

BAXTER INTERNATIONAL INC
Form 11-K
June 28, 2016
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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, 2015

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

Incentive Investment Plan

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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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 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 28, 2016

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

December 31, 2015 and 2014 (in thousands)

| | 2015 | 2014 |
|---|---------------------|---------------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 46,353 | \$ 46,562 |
| Common stock (including securities on loan of \$309 in 2015 and \$3,364 in 2014) | 442,134 | 507,029 |
| U.S. government and government agency issues (including securities on loan of \$10,501 in 2015 and \$5,998 in 2014) | 28,483 | 34,634 |
| Corporate and other obligations (including securities on loan of \$1,296 in 2015 and \$3,257 in 2014) | 29,445 | 39,425 |
| Commingled funds | 920,030 | 1,147,634 |
| Synthetic guaranteed investment contracts | 616,636 | 712,934 |
| Registered investment companies | 15,979 | 16,921 |
| Collateral held on loaned securities | 12,328 | 12,903 |
| Total investments at fair value | 2,111,388 | 2,518,042 |
| Receivables | | |
| Notes receivables from participants | 37,330 | 50,454 |
| Sponsor contributions | 18,157 | 26,743 |
| Accrued interest and dividends | 1,056 | 2,390 |
| Due from brokers for securities sold | 5,127 | 505 |
| Total receivables | 61,670 | 80,092 |
| Total assets | 2,173,058 | 2,598,134 |
| Liabilities | | |
| Accounts payable | 8,064 | 5,957 |
| Due to brokers for securities purchased | 10,485 | 7,815 |
| Collateral to be paid on loaned securities | 12,328 | 12,903 |
| Total liabilities | 30,877 | 26,675 |
| Net assets available for benefits, reflecting investments at fair value | 2,142,181 | 2,571,459 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (22,443) | (41,872) |
| Net assets available for benefits | \$ 2,119,738 | \$ 2,529,587 |

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

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Statements of Changes in Net Assets Available for Benefits****For the Years Ended December 31, 2015 and 2014** (in thousands)

| | 2015 | 2014 |
|--|--------------|--------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Net appreciation in fair value of investments | \$ 25,871 | \$ 121,342 |
| Interest | 20,250 | 22,436 |
| Dividends | 7,880 | 10,973 |
| Net investment income | 54,001 | 154,751 |
| Participant loan interest | 3,383 | 4,099 |
| Contributions | | |
| Sponsor | 61,212 | 73,677 |
| Participant | 103,974 | 107,935 |
| | 165,186 | 181,612 |
| Total additions | 222,570 | 340,462 |
| Deductions from net assets attributed to | | |
| Benefits paid | 175,444 | 171,804 |
| Plan expenses | 6,357 | 6,834 |
| Total deductions | 181,801 | 178,638 |
| Increase before transfers | 40,769 | 161,824 |
| Transfer to Baxalta Incorporated and Subsidiaries Incentive Investment Plan (Refer to Note 1) | (496,501) | |
| Transfer from other plan (Refer to Note 11) | 45,883 | 12,083 |
| Net (decrease)/increase | (409,849) | 173,907 |
| Net assets available for benefits | | |
| Beginning of year | 2,529,587 | 2,355,680 |
| End of year | \$ 2,119,738 | \$ 2,529,587 |

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, 2015 and 2014

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 \$18,000 and \$17,500 a year in 2015 and 2014, respectively. Participants who have attained the age of 50 by the end of the year may contribute up to an additional \$6,000 and \$5,500 per year in catch-up contributions in 2015 and 2014, respectively. Newly hired employees are deemed to have elected to contribute 3% of compensation (increased by 1% per year to a total of 6%) unless they make a contrary election. The Company matches a participant's savings contributions on a dollar for dollar basis up to 3.0% of the participant's compensation, and matches any contributions between 3% and 4% of compensation at the rate of 50 cents for each dollar of a participant's pre-tax contribution, so that the maximum matching contribution for participants who contribute at least 4% of their compensation is 3.5% of compensation. The Company also contributes an additional non-matching 3% of compensation for employees that are not eligible to participate in the Company's U.S. qualified defined benefit pension plan, which includes all new employees hired on or after January 1, 2007, and employees who had less than five years of service on January 1, 2007 and who elected to cease earning additional service in the pension plan and participate in the higher level of Company contributions in the Plan.

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

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

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

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

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2015 and 2014**

Upon enrollment in the Plan, a participant may direct contributions into any of 17 investment options: Stable Income Fund, Baxter Common Stock Fund, State Street S&P 500 Index Non-Lending Series Fund, State Street International Index Non-Lending Series Fund, State Street Russell Small Cap Index Non-Lending Series Fund, Northern Trust Domestic Mid Cap Fund, State Street Global Advisors Emerging Markets Fund (SSgA Emerging Markets Fund) and ten different Target Date Retirement Funds. However, non-matching contributions may not be invested in the Baxter Common Stock Fund. Participants may not direct contributions to the Self-Managed Fund but can transfer funds into the Self-Managed Fund from other investment options. 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. Certain participants obtained shares in Baxalta Incorporated (Baxalta), in connection with the spin (as discussed below). These shares were placed into the Baxalta Common Stock Fund in connection with Baxter's 2015 spin-off of its BioScience business. See Note 12 for a discussion of the conversion of the Baxalta Common Stock Fund into the Shire Common Stock Fund in June 2016, in connection with the merger of a wholly-owned subsidiary of Shire plc (Shire) with and into Baxalta, with Baxalta as the surviving company (the Merger). Participants are not able to make contributions or transfer existing account balances to the Cardinal Health Common Stock Fund, Edwards Lifesciences Common Stock Fund or the Shire Common Stock Fund (f/k/a the Baxalta 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.

