15 Mar 2022 | | 128,421 |
| Nomura Holdings Inc | 2.0% 13 Sep 2016 | | 482,696 |
| Norfolk Southern Corp | 5.75% 01 Apr 2018 | | 216,178 |
| Occidental Petroleum Corp | 1.75% 15 Feb 2017 | | 942,219 |
| Odebrecht Finance Ltd | 5.125% 26 Jun 2022 | | 190,474 |
| Omnicom Group Inc | 4.45% 15 Aug 2020 | | 934,643 |
| Omnicom Group Inc | 3.625% 01 May 2022 | | 157,363 |
| Oneok Inc | 4.25% 01 Feb 2022 | | 443,959 |
| Oracle Corp | 1.2% 15 Oct 2017 | | 737,300 |
| Orix Corp | 4.71% 27 Apr 2015 | | 298,251 |
| Owens Corning Inc | 6.5% 01 Dec 2016 | | 225,673 |
| Penarth | 1.0% 18 Mar 2014 | | 540,167 |
| Petroleos Mexicanos | 3.5% 18 Jul 2018 | | 267,621 |
| Petronas Capital Ltd | 5.25% 12 Aug 2019 | | 421,270 |
| Philip Morris Intl Inc | 4.5% 26 Mar 2020 | | 136,784 |

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| | | |
|--------------------------|--------------------|---------|
| Philip Morris Intl Inc | 1.875% 15 Jan 2019 | 784,502 |
| PNC Bank NA | 6.875% 01 Apr 2018 | 488,952 |
| Pride International Inc | 8.5% 15 Jun 2019 | 230,687 |
| Prudential Financial Inc | 4.5% 15 Nov 2020 | 296,460 |
| Quest Diagnostic Inc | 4.75% 30 Jan 2020 | 465,638 |
| Questar Corp | 2.75% 01 Feb 2016 | 551,424 |
| Raytheon | 3.125% 15 Oct 2020 | 930,316 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Regency Centers LP | 5.25% 01 Aug 2015 | | 63,020 |
| Regency Centers LP | 5.875% 15 Jun 2017 | | 157,299 |
| Reliance Steel & Alum | 4.5% 15 Apr 2023 | | 81,131 |
| Republic Services Inc | 3.8% 15 May 2018 | | 13,398 |
| Residential Asset Securities | 1.0% 25 May 2033 | | 7,466 |
| Reynolds American Inc | 3.25% 01 Nov 2022 | | 208,074 |
| Rio Tinto Fin USA PLC | 3.5% 02 Nov 2020 | | 784,828 |
| Rio Tinto Fin USA PLC | 3.5% 22 Mar 2022 | | 71,615 |
| Rio Tinto Fin USA PLC | 2.875% 21 Aug 2022 | | 231,261 |
| Rio Tinto Fin USA PLC | 2.25% 14 Dec 2018 | | 428,932 |
| Rockwell Collins Inc | 1.0% 15 Dec 2016 | | 180,011 |
| Rowan Companies Inc | 5.0% 01 Sep 2017 | | 374,368 |
| Royal Bk of Scotland Plc | 6.125% 11 Jan 2021 | | 429,527 |
| Royal Bk of Scotland Plc | 2.55% 18 Sep 2015 | | 557,306 |
| Santander Drive Auto | 0.82% 15 Feb 2018 | | 335,505 |
| Santander Drive Auto | 0.62% 15 Jun 2017 | | 510,520 |
| Santander Drive Auto | 0.47% 15 Sep 2015 | | 65,105 |
| Santander Drive Auto | 0.64% 17 Apr 2017 | | 281,259 |
| Santander Holdings USA | 4.625% 19 Apr 2016 | | 134,889 |
| Santander US | 3.724% 20 Jan 2015 | | 1,463,841 |
| SCSLC 2010 | 1.0% 25 Jul 2025 | | 2,192,826 |
| Sempra Energy | 4.05% 01 Dec 2023 | | 470,801 |
| Sempra Energy | 6.5% 01 Jun 2016 | | 322,988 |
| Sinopec Grp | 4.375% 17 Oct 2023 | | 460,110 |
| SLM Student Loan Trust | 1.0% 25 Sep 2019 | | 1,299,160 |
| Smart Trust | 1.25% 14 Aug 2018 | | 1,056,674 |
| Smart Trust | 0.67% 14 Jun 2015 | | 175,292 |
| Snap On Inc | 4.25% 15 Jan 2018 | | 333,563 |
| Societe Generale | 2.5% 15 Jan 2014 | | 233,638 |
| Southern Cal Edison | 5.5% 15 Aug 2018 | | 445,556 |
| Southern Co | 1.95% 01 Sep 2016 | | 933,429 |
| Southwest Airlines | 5.25% 01 Oct 2014 | | 185,761 |
| Southwest Airlines | 5.75% 15 Dec 2016 | | 162,605 |
| Spectra Energy Capital | 8.00% 01 Oct 2019 | | 405,669 |
| Spectra Energy Partners | 2.95% 15 Aug 2018 | | 449,490 |
| Spectra Energy Partners | 2.95% 25 Sep 2018 | | 98,630 |
| Standard Chartered PLC | 1.0% 12 Jul 2022 | | 492,380 |
| Staples Inc | 2.75% 12 Jan 2018 | | 458,802 |
| * State Street Corp | 3.7% 20 Nov 2023 | | 188,252 |
| Stryker Corp | 2.0% 30 Sep 2016 | | 939,721 |
| Svenska Handelsbanken AB Bank | 2.875% 04 Apr 2017 | | 253,396 |
| Talent Yield Investments | 4.5% 25 Apr 2022 | | 473,576 |

