

BAXTER INTERNATIONAL INC

Form 11-K

June 19, 2015

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### Form 11-K

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

**For the year ended December 31, 2014**

**OR**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-4448**

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

**Incentive Investment Plan**

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

**One Baxter Parkway**

**Deerfield, IL 60015**

**(224) 948-2000**

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**Baxter International Inc.**

**and Subsidiaries**

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**Financial Statements and Supplemental Schedule**

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**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrative Committee of

the Baxter International Inc. and Subsidiaries Incentive Investment Plan

Deerfield, Illinois

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

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

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

The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Baxter International Inc. and Subsidiaries Incentive Investment Plan s financial statements. The supplemental schedule is the responsibility of the Plan s management. Our audit procedures included determining whether the information presented in the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 19, 2015

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

December 31, 2014 and 2013 (in thousands)

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

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

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

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

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

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### **Baxter International Inc. and Subsidiaries**

### **Incentive Investment Plan**

### **Notes to Financial Statements**

### **December 31, 2014 and 2013**

#### **1. General Description of the Plan**

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

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

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

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

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

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





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

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

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Valuation of Investments and Collateral**

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

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

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

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

**Income Recognition**

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

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

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#### Synthetic Guaranteed Investment Contracts

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

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

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

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

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

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

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#### **Notes Receivables from Participants**

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

#### **Payment of Benefits and Fees**

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

#### **Use of Estimates**

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

#### **Other**

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

#### **Risks and Uncertainties**

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

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

### **3. Eligibility Requirements**

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

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

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**4. Administration of the Plan**

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

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

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

**5. Fair Value Measurements**

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

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

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuations in which all significant inputs are observable in the market; and

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



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

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

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

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	Basis of Fair Value Measurement			
	Balance at December 31, 2013	in Active Markets for Identical Assets (Level 1)	Quoted Prices Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>(in thousands)</b>	<b>2013</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Assets</b>				
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		
<b>Total common stock</b>	<b>493,958</b>	<b>493,958</b>		
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	
<b>Total commingled funds</b>	<b>977,799</b>		<b>977,799</b>	
Registered investment companies:	14,879	14,879		
Synthetic guaranteed investment contracts:				
Corporate and other obligations	232,411		232,411	
U.S. government and government agency issues	312,816		312,816	
Individual separate account	172,672		172,672	
Cash and cash equivalents	16,087		16,087	
Wrapper contracts	(129)			(129)
<b>Total synthetic guaranteed investment contracts</b>	<b>733,857</b>		<b>733,986</b>	<b>(129)</b>

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

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

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

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

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

See Valuation of Investments and Collateral in Note 2 above for a discussion of the methodologies used to determine the fair values of the Plan's investments and collateral. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**6. Investments**

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

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

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SSgA Small Cap Fund

138,789

142,953

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

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

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

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

**7. Securities Lending Transactions**

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

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



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

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

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

#### **8. Plan Termination**

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

#### **9. Tax Status of the Plan**

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

**10. Parties-in-Interest**

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

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

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

### **11. Plan Merger**

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

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

### **12. Subsequent Event**

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

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

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**SUPPLEMENTAL SCHEDULE**

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

**\*\* Corporate and Other Obligations:**

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**Separate Investment Contract**

* Metropolitan Life Insurance Company	Separate Account	167,682,833
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**Benefit Responsive Interest Rate Wrapper Contracts**

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

Synthetic Guaranteed Investment Contracts (contract value equals \$671,061,967)	\$ 712,934,033
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**Commingled Investments:**

* SSgA Daily EAFE Fund	Commingled Investments	104,083,254
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* Daily Emer Mkts Index Ser State Str Bk & Tr Co Invt	Commingled Investments	8,723,434
* Northern Trust S&P 400 Ind Fnd Tier 3	Commingled Investments	23,637,744
* SSgA S&P 500 Flagship Fund	Commingled Investments	335,741,094
Vanguard Target Retirement 2010	Commingled Investments	7,283,289
Vanguard Target Retirement 2015	Commingled Investments	33,912,603
Vanguard Target Retirement 2020	Commingled Investments	58,287,846
Vanguard Target Retirement 2025	Commingled Investments	69,326,736



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Vanguard Target Retirement 2030	Commingled Investments		74,434,598
Vanguard Target Retirement 2035	Commingled Investments		86,217,208
Vanguard Target Retirement 2040	Commingled Investments		74,846,576
Vanguard Target Retirement 2045	Commingled Investments		54,603,063
Vanguard Target Retirement 2050	Commingled Investments		54,830,491
Vanguard Target Retirement Income	Commingled Investments		22,917,119
* SSGA US Small Cap Index Futures Fd	Commingled Investments		138,789,169
Commingled Investments			\$ 1,147,634,224

**Registered Investment Companies:**

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

\* Party-in-interest

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

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

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SIGNATURE

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

BAXTER INTERNATIONAL INC. AND SUBSIDIARIES  
INCENTIVE INVESTMENT PLAN

Date: June 19, 2015

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