On July 1, 2015, Baxter completed the distribution of approximately 80.5% of the outstanding common stock of Baxalta to Baxter stockholders in connection with the separation of its biopharmaceutical business (the spin). The distribution was made to Baxter's stockholders of record as of the close of business on June 17, 2015, who received one share of Baxalta common stock for each Baxter common share held as of such date. The Plan received 2,703,100 shares of Baxalta common stock on July 1, 2015 as a result of the distribution. The distribution was intended to take the form of a tax-free distribution for federal income tax purposes in the United States. As a result of the distribution, Baxalta became an independent public company whose shares traded on the New York Stock Exchange under the symbol BXLT. In 2015, the Plan transferred approximately \$497 million of assets to the Baxalta Incorporated and Subsidiaries Incentive Investment Plan in connection with the spin.

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.

New Accounting Standards

In May 2015, the Financial Accounting Standards Board (FASB) issued updated guidance which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share (NAV) practical expedient (ASU 2015-07). ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV practical expedient. ASU 2015-07 is effective for annual reporting periods beginning after December 15, 2016. The Plan Sponsor has chosen not to early adopt this standard and is currently evaluating the impact of this standard on the Plan's financial statements.

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In July 2015, the FASB issued new guidance impacting benefit plan accounting and reporting (ASU 2015-12). ASU 2015-12 requires an employee benefit plan to use contract value as the only measurement amount for fully benefit-responsive investment contracts. It also simplifies and increases the effectiveness of plan investment disclosure requirements for employee benefit plans, and provides employee benefit plans with a measurement-date practical expedient for asset fair value. ASU 2015-12 is effective for fiscal years beginning after December 15, 2015. The Plan Sponsor has chosen not to early adopt this standard and is currently evaluating the impact of this standard on the Plan s financial statements.

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Baxter International Inc. and Subsidiaries

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December 31, 2015 and 2014

Valuation of Investments and Collateral

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

| | |
|--|---|
| Cash and cash equivalents | These largely consist of a short-term investment fund and a money market fund, the fair value of which is based on the net asset value. The investment objectives for these funds are to provide safety for principal, daily liquidity and a competitive yield by investing in high quality instruments. |
| Common stock | Value based on closing prices on the valuation date in an active market on national securities exchanges. |
| U.S. government and government agency issues | Value based on reputable pricing vendors that typically use pricing matrices or models. |
| Corporate and other obligations | Value based on reputable pricing vendors that typically use pricing matrices or models. |
| 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 |

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Incentive Investment Plan

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| | |
|--|--|
| | 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.

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. 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 \$391 thousand and a loss of \$449 thousand at December 31, 2015 and 2014, 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 \$594.2 million and \$671.1 million at December 31, 2015 and 2014, respectively.

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The crediting interest rate, which is reset quarterly, can never fall below zero. The crediting rate formula smoothes the impact of interest rate changes on participant returns by amortizing any difference between market value and book value over a period of years equal to the duration of the portfolio benchmark. The average yield on the synthetic GICs was approximately 2.3% and 1.9% at December 31, 2015 and 2014, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 2.7% and 2.8% for the years ended December 31, 2015 and 2014. The credit ratings for Transamerica, Prudential and MetLife were AA- at both December 31, 2015 and 2014.

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 did not constitute such 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.

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

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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.

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

3. Eligibility Requirements

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

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

4. Administration of the Plan

State Street Bank and Trust Company (the Trustee) serves as trustee and 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:

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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, 2015 | Basis of Fair Value Measurement | | |
|--|------------------------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 46,353 | \$ | \$ 46,353 | \$ |
| Common stock: | | | | |
| Healthcare | 236,252 | 236,252 | | |
| Consumer products | 72,615 | 72,615 | | |
| Information technology | 81,102 | 81,102 | | |
| Financial services | 13,437 | 13,437 | | |
| Industrial services and materials | 11,958 | 11,958 | | |
| Energy | 4,437 | 4,437 | | |
| Other | 22,333 | 22,333 | | |
| Total common stock | 442,134 | 442,134 | | |
| U.S. government and government agency issues | 28,483 | | 28,483 | |
| Corporate and other obligations | 29,445 | | 29,445 | |
| Commingled funds: | | | | |
| State Street S&P 500 Index Non-Lending Series Fund | 272,441 | | 272,441 | |
| State Street International Index Non-Lending Series Fund | 79,540 | | 79,540 | |
| State Street Russell Small Cap Index Non-Lending Series Fund | 102,918 | | 102,918 | |
| Target date retirement funds | 431,877 | | 431,877 | |
| Other | 33,254 | | 33,254 | |
| Total commingled funds | 920,030 | | 920,030 | |
| Registered investment companies | 15,979 | 15,979 | | |
| Synthetic guaranteed investment contracts: | | | | |
| Corporate and other obligations | 190,291 | | 190,291 | |
| U.S. government and government agency issues | 254,312 | | 254,312 | |
| Individual separate account | 145,276 | | 145,276 | |

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| | | | | |
|---|--------------|------------|--------------|----------|
| Cash and cash equivalents | 27,148 | | 27,148 | |
| Wrapper contracts | (391) | | | (391) |
| Total synthetic guaranteed investment contracts | 616,636 | | 617,027 | (391) |
| Collateral held on loaned securities | 12,328 | | 12,328 | |
| Total assets | \$ 2,111,388 | \$ 458,113 | \$ 1,653,666 | \$ (391) |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 12,328 | \$ 319 | \$ 12,009 | \$ |