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| | | |
|------------------------------|--------------------|-----------|
| Teck Resources Limited | 4.5% 15 Jan 2021 | 294,084 |
| Teck Resources Limited | 4.5% 15 Jan 2021 | 646,986 |
| Teck Resources Limited | 3.75% 01 Feb 2023 | 634,900 |
| Telefonica Emisiones Sau | 5.134% 27 Apr 2020 | 1,235,299 |
| Telefonica Emisiones Sau | 5.462% 16 Feb 2021 | 169,406 |
| Telefonica Emisiones Sau | 5.462% 16 Feb 2021 | 651,956 |
| Thermo Fisher Scientific Inc | 4.15% 01 Feb 2024 | 170,592 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------------|---------------------------|---------------------|---------------|
| Time Warner Cable Inc | 7.5% 01 Apr 2014 | | 336,328 |
| Time Warner Cable Inc | 5.0% 01 Feb 2020 | | 118,559 |
| Time Warner Cable Inc | 4.0% 01 Sep 2021 | | 415,710 |
| Time Warner Inc | 4.875% 15 Mar 2020 | | 554,599 |
| Time Warner Inc | 4.7% 15 Jan 2021 | | 511,369 |
| Total Capital SA | 4.45% 24 Jun 2020 | | 916,855 |
| Total System Services | 2.375% 01 Jun 2018 | | 134,426 |
| Total System Services | 3.75% 01 Jun 2023 | | 125,024 |
| Toyota Motor Credit Corp | 2.0% 15 Sep 2016 | | 940,830 |
| Trans Canada Pipelines | 3.4% 01 Jun 2015 | | 293,171 |
| Transocean Inc Company | 6.37% 15 Dec 2021 | | 2,187 |
| Transocean Inc Company | 3.8% 15 Oct 2022 | | 139,264 |
| Travelers Cos Inc | 5.75% 15 Dec 2017 | | 412,735 |
| Tyson Foods Inc | 4.5% 15 Jun 2022 | | 505,268 |
| UBS AG | 5.875% 15 Jul 2016 | | 578,849 |
| Unicredito Luxem Fin | 6.0% 31 Oct 2017 | | 238,118 |
| Unum Group | 5.625% 15 Sep 2020 | | 405,307 |
| US Cellular Corp | 6.7% 15 Dec 2033 | | 38,741 |
| Valero Energy Corp | 6.125% 01 Feb 2020 | | 292,307 |
| Verizon Communications | 3.65% 14 Sep 2018 | | 793,123 |
| Verizon Communications | 3.65% 14 Sep 2018 | | 1,323,589 |
| Verizon Communications | 5.5% 15 Feb 2018 | | 318,799 |
| Verizon Communications | 5.15% 15 Sep 2023 | | 646,701 |
| Viacom Inc | 5.625% 15 Sep 2019 | | 71,933 |
| Vodafone Group | 2.95% 19 Feb 2023 | | 394,905 |
| Wachovia Bank Commercial Mortgage | 1.0% 15 May 2043 | | 898,536 |
| Walgreen Co | 1.0% 13 Mar 2015 | | 786,521 |
| Waste Management Inc | 4.75% 30 Jun 2020 | | 444,402 |
| Weatherford Bermuda | 6.0% 15 Mar 2018 | | 24,025 |
| Weatherford Bermuda | 5.125% 15 Sep 2020 | | 496,518 |
| Wellpoint Inc | 1.25% 10 Sep 2015 | | 627,078 |
| Wells Fargo & Company | 1.0% 15 Jun 2016 | | 486,941 |
| Wells Fargo & Company | 4.125% 15 Aug 2023 | | 647,511 |
| Wells Fargo & Company | 2.1% 08 May 2017 | | 916,852 |
| Wells Fargo Commercial Mortgage | 2.918% 15 Oct 2045 | | 1,298,785 |
| Wells Fargo Commercial Mortgage | 1.0% 15 Jul 2046 | | 956,577 |
| Western Union Co | 2.375% 10 Dec 2015 | | 79,658 |
| Western Union Co | 3.35% 22 May 2019 | | 407,948 |
| WF RBS Commercial Mortgage | 4.023% 15 Dec 2046 | | 402,729 |
| WF RBS Commercial Mortgage | 3.337% 15 Jun 2046 | | 427,987 |
| WF RBS Commercial Mortgage | 3.526% 15 Nov 2044 | | 1,206,575 |
| WF RBS Commercial Mortgage | 2.921% 15 Dec 2046 | | 551,215 |

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| | | |
|-------------------------|-------------------|-----------|
| Williams Companies Inc | 3.7% 15 Jan 2023 | 391,519 |
| Williams Partners LP | 4.0% 15 Nov 2021 | 326,739 |
| World Financial Network | 3.14% 17 Jan 2023 | 1,438,899 |
| World Financial Network | 1.76% 17 May 2021 | 315,682 |
| World Financial Network | 1.61% 15 Dec 2021 | 245,334 |
| World Omni Auto | 0.93% 16 Nov 2015 | 282,951 |
| WPP Finance | 4.75% 21 Nov 2021 | 196,238 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------|---------------------------|---------------------|---------------|
| Wyndham Worldwide Corp | 2.5% 01 Mar 2018 | | 494,569 |
| Xerox Corporation | 5.625% 15 Dec 2019 | | 450,659 |
| XLIT Ltd | 2.3% 15 Dec 2018 | | 406,179 |
| XLIT Ltd | 5.25% 15 Sep 2014 | | 335,979 |
| | | | 232,410,943 |

Separate Investment Contract

| | | | |
|---------------------------------------|------------------|--|-------------|
| * Metropolitan Life Insurance Company | Separate Account | | 172,671,885 |
|---------------------------------------|------------------|--|-------------|

Benefit Responsive Interest Rate Wrapper Contracts

| | | | |
|---------------------------------------|---------------------|--|----------------|
| * Bank of America | Open Ended Maturity | | (67,011) |
| * Metropolitan Life Insurance Company | Open Ended Maturity | | 65,333 |
| * Transamerica Inc | Open Ended Maturity | | (126,871) |
| | | | (128,549) |
| | | | \$ 733,856,855 |

Commingled Investments:

| | | | |
|--|------------------------|--|-------------|
| * Daily Emer Mkts Index Ser State Str Bk & Tr Co | Commingled Investments | | 4,623,607 |
| * Northern Trust S&P 400 Ind Fnd | Commingled Investments | | 14,293,033 |
| * SSgA EAFE Equity Fund | Commingled Investments | | 111,718,255 |
| * SSgA S&P 500 Fund | Commingled Investments | | 279,286,371 |
| * SSgA Small CAP Fund | Commingled Investments | | 142,953,163 |
| Vanguard Target Retirement 2010 Fund | Commingled Investments | | 6,572,636 |
| Vanguard Target Retirement 2015 Fund | Commingled Investments | | 29,788,730 |
| Vanguard Target Retirement 2020 Fund | Commingled Investments | | 46,274,285 |
| Vanguard Target Retirement 2025 Fund | Commingled Investments | | 53,696,595 |
| Vanguard Target Retirement 2030 Fund | Commingled Investments | | 60,333,203 |
| Vanguard Target Retirement 2035 Fund | Commingled Investments | | 67,875,960 |
| Vanguard Target Retirement 2040 Fund | Commingled Investments | | 58,127,511 |
| Vanguard Target Retirement 2045 Fund | Commingled Investments | | 43,648,754 |
| Vanguard Target Retirement 2050 Fund | Commingled Investments | | 40,446,721 |
| Vanguard Target Retirement Income | Commingled Investments | | 18,160,185 |