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| | 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) |
| (in thousands) | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 46,562 | \$ | \$ 46,562 | \$ |
| Common stock: | | | | |
| Healthcare | 268,535 | 268,535 | | |
| Consumer products | 69,345 | 69,345 | | |
| Information technology | 77,618 | 77,618 | | |
| Financial services | 23,737 | 23,737 | | |
| Industrial services and materials | 26,505 | 26,505 | | |
| Energy | 11,429 | 11,429 | | |
| Other | 29,860 | 29,860 | | |
| Total common stock | 507,029 | 507,029 | | |
| U.S. government and government agency issues | 34,634 | | 34,634 | |
| Corporate and other obligations | 39,425 | | 39,425 | |
| Commingled funds: | | | | |
| SSgA S&P 500 Fund | 335,741 | | 335,741 | |
| SSgA EAFE Equity Fund | 104,083 | | 104,083 | |
| SSgA Small Cap Fund | 138,789 | | 138,789 | |
| Target date retirement funds | 536,660 | | 536,660 | |
| Other | 32,361 | | 32,361 | |
| Total commingled funds | 1,147,634 | | 1,147,634 | |
| Registered investment companies | 16,921 | 16,921 | | |
| Synthetic guaranteed investment contracts: | | | | |
| Corporate and other obligations | 213,638 | | 213,638 | |
| U.S. government and government agency issues | 307,750 | | 307,750 | |
| Individual separate account | 167,683 | | 167,683 | |
| Cash and cash equivalents | 24,312 | | 24,312 | |
| Wrapper contracts | (449) | | | (449) |
| Total synthetic guaranteed investment contracts | 712,934 | | 713,383 | (449) |

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| | | | | |
|--|--------------|------------|--------------|----------|
| Collateral held on loaned securities | 12,903 | | 12,903 | |
| Total assets | \$ 2,518,042 | \$ 523,950 | \$ 1,994,541 | \$ (449) |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 12,903 | \$ 3,465 | \$ 9,438 | \$ |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2015 and 2014**

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 2015 and 2014.

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

| (in thousands) | Wrapper Contracts |
|--|----------------------|
| Balance at December 31, 2013 | \$ (129) |
| Additions | (84) |
| Settlements | (67) |
| Unrealized losses (relating to assets held at end of year) | (169) |
| Balance at December 31, 2014 | (449) |
| Unrealized gains (relating to assets held at end of year) | 58 |
| Balance at December 31, 2015 | \$ (391) |

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.

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, 2015 and 2014 are summarized as follows:

| (in thousands, except per share data) | 2015 | 2014 |
|--|------|------------|
| Baxter common stock, 2,530,593 shares at December 31, 2014 | \$ * | \$ 185,467 |

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| | | |
|--|---------|---------|
| State Street S&P 500 Index Non-Lending Series Fund | 272,441 | * |
| SSgA S&P 500 Fund | * | 335,741 |
| MetLife Individual Separate Account | 145,276 | 167,683 |
| SSgA Small Cap Fund | * | 138,789 |

* Does not meet 5% threshold

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2015 and 2014**

Investments as of December 31, 2015 and 2014 are segregated into various investment fund options as follows:

| (in thousands) | 2015 | 2014 |
|---|--------------|--------------|
| Cash (available for investment) | \$ 5,058 | \$ 7,551 |
| Stable Income Fund | 635,174 | 732,093 |
| Baxter Common Stock Fund | 85,813 | 186,340 |
| Baxalta Common Stock Fund | 80,461 | |
| Composite Fund | 132,733 | 162,780 |
| General Equity Fund | 158,367 | 183,337 |
| Cardinal Health Common Stock Fund | 8,405 | 8,210 |
| State Street S&P 500 Index Non-Lending Series Fund | 272,441 | |
| SSgA S&P 500 Fund | | 335,741 |
| State Street International Index Non-Lending Series Fund | 79,540 | |
| SSgA EAFE Equity Fund | | 104,083 |
| Edwards Lifesciences Common Stock Fund | 24,012 | 22,704 |
| State Street Russell Small Cap Index Non-Lending Series Fund | 102,918 | |
| SSgA Small Cap Fund | | 138,831 |
| Northern Trust Domestic Mid Cap | 26,289 | 23,638 |
| SSgA Emerging Markets Fund | 6,965 | 8,723 |
| Self-Managed Fund | 49,007 | 54,448 |
| Target Date Retirement Funds | 431,877 | 536,660 |
| Collateral held on loaned securities | 12,328 | 12,903 |
| | | |
| Total investments at fair value | 2,111,388 | 2,518,042 |
| Adjustment from fair value to contract value for Stable Income Fund | (22,443) | (41,872) |
| | | |
| Total investments | \$ 2,088,945 | \$ 2,476,170 |

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

| (in thousands) | 2015 | 2014 |
|--|-------------|-------------|
| Baxter common stock | \$ (8,141) | \$ 9,991 |
| Other common stock | 40,749 | 33,870 |
| U.S. government and government agency issues | (835) | 1,668 |
| Corporate and other obligations | (2,796) | 560 |
| Commingled funds | (1,310) | 75,339 |

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| | | |
|---------------------------------|-----------|------------|
| Registered investment companies | (1,796) | (86) |
| | \$ 25,871 | \$ 121,342 |

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,

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Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2015 and 2014

the Trustee shall indemnify the Plan by purchasing replacement securities equal to the number of unreturned loaned securities, to the extent that such replacement securities are available on the open market and if to the extent that such proceeds are insufficient or the collateral is unavailable, the purchase of replacement securities shall be made at Trustee expense or, if replacement securities are not able to be purchased, the Trustee shall credit the Plan for the market value of the unreturned securities. In each case, the Trustee would apply the 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, 2015 and 2014, the Plan had securities on loan with a fair value of \$12.1 million and \$12.6 million, respectively, with cash collateral received of \$12.3 million and \$12.9 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, 2015 and 2014, and the net asset value of this fund was approximately \$1.00 per unit. As of December 31, 2015 and 2014 the cash collateral received is reflected at its fair value of \$12.3 million and \$12.9 million in the 2015 and 2014 Statements of Net Assets Available for Benefits, respectively.

Non-cash collateral of \$1.5 million and \$0.5 million received for securities on loan at December 31, 2015 and December 31, 2014, 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 2015 and 2014 Statements 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 for both 2015 and 2014. 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. A Form 5300 Application for Determination for Employee Benefit Plan was filed with the IRS on January 21, 2016 to request an updated favorable determination letter for the Plan. 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, 2015 and 2014, 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

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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 2012.

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Baxter International Inc. and Subsidiaries

Incentive Investment Plan

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10. Parties-in-Interest Transactions

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

At December 31, 2015 and 2014, the Plan held shares of common stock of State Street Corporation, shares of registered investment companies of SSgA, and participation units in commingled funds and short-term investment funds of State Street Bank and Trust Company, the Plan Custodian and Charles Schwab, the brokerage provider; loans with participants; shares of common stock, shares of registered investment companies, units of commingled funds, fixed income securities, or bonds managed by AllianceBernstein, Northern Trust Corporation, Pacific Investment Management Company, Loomis Sayles, and Vanguard, investment managers for the Plan; shares of common stock, bonds, individual separate accounts or interest rate wrapper contracts of Prudential, Transamerica, and Metlife, issuers of the Plan's fully benefit-responsive contracts; shares of registered investment companies in various affiliates of Voya Institutional Plan Services, LLC, the recordkeeper; and shares of common stock of Edward Lifesciences Corporation and Cardinal, entities the Company has previously spun off. The Plan held bonds and shares of common stock of Baxter, the Plan Sponsor, and Baxalta, the spin-off company. At December 31, 2015 and 2014, the Plan held 2,228,977 and 2,530,593 shares of common stock of Baxter valued at \$85,035,458 and \$185,467,155, respectively. At December 31, 2015, the Plan held 2,111,473 shares of common stock of Baxalta valued at \$82,410,788. 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 2013, Baxter acquired 100 percent of the voting equity interests in Indap Holding AB, the holding company for Gambro AB (Gambro). The Gambro Renal Products, Inc. 401(k) Plan was merged into the Plan effective September 2015. As a result of this merger, total assets of approximately \$45.9 million were transferred into the Plan.

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.

12. Subsequent Event

On June 3, 2016, a wholly-owned subsidiary of Shire plc (Shire) merged with and into Baxalta, with Baxalta as the surviving company in the Merger. In connection with the closing of the Merger, each Baxalta stockholder received a combination of cash and Shire equity securities. Participants invested in the Baxalta Common Stock Fund at the closing of the Merger were able to direct the investment of the cash portion of the related merger consideration into certain investment alternatives within the Plan. In the event that a participant did not make an investment election, the cash portion was invested in the Plan's qualified default investment alternative.

Additionally, in connection with the Merger, the Baxalta Common Stock Fund became the Shire Stock Fund, holding Shire American Depository Shares and cash (for liquidity purposes).

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SUPPLEMENTAL SCHEDULE

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------------|----------------------------|---------------------|---------------|
| Cash and Cash Equivalents: | | | |
| US Dollar | Cash | | (598,486) |
| CAD Dollar | Cash | | 6,546 |
| * Schwab Money Market Fund | Short-Term Investment Fund | | 10,767,032 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 18,537,027 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 5,688,538 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 4,651,367 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 3,713,422 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 1,124,541 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 1,070,834 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 792,729 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 255,039 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 196,724 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 89,319 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 58,183 |
| Cash and Cash Equivalents | | | 46,352,815 |
| ** Common Stock: | | | |
| 3D Sys Corp | Common Stock | | 19,813 |
| 3Dicon Corp New | Common Stock | | 2 |
| 3M Company | Common Stock | | 20,539 |
| 8X8 Inc New | Common Stock | | 18,663 |
| A T & T Inc New | Common Stock | | 114,954 |
| Abattis Bioceuticals | Common Stock | | 17 |
| Abb Ltd Adr | Common Stock | | 11,347 |
| Abbott Laboratories | Common Stock | | 3,060,301 |
| Abbott Laboratories | Common Stock | | 122,374 |
| Abbvie Inc | Common Stock | | 123,398 |
| Abeona Therapeutics | Common Stock | | 1,388 |
| Acadia Pharmaceuticals | Common Stock | | 1,248 |
| Acceleron Pharma Inc | Common Stock | | 4,876 |
| Achillion Pharma Inc | Common Stock | | 1,079 |
| Acorda Therapeutics Inc | Common Stock | | 21,390 |
| Activision Blizzard Inc | Common Stock | | 16,761 |
| Actua Corporation | Common Stock | | 859 |
| Axiom Corp | Common Stock | | 3,138 |
| Adamis Pharma New | Common Stock | | 2,700 |
| Adobe Systems Inc | Common Stock | | 4,332,468 |
| Adt Corp | Common Stock | | 363 |
| Advanced Micro Devices | Common Stock | | 40,610 |

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| | | |
|--|--------------|--------|
| Advansource Biomaterials | Common Stock | 775 |
| Aercap Holdings Nv Common Stock Eur.01 | Common Stock | 51,092 |
| Aero Grow Intl Inc New | Common Stock | 30 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Aetna Inc New | Common Stock | | 6,487 |
| Affymax Inc New | Common Stock | | 158 |
| Affymetrix Inc | Common Stock | | 12,945 |
| Aflac Inc | Common Stock | | 8,337 |
| Agilent Technologies Inc | Common Stock | | 65,992 |
| Agios Pharmaceutical | Common Stock | | 3,571 |
| Agnico Eagle Mines Ltd | Common Stock | | 5,782 |
| Air Lease Corp Cl A | Common Stock | | 1,852 |
| Akorn Inc | Common Stock | | 5,596 |
| Alcatel Lucent Xxx 12/22/15 | Common Stock | | 5,454 |
| Alcatel Lucent F | Common Stock | | 2,754 |
| Alcoa Inc | Common Stock | | 92,680 |
| Alexion Pharmaceuticals Inc | Common Stock | | 3,853,981 |
| Alibaba Group Hldg A | Common Stock | | 141,979 |
| Alibaba Group Holding Sp Adr | Common Stock | | 3,315,123 |
| Alj Regional Hldgs Inc | Common Stock | | 3,442 |
| Alkermes Plc F | Common Stock | | 87,556 |
| All American Gold Co | Common Stock | | 1 |
| Allergan Plc Common Stock Usd.0033 | Common Stock | | 3,465,364 |
| Allergan Plc Common Stock Usd.0033 | Common Stock | | 698,252 |
| Allergan Plc F | Common Stock | | 32,812 |
| * Alliancebernstein HI Lp | Common Stock | | 13,408 |
| Allscripts Hlthcare Sltn | Common Stock | | 1,507 |
| Ally Financial Inc Common Stock Usd.1 | Common Stock | | 433,410 |
| Alnylam Pharmaceuticals | Common Stock | | 15,062 |
| Alon Usa Energy Inc | Common Stock | | 8,162 |
| Alphabet Inc | Common Stock | | 94,917 |
| Alphabet Inc | Common Stock | | 78,165 |
| Alphabet Inc Cl A Common Stock Usd.001 | Common Stock | | 5,891,339 |
| Alphabet Inc Cl A Common Stock Usd.001 | Common Stock | | 65,238 |
| Alphabet Inc Cl C Common Stock Usd.001 | Common Stock | | 6,012,993 |
| Altria Group Inc | Common Stock | | 190,159 |
| Aluminum Corp China Adr | Common Stock | | 140 |
| Amag Pharmaceuticals Inc | Common Stock | | 10,567 |
| Amarantus Bioscience | Common Stock | | 10 |
| Amarin Corp Plc New Adr | Common Stock | | 1,966 |
| Amazon Com Inc | Common Stock | | 268,328 |
| Amazon.Com Inc | Common Stock | | 10,650,167 |
| Ambarella Inc | Common Stock | | 446 |
| Amdocs Limited | Common Stock | | 10,914 |
| Amec Foster Wheeler Adrf | Common Stock | | 1,153 |
| American Capital Agency | Common Stock | | 5,313 |