Commingled Investments

\$ 977,799,009

Registered Investment Companies:

| | | |
|---|-------------------------------|--------|
| Aberdeen Asia Pacific Income Fd Inc | Registered Investment Company | 23,531 |
| Acadian Emerging Markets Port Instl | Registered Investment Company | 5,168 |
| Aegis Value Fund Inc | Registered Investment Company | 6,659 |
| Aim European Growth Investors | Registered Investment Company | 1,138 |
| Akre Focus Fund Retail | Registered Investment Company | 11,481 |
| * Alliancebernstein Global High Income Fund Inc | Registered Investment Company | 10,380 |
| Alps ETF Tr Equal Sector Weight ETF | Registered Investment Company | 17,612 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|----------------------------------|----------------------------|----------------------|
| Alps ETF Trust Sector Dividend Dogs ETF | Registered Investment Company | | 3,487 |
| Amana Mutual Fund Trust Income | Registered Investment Company | | 36,557 |
| Amer Century Target Maturities Tr 2020 | Registered Investment Company | | 40,552 |
| American Capital Income Builder CI F | Registered Investment Company | | 39,213 |
| American Capital World Grth & Inc A | Registered Investment Company | | 11,894 |
| American Century Equity Income | Registered Investment Company | | 24,183 |
| American Century Heritage | Registered Investment Company | | 2,759 |
| American Europacific Growth Class A | Registered Investment Company | | 27,680 |
| American Europacific Growth Class F | Registered Investment Company | | 10,636 |
| American Europacific Growth Fund | Registered Investment Company | | 11,481 |
| American High-Income Class F | Registered Investment Company | | 13,978 |
| American Income Fund of America Class A | Registered Investment Company | | 8,998 |
| American Income Fund of America Class F | Registered Investment Company | | 48,256 |
| American Mutual Fund Class A | Registered Investment Company | | 9,984 |
| American New Economy Fund Class A | Registered Investment Company | | 11,435 |
| American New Perspective Class A | Registered Investment Company | | 36,795 |
| American New World Fund Class A | Registered Investment Company | | 10,427 |
| American Smallcap World Class F1 | Registered Investment Company | | 10,677 |
| Ariel Appreciation | Registered Investment Company | | 58,591 |
| Ariel Growth Class A | Registered Investment Company | | 16,273 |
| Artio International Equity Fund | Registered Investment Company | | 13,622 |
| Artisan Global Equity Fund Investor | Registered Investment Company | | 21,685 |
| Artisan International Investor Class | Registered Investment Company | | 14,395 |
| Artisan Intl Value Fund Inv CI | Registered Investment Company | | 15,510 |
| Barclays Bank Plc | Registered Investment Company | | 1,170 |
| Barclays Bk Plc Ipath Etns Lkd MSCI India | Registered Investment Company | | 9,114 |
| Barclays Bk Plc Ipath S&P 500 Vix | Registered Investment Company | | 1,064 |
| Barclays Global Investors Funds Inc Ipath | Registered Investment Company | | 265 |
| Baron Partners Fund | Registered Investment Company | | 43,730 |
| Berkshire Focus Fund | Registered Investment Company | | 4,454 |
| Blackrock Equity Dividend Fd-Instl | Registered Investment Company | | 45,962 |
| Blackrock Global Allocation Fd-Instl | Registered Investment Company | | 28,803 |
| Brandywine Blue | Registered Investment Company | | 11,504 |
| Bridgeway Aggressive Investor 1 | Registered Investment Company | | 196,699 |
| Bridgeway Small Cap Growth CI N | Registered Investment Company | | 24,091 |
| Brown Capital Mgt Small Company Inv | Registered Investment Company | | 8,338 |
| Buffalo Mid Cap Fund | Registered Investment Company | | 8,530 |
| Buffalo Small Cap Growth | Registered Investment Company | | 31,085 |
| Clipper | Registered Investment Company | | 12,539 |
| Columbia Acorn International | Registered Investment Company | | 12,585 |
| Columbia Dividend Income Fund | Registered Investment Company | | 12,462 |
| Columbia Marsico Intl Opp Prim | Registered Investment Company | | 5,513 |