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| | | |
|--|--------------|---------|
| American Capital Ltd | Common Stock | 8,274 |
| American Express Co | Common Stock | 3,130 |
| American Express Co Common Stock Usd.2 | Common Stock | 463,807 |
| American Graphite Te | Common Stock | 19 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| American Green Inc | Common Stock | | 546 |
| American International Group | Common Stock | | 61,133 |
| American Intl Gp 21Wts 1/19/11 | Common Stock | | 642 |
| American Intl Group | Common Stock | | 7,684 |
| American Lithium Minerals In | Common Stock | | 312 |
| American Tower Corp | Common Stock | | 2,350,269 |
| American Tower Corp | Common Stock | | 360,565 |
| American Water Works Co | Common Stock | | 10,755 |
| Amerigas Partners L P | Common Stock | | 7,197 |
| Ameriprise Financial Inc | Common Stock | | 454,574 |
| Amgen Incorporated | Common Stock | | 70,776 |
| Amicus Therapeutics Inc | Common Stock | | 9,700 |
| Amira Nature Foods Ltd | Common Stock | | 14,576 |
| Ampio Pharmaceutical | Common Stock | | 3,500 |
| Amtrust Finl Svcs | Common Stock | | 6,158 |
| Analog Devices Inc Common Stock Usd.167 | Common Stock | | 54,573 |
| Anavex Life Sciences | Common Stock | | 19,634 |
| Andrea Electronics Corp | Common Stock | | 54 |
| Annaly Mtg Mgmt Inc | Common Stock | | 138,296 |
| Aon Plc | Common Stock | | 90,964 |
| Apache Corp | Common Stock | | 4,447 |
| Apple Inc | Common Stock | | 1,464,972 |
| Apple Inc | Common Stock | | 10,144,268 |
| Apple Inc | Common Stock | | 506,731 |
| Applied Materials | Common Stock | | 1,120 |
| Applied Materials Inc | Common Stock | | 82,880 |
| Aptose Biosciences New F | Common Stock | | 1,265 |
| Aqua America Inc | Common Stock | | 4,769 |
| Aqua Power Systems I | Common Stock | | 3 |
| Arch Coal Inc | Common Stock | | 691 |
| Archer Daniels Midland Co | Common Stock | | 2,751 |
| Arena Pharmaceuticals Inc | Common Stock | | 29,078 |
| Ariad Pharmaceuticals | Common Stock | | 7,525 |
| Arm Holdings Plc Spons Adr | Common Stock | | 1,933,102 |
| Array Biopharma Inc | Common Stock | | 5,697 |
| Astrazeneca Plc | Common Stock | | 3,055 |
| Atlantic Power Corp | Common Stock | | 21,071 |
| Atlassian Corp Plc Class A Common Stock Usd.1 | Common Stock | | 87,359 |
| Atossa Genetics Inc | Common Stock | | 320 |
| Atwood Oceanics Inc | Common Stock | | 1,057 |
| Aurinia Pharmaceutic | Common Stock | | 2,470 |
| Auto Data Processing | Common Stock | | 30,233 |

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| | | |
|--------------------|--------------|--------|
| Avalon Rare Metals | Common Stock | 92 |
| Avita Med Ltd | Common Stock | 3,268 |
| Axiall Corp | Common Stock | 3,496 |
| Baidu Com Inc Adr | Common Stock | 93,197 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Baker Hughes Inc | Common Stock | | 2,342 |
| Banco Bilbao Argen F | Common Stock | | 6,700 |
| Banco Latinoamericano | Common Stock | | 1,115 |
| Banco Santander Sa F | Common Stock | | 11,669 |
| Bank of America | Common Stock | | 76,372 |
| Bank Of America Corp | Common Stock | | 375,066 |
| Bank Of New York Co New | Common Stock | | 29,967 |
| Bard C R Inc | Common Stock | | 66,304 |
| Basic Energy Services | Common Stock | | 402 |
| * Baxalta Inc | Common Stock | | 2,742,397 |
| * Baxalta Inc Common Stock Usd.01 | Common Stock | | 79,668,391 |
| * Baxter International | Common Stock | | 292,901 |
| * Baxter International Inc | Common Stock | | 84,742,557 |
| Bayer A G Sponsored Adr | Common Stock | | 28,213 |
| Bb&T Corporation | Common Stock | | 6,617 |
| Beacon Power Corp New | Common Stock | | 38 |
| Becton Dickinson & Co | Common Stock | | 5,855 |
| Berkshire Hathaway B New | Common Stock | | 141,679 |
| Best Buy Inc | Common Stock | | 3,532 |
| Bioadaptives Inc | Common Stock | | 1 |
| Biodel Inc New | Common Stock | | 343 |
| Bioelectronics Corp | Common Stock | | 85 |
| Biogen Idec Inc | Common Stock | | 3,062,315 |
| Biogen Inc | Common Stock | | 120,702 |
| Biomarin Pharmaceutical Inc | Common Stock | | 11,314 |
| Biomarin Pharmaceutical Inc Common Stock Usd.001 | Common Stock | | 503,910 |
| Bionovo Inc New | Common Stock | | 35 |
| Black Hills Corp | Common Stock | | 5,107 |
| Blackberry Ltd | Common Stock | | 14,662 |
| Blackstone Mortgage Tr | Common Stock | | 19,291 |
| Bluebird Bio Inc | Common Stock | | 3,789 |
| Boeing Co | Common Stock | | 3,992,409 |
| Boeing Co | Common Stock | | 439,322 |
| Boeing Co | Common Stock | | 85,776 |
| Bofi Holding Inc | Common Stock | | 4,210 |
| Bovie Medical Corp | Common Stock | | 2,100 |
| Bp Plc F | Common Stock | | 98,754 |
| Bp Plc Spons Adr | Common Stock | | 74,011 |
| Brazil Minerals Inc | Common Stock | | |
| Breitbart Energy Partners L P | Common Stock | | 477 |
| Briggs & Stratton Corp | Common Stock | | 5,190 |
| Bristol Myers Squibb Co | Common Stock | | 4,626,141 |

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| | | |
|---------------------------|--------------|--------|
| Bristol-Myers Squibb | Common Stock | 80,162 |
| Broadcom Corp Cl A | Common Stock | 11,564 |
| Broadridge Finl Solution | Common Stock | 4,052 |
| Brookfield Asset Mgmt Inc | Common Stock | 11,824 |

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| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|----------------------------------|---------------------------|-------------|---------------|
| Brookfield Infra Partners | Common Stock | | 872 |
| Brookfield Pty Partners L P | Common Stock | | 325 |
| Brookfield Renew Egy Lpf | Common Stock | | 2,618 |
| Buckeye Partners L P | Common Stock | | 26,384 |
| C H Robinson Worldwide New | Common Stock | | 3,101 |
| C M S Energy Corp | Common Stock | | 1,392 |
| Caladrius Bioscience | Common Stock | | 1,080 |
| Calamp Corp | Common Stock | | 119,580 |
| Calgon Carbon Corp | Common Stock | | 2,070 |
| Cameron Intl Corp | Common Stock | | 4,930 |
| Canadian Natl Ry Co | Common Stock | | 8,382 |
| Canadian Natural Res | Common Stock | | 2,183 |
| Cannabis Sativa Inc | Common Stock | | 21 |
| Cannabis Science Inc | Common Stock | | 975 |
| Cannabusiness Group Inc | Common Stock | | 6 |
| Cannagrow Holdings Inc | Common Stock | | 6 |
| Cap Gemini Sogeti Or | Common Stock | | 9,299 |
| Capital One Financial Corp | Common Stock | | 78,326 |
| Capstead Mortgage Cp New | Common Stock | | 12,236 |
| Carbo Ceramics Inc | Common Stock | | 25,404 |
| * Cardinal Health Inc | Common Stock | | 91,502 |
| * Cardinal Health Inc | Common Stock | | 8,347,281 |
| Carlyle Group Lp | Common Stock | | 1,484 |
| Carmax Inc | Common Stock | | 10,794 |
| Catalent Inc | Common Stock | | 12,515 |
| Catalyst Pharmaceutical Partners | Common Stock | | 9,800 |
| Caterpillar Inc | Common Stock | | 152,996 |
| Cbl & Assoc Pptys Inc | Common Stock | | 210 |
| CBS Corp | Common Stock | | 69,740 |
| Cdk Global Inc | Common Stock | | 5,601 |
| Celanese Corp | Common Stock | | 5,483 |
| Celator Pharmaceutic | Common Stock | | 7,040 |
| Celgene Corp | Common Stock | | 43,712 |
| Celgene Corp | Common Stock | | 4,554,270 |
| Celldex Therapeutics Inc | Common Stock | | 4,124 |
| Collectar Bioscience New | Common Stock | | 1 |
| Cenovus Energy Inc | Common Stock | | 3,155 |
| Central Fd Cda Ltd | Common Stock | | 13,986 |
| Centrus Energy Corp | Common Stock | | 3 |
| Centurylink Inc | Common Stock | | 6,912 |
| Ceragon Networks Ltd | Common Stock | | 182 |