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| Columbia Real Estate Equity | Registered Investment Company | 61,314 |
| Columbia Small Cap Core | Registered Investment Company | 3,917 |
| Columbia Strategic Income Fd | Registered Investment Company | 7,194 |
| Columbia Value And Restructuring | Registered Investment Company | 51,570 |
| CRM Mid Cap Value Investor Shares | Registered Investment Company | 19,922 |
| Deutsche Bk AG London Brh Powershares Db | Registered Investment Company | 31,620 |
| Diamond Hill Small Cap Fund Class I | Registered Investment Company | 26,347 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------------|----------------------------|----------------------|
| Direxion Latin America Bull 2X Inv | Registered Investment Company | | 1 |
| Direxion Shs ETF Tr Daily 20+ Yr Treasury Bear | Registered Investment Company | | 36,380 |
| Direxion Shs ETF Tr Daily Finl Bear | Registered Investment Company | | 6,450 |
| Direxion Shs ETF Tr Daily Gold Miners Bull | Registered Investment Company | | 329 |
| Direxion Shs ETF Tr Daily Real Estate Bear | Registered Investment Company | | 4,183 |
| Direxion Shs ETF Tr Daily Small Cap Bear | Registered Investment Company | | 2,121 |
| Dodge & Cox Income | Registered Investment Company | | 115,535 |
| Dodge & Cox Internatl Stock Fund | Registered Investment Company | | 112,218 |
| Dodge & Cox Stock | Registered Investment Company | | 165,899 |
| Doubleline Floating Rate Fund | Registered Investment Company | | 20,201 |
| Doubleline Low Duration Bond | Registered Investment Company | | 30,234 |
| Doubleline Total Return Bond Fd | Registered Investment Company | | 24,793 |
| Dreyfus Bond Market Index Class R | Registered Investment Company | | 42,166 |
| Dreyfus Opportunisti Midcap Value | Registered Investment Company | | 17,187 |
| Dreyfus Premier Greater China | Registered Investment Company | | 1,039 |
| Driehaus Internatl Discovery | Registered Investment Company | | 13,233 |
| DWS Alternative Asset Allocation | Registered Investment Company | | 3,212 |
| DWS Rref Real Estate Security | Registered Investment Company | | 3,408 |
| DWS S&P 500 Index | Registered Investment Company | | 8,218 |
| DWS Select Alternati Ve Allocation Fund | Registered Investment Company | | 6,963 |
| Eagle Small Cap Growth Fund | Registered Investment Company | | 10,051 |
| Eaton Vance Worldwide Health Sciences | Registered Investment Company | | 3,269 |
| Fairholme Fund | Registered Investment Company | | 18,535 |
| Fam Value | Registered Investment Company | | 128,521 |
| Fidelity Advisor Mid Cap Ii | Registered Investment Company | | 3,880 |
| Fidelity Advisor New Insights | Registered Investment Company | | 41,845 |
| Fidelity Canada | Registered Investment Company | | 5,964 |
| Fidelity Capital & Income | Registered Investment Company | | 83,296 |
| Fidelity Capital Appreciation | Registered Investment Company | | 28,781 |
| Fidelity Contrafund | Registered Investment Company | | 220,414 |
| Fidelity Convertible Securities | Registered Investment Company | | 14,330 |
| Fidelity Diversified International | Registered Investment Company | | 71,724 |
| Fidelity Dividend Growth | Registered Investment Company | | 32,850 |
| Fidelity Emerging Markets | Registered Investment Company | | 48,731 |
| Fidelity Freedom 2025 | Registered Investment Company | | 8,207 |
| Fidelity High Income | Registered Investment Company | | 47,983 |
| Fidelity Inflation Protected Bond | Registered Investment Company | | 8,548 |
| Fidelity International Real Estate Fund | Registered Investment Company | | 17,178 |
| Fidelity International Small Cap | Registered Investment Company | | 10,727 |
| Fidelity International Discovery | Registered Investment Company | | 68,960 |
| Fidelity Large Capital Stock | Registered Investment Company | | 4,573 |

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|--------------------------------------|-------------------------------|---------|
| Fidelity Latin America | Registered Investment Company | 20,858 |
| Fidelity Leveraged Company Stock | Registered Investment Company | 4,374 |
| Fidelity Low Priced Stock | Registered Investment Company | 34,907 |
| Fidelity Mega Cap Stock Fund | Registered Investment Company | 6,871 |
| Fidelity Mid Cap Enhanced Index Fund | Registered Investment Company | 4,541 |
| Fidelity Mid Cap Value | Registered Investment Company | 5,763 |
| Fidelity New Markets Income | Registered Investment Company | 60,503 |
| Fidelity Select Biotechnology | Registered Investment Company | 214,527 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------------|----------------------------|----------------------|
| Fidelity Select Chemicals | Registered Investment Company | | 12,617 |
| Fidelity Select Energy Service | Registered Investment Company | | 9,603 |
| Fidelity Select Natural Resources | Registered Investment Company | | 29,846 |
| Fidelity Select Technology | Registered Investment Company | | 3,816 |
| Fidelity Small Cap Discovery Fund | Registered Investment Company | | 25,913 |
| Fidelity Strategic Income | Registered Investment Company | | 25,050 |
| Fidelity Value | Registered Investment Company | | 2,693 |
| Fidelity Value Strategies | Registered Investment Company | | 3,741 |
| First Tr Exchange Traded Fd | Registered Investment Company | | 12,630 |
| Forward Global Emerg Markets Instl | Registered Investment Company | | 752 |
| Forward Internationl Equity Fund | Registered Investment Company | | 4,149 |
| FPA Crescent Instl | Registered Investment Company | | 80,845 |
| Franklin Global Real Estate Adv | Registered Investment Company | | 7,405 |
| Franklin Growth Class C | Registered Investment Company | | 9,079 |
| Franklin Strategic Inc | Registered Investment Company | | 10,064 |
| Franklin Strategic Income Class A | Registered Investment Company | | 17,239 |
| Franklin Temp Mutual Series Class R | Registered Investment Company | | 23,246 |
| Franklin Utilities Advisor Class | Registered Investment Company | | 8,971 |
| Fund*X Upgrader Fund | Registered Investment Company | | 27,005 |
| Fundamental Investors | Registered Investment Company | | 43,821 |
| Gabelli Utilities Fund Class C | Registered Investment Company | | 10,347 |
| Gamco Growth Fund N/C | Registered Investment Company | | 13,247 |
| Global Resources Fund | Registered Investment Company | | 1,672 |
| Global X Fds Global Uranium ETF | Registered Investment Company | | 2,031 |
| Global X Fds Global X Lithium ETF | Registered Investment Company | | 3,902 |
| Global X Funds Global X Superdiv ETF | Registered Investment Company | | 15,249 |
| Goldman Sachs Asset Alloc Growth Strat C | Registered Investment Company | | 15,936 |
| Goldman Sachs Mid Cap Val Fd CI Svc | Registered Investment Company | | 4,851 |
| Greenspring Fund | Registered Investment Company | | 23,258 |
| Growth Fund of America | Registered Investment Company | | 24,184 |
| Guggenheim BRIC ETF | Registered Investment Company | | 10,395 |
| Hancock Horizon Burkenroad Sml Cap D | Registered Investment Company | | 242,556 |
| Hancock John Pfd Equity Income Fd | Registered Investment Company | | 57,120 |
| Harbor Bond Inst. | Registered Investment Company | | 116,540 |
| Harbor International | Registered Investment Company | | 97,180 |
| Harbor International Investor Shares | Registered Investment Company | | 68,093 |
| Hartford Small Cap Growth Fd | Registered Investment Company | | 223 |
| Heartland Value | Registered Investment Company | | 24,309 |
| Hennessy Focus Fund Investor Class | Registered Investment Company | | 3,518 |
| Hodges Fund | Registered Investment Company | | 2,398 |
| Hussman Strategic Growth | Registered Investment Company | | 12,122 |