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| | | |
|------------------------|--------------|--------|
| Cereplast Inc New | Common Stock | |
| Cerulean Pharma Inc | Common Stock | 532 |
| Cerus Corp | Common Stock | 16,432 |
| Chemours Co | Common Stock | 570 |
| Cheniere Energy Incnew | Common Stock | 3,166 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|----------------------------------|---------------------------|---------------------|---------------|
| Chesapeake Energy Corporation | Common Stock | | 68,189 |
| Chevron Corp Common Stock Usd.75 | Common Stock | | 701,972 |
| Chevron Corporation | Common Stock | | 148,120 |
| Chicago Brdg & Iron Ny | Common Stock | | 7,798 |
| Chimerix Inc | Common Stock | | 89,500 |
| Chipotle Mexican Grill | Common Stock | | 6,238 |
| Church & Dwight Co Inc | Common Stock | | 14,089 |
| Churchill Downs Inc | Common Stock | | 14,149 |
| Ciena Corp New | Common Stock | | 8,235 |
| Cigna Corp | Common Stock | | 7,316 |
| Cisco Systems Inc | Common Stock | | 204,864 |
| Cit Group Inc | Common Stock | | 74,411 |
| Citigroup Inc | Common Stock | | 91,598 |
| Citigroup Inc | Common Stock | | 1,865,608 |
| Citigroup Inc | Common Stock | | 416,576 |
| Citigroup Inc | Common Stock | | 76,576 |
| Citizens Financial Group | Common Stock | | 74,925 |
| Civeo Corp Cda F | Common Stock | | 213 |
| Clean Energy Fuels Corp | Common Stock | | 1,800 |
| Cliffs Natural Resources Inc | Common Stock | | 1,266 |
| Cnooc Limited ADR | Common Stock | | 1,566 |
| Coach Inc | Common Stock | | 3,331 |
| Coates Intl Ltd | Common Stock | | 31 |
| Coca Cola Company | Common Stock | | 55,214 |
| Comcast Corp | Common Stock | | 440,889 |
| Comcast Corp | Common Stock | | 66,801 |
| Comcast Corp New Cl A | Common Stock | | 5,643 |
| CommTouch Software Ltd | Common Stock | | 707 |
| Communications Sales | Common Stock | | 38,592 |
| Compass Minerals Intl | Common Stock | | 8,280 |
| Conagra Foods Inc | Common Stock | | 21,080 |
| Concho Resources Inc | Common Stock | | 1,494,089 |
| Conocophillips | Common Stock | | 213,294 |
| Consolidated Edison Inc | Common Stock | | 32,135 |
| Constellation Brand Cl A | Common Stock | | 28,488 |
| Corning Inc | Common Stock | | 7,645 |
| Cortex Pharm Inc | Common Stock | | 49 |
| Costco Wholesale Corp | Common Stock | | 3,652,060 |
| Costco Whsl Corp New | Common Stock | | 43,323 |
| Cracker Barrel Old Ctry | Common Stock | | 12,683 |
| Creative Edge Nutrit | Common Stock | | 93 |
| Crestwood Equity Lp Lp | Common Stock | | 416 |

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| | | |
|------------------------------------|--------------|---------|
| Cross Timbers Royalty Tr | Common Stock | 195 |
| Crown Castle Intl Corp Reit Usd.01 | Common Stock | 333,454 |
| Cst Brands Inc | Common Stock | 2,506 |
| Csx Corp | Common Stock | 6,689 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|----------------------------------|----------------------------|----------------------|
| Cti Biopharma Corp | Common Stock | | 12,450 |
| Cui Global Inc New | Common Stock | | 113 |
| Cummins Engine Inc | Common Stock | | 23,859 |
| Cvs Health Corporation | Common Stock | | 36,957 |
| Cyclacel Pharma New | Common Stock | | 71 |
| Cytori Therapeutics New | Common Stock | | 139 |
| Cytosorbents Corp New | Common Stock | | 1,671 |
| Cytrx Corp New | Common Stock | | 36,249 |
| D X I Energy Inc F | Common Stock | | 1 |
| Decisionpoint Sys New | Common Stock | | 1 |
| Deere & Co | Common Stock | | 30,213 |
| Delcath Systems Inc New | Common Stock | | 300 |
| Delphi Automotive Plc | Common Stock | | 17,146 |
| Delta Air Lines Inc Common Stock Usd.0001 | Common Stock | | 269,029 |
| Denbury Res Inc | Common Stock | | 1,010 |
| Derma Sciences Inc New | Common Stock | | 914 |
| Devon Energy Cp New | Common Stock | | 11,947 |
| Digital Realty Trust | Common Stock | | 6,687 |
| Digital Turbine Inc | Common Stock | | 7 |
| Discover Financial Svcs | Common Stock | | 17,193 |
| Discovery Communications | Common Stock | | 273,175 |
| Dollar General Corp | Common Stock | | 7,474 |
| Dollar General Corp Common Stock Usd.875 | Common Stock | | 219,788 |
| Dominion Res Inc Va | Common Stock | | 15,206 |
| Dominos Pizza Inc | Common Stock | | 11,125 |
| Dominovas Energy Corp | Common Stock | | 329 |
| Dow Chemical Company | Common Stock | | 34,125 |
| Dryships Inc | Common Stock | | 956 |
| Du Pont Ei De Nemour | Common Stock | | 17,782 |
| Duke Energy Corp | Common Stock | | 225,252 |
| Duke Realty Corp Reit | Common Stock | | 9,459 |
| Dun & Bradstreet Corp New | Common Stock | | 44,149 |
| Dunkin Brands Group | Common Stock | | 6,474 |
| E M C Corp Mass | Common Stock | | 14,252 |
| Eagle Bulk Shipng 14Wtsf 10/15/21 | Common Stock | | |
| Eagle Pharmaceutical | Common Stock | | 19,596 |
| Earthlink Holdings | Common Stock | | 7,430 |
| Eaton Corp Plc F | Common Stock | | 15,612 |
| Ebay Inc | Common Stock | | 5,166 |
| Eco Science Solutions | Common Stock | | |
| E-Commerce China ADR F | Common Stock | | 3,595 |
| Edap Tms S A Spon ADR | Common Stock | | 128,030 |