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| | | |
|--|-------------------------------|--------|
| Hussman Strategic Total Return | Registered Investment Company | 11,876 |
| Icon Healthcare | Registered Investment Company | 10,674 |
| Invesco Intl Growth Fund Class A | Registered Investment Company | 7,003 |
| Invesco Small Companies Cl Y | Registered Investment Company | 21,240 |
| Invesco Value Mun In | Registered Investment Company | 56,105 |
| Invesco Van Kampen Equity And Income C | Registered Investment Company | 23,430 |
| Ishares 1-3 Year Treasury Bond ETF | Registered Investment Company | 28,942 |
| Ishares Barclays U S Aggregate Bd Fd | Registered Investment Company | 36,286 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------------|----------------------------|----------------------|
| Ishares Comex Gold Trust Ishares ETF | Registered Investment Company | | 7,826 |
| Ishares Iboxx \$ Investment Grade Corp Bd Fund | Registered Investment Company | | 55,544 |
| Ishares Inc MSCI BRIC Index Fd | Registered Investment Company | | 15,928 |
| Ishares Inc MSCI Australia Index Fund | Registered Investment Company | | 150 |
| Ishares Inc MSCI Brazil Free Index Fund | Registered Investment Company | | 23,896 |
| Ishares Inc MSCI Singapore Index Fd | Registered Investment Company | | 39,654 |
| Ishares MSCI Hong Kong ETF | Registered Investment Company | | 7,004 |
| Ishares MSCI South Africa ETF | Registered Investment Company | | 19,798 |
| Ishares Russell 2000 ETF | Registered Investment Company | | 21,886 |
| Ishares S&P N. American Natural Resources Fd | Registered Investment Company | | 8,678 |
| Ishares Silver Tr Ishares | Registered Investment Company | | 11,694 |
| Ishares Tr Cohen & Steers Realty Majors Index Fd | Registered Investment Company | | 36,331 |
| Ishares Tr FTSE Nareit Mtg Plus Capped Index Fd | Registered Investment Company | | 7,130 |
| Ishares Tr Iboxx \$ High Yield Corp Bd Fd | Registered Investment Company | | 14,118 |
| Ishares Tr MSCI Eafe Index Fd | Registered Investment Company | | 56,921 |
| Ishares Tr MSCI Eafe Value Index Fd | Registered Investment Company | | 14,002 |
| Ishares Tr MSCI Emerging Mkts Index Fd | Registered Investment Company | | 111,528 |
| Ishares Tr S&P Midcap 400 Index Fd | Registered Investment Company | | 8,924 |
| Ishares Tr S&P Midcap 400/ Value Index Fd | Registered Investment Company | | 90,617 |
| Ishares Tr S&P Smallcap 600/ Value Index Fd | Registered Investment Company | | 11,495 |
| Ishares Tr S&P U S Pfd Stk Index Fd | Registered Investment Company | | 13,333 |
| Ishares Tr U S Treas Inflation Protected Fd | Registered Investment Company | | 33,625 |
| Ishares Trust MSCI Usa Minvolatility ETF | Registered Investment Company | | 34,740 |
| Ishares Trust S&P Smallcap 600 Index Fd | Registered Investment Company | | 27,878 |
| Iva International Fund | Registered Investment Company | | 10,828 |
| Ivy Asset Strategy Class R | Registered Investment Company | | 6,498 |
| Ivy Global Natural Resources Class C | Registered Investment Company | | 6,827 |
| Ivy Mid Cap Growth | Registered Investment Company | | 9,926 |
| Janus Balanced | Registered Investment Company | | 64,310 |
| Janus Fund Class T Shares | Registered Investment Company | | 7,445 |
| Janus Global Life Sciences Fund | Registered Investment Company | | 12,188 |
| Janus Mercury | Registered Investment Company | | 16,285 |
| Janus Overseas | Registered Investment Company | | 14,932 |
| Janus Triton Fund Class I | Registered Investment Company | | 33,638 |
| Janus Triton Fund Class T | Registered Investment Company | | 73,966 |
| Janus Worldwide Fund Class T | Registered Investment Company | | 9,739 |
| Kinetics Small Cap Opportunities | Registered Investment Company | | 23,986 |
| Laudus Mondrian Emrg Markets Invst | Registered Investment Company | | 18,469 |
| Lazard Developing Mrkts Eq | Registered Investment Company | | 1,755 |
| Liberty All Star Equity Fd | Registered Investment Company | | 142 |
| * Loomis Sayles Bond Retail Shares | Registered Investment Company | | 78,813 |

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|--|-------------------------------|--------|
| * Loomis Sayles Global Bond Retail | Registered Investment Company | 8,888 |
| * Loomis Sayles Invst Grade Bond | Registered Investment Company | 8,651 |
| Lord Abbett Floating Rate Inc Fd | Registered Investment Company | 30,420 |
| Mainstay Marketfield Fund Class I | Registered Investment Company | 2,280 |
| Managers Fremont Micro-Cap Fund N/C | Registered Investment Company | 34,162 |
| Managers Intermediat Duration Government | Registered Investment Company | 23,383 |
| Manning & Napier Equity Series | Registered Investment Company | 74,410 |
| Manning & Napier Overseas Series | Registered Investment Company | 3,611 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|----------------------------------|----------------------------|----------------------|
| Manning & Napier Pro Blend Max Term Ser | Registered Investment Company | | 1,247 |
| Market Vectors ETF Tr Africa ETF | Registered Investment Company | | 10,100 |
| Market Vectors ETF Tr Agribusiness ETF | Registered Investment Company | | 5,483 |
| Market Vectors Uranium+Nuclear Energy ETF | Registered Investment Company | | 10,121 |
| Marsico Internat L Opportunities | Registered Investment Company | | 33,865 |
| Matthews Asia Dividend Fund | Registered Investment Company | | 13,883 |
| Matthews Dragon Century China | Registered Investment Company | | 2,068 |
| Matthews India Fund | Registered Investment Company | | 4,187 |
| Matthews Pacific Tiger | Registered Investment Company | | 496 |
| Merger Fund | Registered Investment Company | | 50,855 |
| Meridian Fund | Registered Investment Company | | 43,791 |
| Merk Hard Currency Fund Investor | Registered Investment Company | | 10,866 |
| Metropolitan West Tot Return Bond | Registered Investment Company | | 1,185 |
| Neuberger Berman Focus Investor | Registered Investment Company | | 5,411 |
| Neuberger Berman Real Estate Trust | Registered Investment Company | | 29,803 |
| Nuveen Quality Pfd Income Fd 2 | Registered Investment Company | | 126,170 |
| Oakmark Equity & Income Fd | Registered Investment Company | | 303,385 |
| Oakmark Fund | Registered Investment Company | | 135,539 |
| Oakmark International | Registered Investment Company | | 103,754 |
| Oakmark International Small Cap | Registered Investment Company | | 9,756 |
| Oppenheimer Dev Markets Fd Class Y | Registered Investment Company | | 7,014 |
| Oppenheimer Dev Markets | Registered Investment Company | | 27,355 |
| Oppenheimer Dev Markets Fd Class A | Registered Investment Company | | 8,379 |
| Oppenheimer Int L Growth Class A | Registered Investment Company | | 10,488 |
| Parnassus Equity Income Portfolio | Registered Investment Company | | 72,841 |
| Parnassus Fund | Registered Investment Company | | 6,709 |
| Parnassus Small Cap | Registered Investment Company | | 2,468 |
| Parnassus Workplace | Registered Investment Company | | 2,960 |
| Perkins Mid Cap Value Class I | Registered Investment Company | | 9,753 |
| Permanent Portfolio Family of Fds | Registered Investment Company | | 161,148 |
| Permanent Versatile Bond Portfolio | Registered Investment Company | | 11,353 |
| PFG Core Equity Fund - Investor | Registered Investment Company | | 13,553 |
| PFG Explorer Fund Investor Class | Registered Investment Company | | 1,376 |
| PFG Strategic Conservative Invst | Registered Investment Company | | 11,317 |
| * PIMCO All Asset Fund Class D | Registered Investment Company | | 10,927 |
| * PIMCO All Asset Inst Class | Registered Investment Company | | 304,723 |
| * PIMCO Income Fund | Registered Investment Company | | 9,865 |
| * PIMCO Real Return Class D | Registered Investment Company | | 66,274 |
| * PIMCO Stocksplus Tr Short Strategy | Registered Investment Company | | 10,107 |
| * PIMCO Total Return Class A | Registered Investment Company | | 36,526 |
| * PIMCO Total Return Class D | Registered Investment Company | | 12,974 |

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|---|-------------------------------|--------|
| Powershares Db Commodity Index Tracking Fd | Registered Investment Company | 4,414 |
| Powershares Db Multi Sector Commodity | Registered Investment Company | 36,761 |
| Powershares Exchange Traded Fds High Yield Eqty | Registered Investment Company | 5,475 |
| Powershares Fd Emerging Markets Debt Portfolio | Registered Investment Company | 13,500 |
| Powershares Ftse Rafi Developed Markets | Registered Investment Company | 10,327 |
| Powershares Ftse Rafi Us 1000 | Registered Investment Company | 57,727 |
| Powershares Fundamental Invt Grade Corp Bd | Registered Investment Company | 8,442 |
| Powershares Inter Dvd Achiev funds | Registered Investment Company | 29,506 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------------|----------------------------|----------------------|
| Powershares Qqq Tr Unit Ser 1 | Registered Investment Company | | 98,578 |
| Primecap Odyssey Aggressive Grwth Fd | Registered Investment Company | | 16,628 |
| Primecap Odyssey Growth Fund | Registered Investment Company | | 25,917 |
| Primecap Odyssey Sto Ck Fund | Registered Investment Company | | 9,177 |
| Principal Largecap Growth Fund | Registered Investment Company | | 113 |
| Principal Midcap Fund | Registered Investment Company | | 4,013 |
| Proshares Tr Ii Proshares Ultrashort Euro | Registered Investment Company | | 5,118 |
| Proshares Tr Ii Ultra Vix Short Term Futures ETF | Registered Investment Company | | 1,678 |
| Proshares Tr Ultrapro Russell2000 | Registered Investment Company | | 12,669 |
| Proshares Tr Ultrashort Financials | Registered Investment Company | | 157 |
| Proshares Tr Ultrashort Ftse/Xinhua China 25 | Registered Investment Company | | 6,112 |
| Proshares Trust Ultra Financials | Registered Investment Company | | 50,501 |
| Proshares Ultra Gas Proshares | Registered Investment Company | | 6,606 |
| Proshares Ultra QQQ Proshares | Registered Investment Company | | 69,978 |
| Proshares Ultra S&P 500 Proshares | Registered Investment Company | | 52,915 |
| Prudential Defensive Equity Class C | Registered Investment Company | | 18,978 |
| Prudential Jennison Natural Resources | Registered Investment Company | | 6,593 |
| Putnam High Income Conv & Bd Fd | Registered Investment Company | | 20,650 |
| Rivernorth Core Oppportunity Fund | Registered Investment Company | | 42,710 |
| Rivernorth/Double Line Strategic Inc R | Registered Investment Company | | 164,136 |
| Royce Low Priced Stock Fund | Registered Investment Company | | 102,950 |
| Royce Microcap | Registered Investment Company | | 152,020 |
| Royce Opportunity Fund | Registered Investment Company | | 12,603 |
| Royce Pa Mutual | Registered Investment Company | | 230,205 |
| Royce Premier Series | Registered Investment Company | | 71,484 |
| Royce Special Equity | Registered Investment Company | | 20,669 |
| Royce Total Return Fund | Registered Investment Company | | 61,733 |
| Rs Global Natl Resources Fd Cl K | Registered Investment Company | | 3,170 |
| Rs Global Natural Resources Fund Cl Y | Registered Investment Company | | 8,909 |
| Schroder Emerging Market Equity Adv | Registered Investment Company | | 55,245 |
| Schwab 1000 Index Fund | Registered Investment Company | | 24,058 |
| Schwab Fundamental Emg Mkts Index Instl | Registered Investment Company | | 11,931 |
| Schwab Monthly Inc Enhanced Payout | Registered Investment Company | | 27,329 |
| Schwab Strategic Tr Us Tips ETF | Registered Investment Company | | 52,454 |
| Scout International Fund | Registered Investment Company | | 1,201 |
| Sector SPDR Tr Shs Ben Int Financial | Registered Investment Company | | 4,372 |
| Sector SPDR Tr Shs Ben Int Technology | Registered Investment Company | | 5,476 |
| Sector SPDR Tr Shs Ben Int Utilities | Registered Investment Company | | 65,133 |
| Select Energy | Registered Investment Company | | 18,874 |
| Select Medical Delivery | Registered Investment Company | | 63,212 |
| Select Natural Gas | Registered Investment Company | | 2,739 |

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|-------------------------------------|-------------------------------|---------|
| Select Sector SPDR Tr Health Care | Registered Investment Company | 44,506 |
| Selected American Shares | Registered Investment Company | 114,907 |
| Shelton S&P Mid Cap Index | Registered Investment Company | 16,262 |
| Skyline Special Equities N/C | Registered Investment Company | 20,826 |
| Southernsun Small-Cap Investor | Registered Investment Company | 8,607 |
| Spartan 500 Index Fd Investor Class | Registered Investment Company | 7,435 |
| Spartan Intl Index Investor Class | Registered Investment Company | 7,298 |
| Spartan S/T Treas Bd Investor Class | Registered Investment Company | 8,833 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|-------------------------------|---------------------|---------------|
| Spartan Small Cap Index Investor | Registered Investment Company | | 7,769 |
| Spartan Total Mkt Indx Fid Advantage Class | Registered Investment Company | | 46,380 |
| SPDR Dow Jones Indl Average ETF | Registered Investment Company | | 8,274 |
| SPDR Gold Tr Gold Shs | Registered Investment Company | | 172,322 |
| SPDR Index Dj Wilshire Intl Real Estate ETF | Registered Investment Company | | 18,145 |
| SPDR Index S&P Emerging Europe ETF | Registered Investment Company | | 4,870 |
| SPDR S&P 500 ETF Trust Unit Ser 1 S&P | Registered Investment Company | | 212,985 |
| SPDR Ser Tr Dj Wilshire Reit ETF | Registered Investment Company | | 48,471 |
| SPDR Ser Tr Dow Jones Mid Cap ETF | Registered Investment Company | | 15,627 |
| SPDR Ser Tr S&P Bk ETF | Registered Investment Company | | 59,706 |
| SPDR Ser Tr S&P Pharmaceuticals ETF | Registered Investment Company | | 13,547 |
| * SSgA Emerging Markets | Registered Investment Company | | 27,936 |
| * SSgA International Stock Selection | Registered Investment Company | | 8,819 |
| T Rowe Price Blue Chip Growth Inc | Registered Investment Company | | 27,828 |
| T Rowe Price Cap Appreciation | Registered Investment Company | | 684,582 |
| T Rowe Price Corporate Income | Registered Investment Company | | 120,153 |
| T Rowe Price Emerg Euro & Mediterranean | Registered Investment Company | | 2,688 |
| T Rowe Price Emrg Mkts Local Cur Inv | Registered Investment Company | | 17,111 |
| T Rowe Price Equity Income | Registered Investment Company | | 30,483 |
| T Rowe Price Growth Stock Advisor | Registered Investment Company | | 4,432 |
| T Rowe Price Health Sciences | Registered Investment Company | | 33,382 |
| T Rowe Price High Yield Bond | Registered Investment Company | | 45,258 |
| T Rowe Price International Bond | Registered Investment Company | | 8,654 |
| T Rowe Price Intl Discovery Fund | Registered Investment Company | | 98,106 |
| T Rowe Price Int L Emerging Market Bond | Registered Investment Company | | 30,203 |
| T Rowe Price Latin America Fund | Registered Investment Company | | 8,943 |
| T Rowe Price Media & Telecommunications | Registered Investment Company | | 4,834 |
| T Rowe Price Mid Cap Growth | Registered Investment Company | | 21,368 |
| T Rowe Price Mid Cap Value | Registered Investment Company | | 28,569 |
| T Rowe Price New Horizons Fd Inc | Registered Investment Company | | 33,880 |
| T Rowe Price Ret 2040 Fd | Registered Investment Company | | 6,542 |
| T Rowe Price Rtmt 2015 Advisor Class | Registered Investment Company | | 27,516 |
| T Rowe Price Rtmt 2025 Fund Adv Shrs | Registered Investment Company | | 29,875 |
| T Rowe Price Rtmt Fund 2040 Adv Shrs | Registered Investment Company | | 6,555 |
| T Rowe Price Small Cap Value Fund | Registered Investment Company | | 1,565 |
| T Rowe Price Value | Registered Investment Company | | 32,989 |
| TCW Div Focused | Registered Investment Company | | 32,752 |
| TCW Emerging Mkts Income | Registered Investment Company | | 7,739 |
| TCW Total Return Bond Class I | Registered Investment Company | | 60,345 |
| TCW Total Return Bond Class N | Registered Investment Company | | 78,816 |
| Templeton Emerging Markets Inc Fd | Registered Investment Company | | 2,730 |

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|--------------------------------------|-------------------------------|--------|
| Templeton Emerging Mrtks Small Cap A | Registered Investment Company | 6,544 |
| Templeton Global Bond Advisor Class | Registered Investment Company | 6,565 |
| Templeton Global Bond Class A | Registered Investment Company | 9,735 |
| Templeton Global Bond Class C | Registered Investment Company | 51,975 |
| Templeton Global Bond Fund | Registered Investment Company | 37,669 |
| Teton Westwood Equity | Registered Investment Company | 1,402 |
| Teton Westwood Mighty Mites Fd Aaa | Registered Investment Company | 36,613 |
| The Contrarian Fund N/C | Registered Investment Company | 30,274 |

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, 2013**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|-------------------------------|---------------------|---------------|
| The Delafield Fund | Registered Investment Company | | 2,803 |
| Third Avenue Value | Registered Investment Company | | 5,795 |
| Thompson Plumb Growth Fund | Registered Investment Company | | 167 |
| Thornburg Intl Value CI Instl | Registered Investment Company | | 29,124 |
| Timothy Plan Conserv Growth CI C | Registered Investment Company | | 21,888 |
| Timothy Plan Fixed Income Class C | Registered Investment Company | | 4,012 |
| Timothy Plan Strateg Ic Growth CI C | Registered Investment Company | | 12,213 |
| Tocqueville Gold Fund | Registered Investment Company | | 762 |
| Touchstone Sands Capital Instl Grwth | Registered Investment Company | | 14,999 |
| Touchstone Small Cap Value | Registered Investment Company | | 13,900 |
| Tributary Growth Oppt Instl | Registered Investment Company | | 6,561 |
| Tweedy Browne Global Value Fund | Registered Investment Company | | 123,137 |
| UBS AG Jersey Brh Exchange Traded Access Secs | Registered Investment Company | | 2,694 |
| UBS AG London 2X Leveraged Long Exchange | Registered Investment Company | | 2,980 |
| Undiscovered Mgrs Behavior Value Instl | Registered Investment Company | | 15,354 |
| United Sts Oil Fd LP | Registered Investment Company | | 4,768 |
| US Global Region East European | Registered Investment Company | | 2,192 |
| Value Line Small Cap Growth | Registered Investment Company | | 43,092 |
| Vanguard 500 Index Fd Investor Shs | Registered Investment Company | | 210,606 |
| Vanguard Balanced Index Investor Class | Registered Investment Company | | 8,632 |
| Vanguard Bd Index Fd Inc Total Bd Market ETF | Registered Investment Company | | 16,818 |
| Vanguard Developed Mrkts Index Inv | Registered Investment Company | | 40,876 |
| Vanguard Dividend Growth Investor | Registered Investment Company | | 7,115 |
| Vanguard Energy Investor Fund | Registered Investment Company | | 234,703 |
| Vanguard Equity Income Admiral Fd | Registered Investment Company | | 11,779 |
| Vanguard Equity Income Investor | Registered Investment Company | | 14,857 |
| Vanguard Fi High Yld Corp Investor | Registered Investment Company | | 6,889 |
| Vanguard Global Equity Investor | Registered Investment Company | | 28,054 |
| Vanguard Gnma Investor | Registered Investment Company | | 4 |
| Vanguard Growth Index Investor | Registered Investment Company | | 10,395 |
| Vanguard Index Fds Mid-Cap Value Index Viper | Registered Investment Company | | 6,074 |
| Vanguard Index Fds Vanguard Growth Vipers | Registered Investment Company | | 23,506 |
| Vanguard Index Fds Vanguard Large Cap Vipers | Registered Investment Company | | 21,936 |
| Vanguard Index Fds Vanguard Small Cap Value | Registered Investment Company | | 7,438 |
| Vanguard Index Fds Vanguard Small Cap Vipers | Registered Investment Company | | 10,995 |
| Vanguard Index Fds Vanguard Total Stk Mkt ETF | Registered Investment Company | | 9,592 |
| Vanguard Index Fds Vanguard Value Vipers | Registered Investment Company | | 5,800 |
| Vanguard Index Trust Sm Cap Grwth Inv | Registered Investment Company | | 63,723 |
| Vanguard Inflation Protected Secs Inv | Registered Investment Company | | 56,905 |
| Vanguard Intermed Term Tax Exempt Inv | Registered Investment Company | | 1,387 |
| Vanguard Internatnal Explorer Investor | Registered Investment Company | | 17,564 |

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|---|-------------------------------|---------|
| Vanguard Inter-Term Bond Index Port Inv | Registered Investment Company | 77,399 |
| Vanguard Intl Equity Index Fds Ftse Europe ETF | Registered Investment Company | 5,880 |
| Vanguard Intl Equity MSCI Emerging Mkts ETF | Registered Investment Company | 92,691 |
| Vanguard Long Term Us Treasury Investor | Registered Investment Company | 31,749 |
| Vanguard Malvern Short-Term Inflation Protected | Registered Investment Company | 72,280 |
| Vanguard Mid Cap Index Investor | Registered Investment Company | 197,743 |
| Vanguard Mid Cap Value Index Inv | Registered Investment Company | 9,411 |
| Vanguard Pacific Stock Index Inv | Registered Investment Company | 7,376 |

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, 2013**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|--|--|---------------------|----------------------|
| Vanguard Precious Metals & Mining Inv | Registered Investment Company | | 2,935 |
| Vanguard Reit Index Investor | Registered Investment Company | | 134,041 |
| Vanguard Reit Index Signal Shares | Registered Investment Company | | 10,469 |
| Vanguard Scottsdale Fds Short Term Corp | Registered Investment Company | | 27,413 |
| Vanguard Sector Index Fds Finls Vipers | Registered Investment Company | | 16,531 |
| Vanguard Sector Index Fds Consumer Staples | Registered Investment Company | | 18,945 |
| Vanguard Sector Index Fds Energy Vipers | Registered Investment Company | | 12,643 |
| Vanguard Index Fds Information Technology | Registered Investment Company | | 3,663 |
| Vanguard Index Fds Telecommunication Svcs | Registered Investment Company | | 16,446 |
| Vanguard Sector Index Fds Utils Vipers | Registered Investment Company | | 17,815 |
| Vanguard Short Term Bond Index Investor | Registered Investment Company | | 146,890 |
| Vanguard Small Cap Stock Ind Trust Inv | Registered Investment Company | | 99,204 |
| Vanguard Specialized Portfolios Div Appreciation | Registered Investment Company | | 43,739 |
| Vanguard Strategic Equity Investor | Registered Investment Company | | 5,448 |
| Vanguard Target Retirement 2040 Fd | Registered Investment Company | | 6,344 |
| Vanguard Total Intl Stock Index Inv | Registered Investment Company | | 7,144 |
| Vanguard Total Stock Mrkt Signal | Registered Investment Company | | 114,850 |
| Vanguard Total Stock Market Investor | Registered Investment Company | | 68,117 |
| Vanguard Value Index Investor | Registered Investment Company | | 16,319 |
| Vanguard Wellington Investor | Registered Investment Company | | 126,214 |
| Vanguard Whitehall Fds High Dividend Yield | Registered Investment Company | | 5,639 |
| Vanguard Windsor Ii Investor | Registered Investment Company | | 59,844 |
| Villere Balanced | Registered Investment Company | | 2,397 |
| Virtus Alternatives Diversifier | Registered Investment Company | | 9,239 |
| Wasatch Hoisington Us Treasury | Registered Investment Company | | 11,010 |
| Wasatch Micro-Cap Value Fund | Registered Investment Company | | 3,762 |
| Weitz Value | Registered Investment Company | | 3,502 |
| Wells Fargo Premier Large Co Grwth Admin | Registered Investment Company | | 62,480 |
| William Blair Small Cap Growth Class N | Registered Investment Company | | 14,409 |
| Wisdomtree Emerg Mkts Equity Income Fund | Registered Investment Company | | 67,360 |
| Wisdomtree Tr Europe Smallcap Divid Fd | Registered Investment Company | | 292 |
| World Precious Minerals Fund | Registered Investment Company | | 284 |
| Yacktman Focused Service Class | Registered Investment Company | | 187,298 |
| Yacktman Fund Service Class | Registered Investment Company | | 291,405 |
| Registered Investment Companies | | | \$ 14,878,864 |
| Notes Receivables from Participants | Interest rates range from 3.25% to 10.5% | | \$ 47,054,017 |

Collateral Held on Loaned Securities

* SSgA Quality D Short-term Investment Fund \$ 14,077,995

Total Investments \$ 2,386,515,469

* 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 25, 2014

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