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|-----------------------------|--------------|------------|
| * Edwards Lifesciences Corp | Common Stock | 23,815,219 |
| * Edwards Lifesciences Cp | Common Stock | 436,838 |
| El Pollo Loco Hldgs | Common Stock | 6,315 |
| Eli Lilly & Company | Common Stock | 16,852 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|----------------------------------|----------------------------|----------------------|
| Eline Entmt Gp Inc N | Common Stock | | 4 |
| Ellie Mae Inc | Common Stock | | 542 |
| Emerson Electric Co | Common Stock | | 4,393 |
| Enbridge Inc | Common Stock | | 3,319 |
| Encana Corporation | Common Stock | | 1,273 |
| Endeavor Ip Inc | Common Stock | | 0 |
| Endeavour Silver Corp F | Common Stock | | 710 |
| Endocan Corp | Common Stock | | 145 |
| Energy Transfer Partners | Common Stock | | 17,068 |
| Enerplus Corp F | Common Stock | | 1,368 |
| Ensco Pleshs Class Af | Common Stock | | 2,274 |
| Entergy Corp | Common Stock | | 54,688 |
| Enterprise Prd Ptnrs L P | Common Stock | | 83,257 |
| Entravision Commun Corp | Common Stock | | 1,156 |
| Eog Resources Inc | Common Stock | | 4,621 |
| Eog Resources Inc | Common Stock | | 855,953 |
| Eqst Corp Common Stock | Common Stock | | 66,854 |
| Ethan Allen Interiors Inc | Common Stock | | 8,346 |
| E-Trade Financial Cp | Common Stock | | 16,065 |
| Exact Sciences Corp | Common Stock | | 9,230 |
| Exelixis Inc | Common Stock | | 1,692 |
| Exelon Corp | Common Stock | | 65,748 |
| Exelon Corporation | Common Stock | | 36,607 |
| Expedia Inc New | Common Stock | | 3,853 |
| Expeditors Intl Wash Inc | Common Stock | | 52,564 |
| Express Scripts Holding Co | Common Stock | | 275,934 |
| Express Scripts Holding Company | Common Stock | | 24,912 |
| Exxon Mobil Corporation | Common Stock | | 118,267 |
| Facebook Inc | Common Stock | | 9,062,653 |
| Facebook Inc Class A | Common Stock | | 427,536 |
| Fannie Mae | Common Stock | | 19,942 |
| Fedex Corporation | Common Stock | | 26,073 |
| Female Health Co | Common Stock | | 2,175 |
| Ferrari N V | Common Stock | | 240 |
| Ferrellgas Partners Lp | Common Stock | | 1,949 |
| Fireeye Inc | Common Stock | | 27,169 |
| First Solar Inc | Common Stock | | 13,462 |
| First Titan Corp | Common Stock | | 16 |
| Firstenergy Corp | Common Stock | | 9,625 |
| Fitbit Inc | Common Stock | | 7,102 |
| Flextronics Intl Ltd | Common Stock | | 11,210 |
| Flextronics Intl Ltd | Common Stock | | 68,563 |

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| | | |
|------------------------|--------------|---------|
| Focus Gold Corp New | Common Stock | |
| Ford Motor Company New | Common Stock | 160,107 |
| Fortress Invt Gp Llc A | Common Stock | 2,545 |
| Franklin Resources | Common Stock | 18,410 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------|---------------------------|---------------------|---------------|
| Freddie Mac Voting Shs | Common Stock | | 28,066 |
| Freeport McMoran Inc | Common Stock | | 25,302 |
| Friendable Inc | Common Stock | | |
| Frontier Communications Corp | Common Stock | | 4,721 |
| Fs Investment Corp | Common Stock | | 3,596 |
| Fuel Systems Solutions | Common Stock | | 1,223 |
| Fuel-Tech N V | Common Stock | | 147 |
| Fujifilm Hldgs Corp Adr | Common Stock | | 4,171 |
| Galena Biopharma Inc | Common Stock | | 27,930 |
| Gas Natural Inc | Common Stock | | 2,317 |
| General Dynamics Corp | Common Stock | | 15,522 |
| General Electric Co | Common Stock | | 2,119,058 |
| General Electric Co | Common Stock | | 415,459 |
| General Electric Co | Common Stock | | 67,604 |
| General Electric Co | Common Stock | | 355,712 |
| General MIs Inc | Common Stock | | 102,505 |
| General Motors Co | Common Stock | | 87,275 |
| Generex Biotechnology Corp Del | Common Stock | | 34 |
| Genie Energy Ltd Cl | Common Stock | | 1,115 |
| Genuine Parts Co | Common Stock | | 17,178 |
| Gilead Sciences Inc | Common Stock | | 153,083 |
| Gladstone Land Corp | Common Stock | | 6,017 |
| Glaxosmithkline Plc Adrf | Common Stock | | 81,596 |
| Global Arena Hldg | Common Stock | | 50 |
| Globalstar Inc | Common Stock | | 432 |
| Gogo Inc | Common Stock | | 765 |
| Gold Resource Corp | Common Stock | | 13,417 |
| Goldcorp Inc New | Common Stock | | 12,970 |
| Golden Ocean Group Ltd F | Common Stock | | 1,038 |
| Golden Star Res Ltd Cda | Common Stock | | 499 |
| Goldman Sachs Bdc In | Common Stock | | 8,614 |
| Goldman Sachs Group | Common Stock | | 366,259 |
| Goldman Sachs Group Inc | Common Stock | | 16,198 |
| Goodrich Pete Corp New | Common Stock | | 798 |
| Gopro Inc | Common Stock | | 26,907 |
| Grace W R & Co Del New | Common Stock | | 29,877 |
| Grand Pacaraima Gold Corp | Common Stock | | 7 |
| Great Basin Gold Ltd | Common Stock | | 21 |
| Great Panther Silver F | Common Stock | | 1,002 |
| Green Earth Technologies Inc | Common Stock | | 360 |
| Green Innovations Lt | Common Stock | | 2 |
| Greengro Technologie | Common Stock | | 913 |

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| | | |
|------------------------|--------------|-------|
| Grifols Sa New Adr F | Common Stock | 2,560 |
| Groupon Inc Class A | Common Stock | 3,408 |
| Growlife Inc | Common Stock | 162 |
| Grupo Aeroport Del Adr | Common Stock | 3,095 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|------------------------------------|---------------------------|-------------|---------------|
| Grupo Televisa Sa Spon Adr Adr | Common Stock | | 231,919 |
| Gsi Technology Inc | Common Stock | | 1,860 |
| Guess Inc | Common Stock | | 680 |
| H C P Inc Reit | Common Stock | | 12,764 |
| Halcon Resources | Common Stock | | 8 |
| Halliburton Co Hldg Co | Common Stock | | 14,705 |
| Hallmark Finl Svcs New | Common Stock | | 2,338 |
| Halozyme Therapeutics | Common Stock | | 181,324 |
| Halyard Health Inc | Common Stock | | 8,353 |
| Hannon Armstrong Sus | Common Stock | | 3,784 |
| Harman Intl Inds Inc New | Common Stock | | 9,421 |
| Hartford Fin L Svcs Grp Inc. | Common Stock | | 5,867 |
| Hasbro | Common Stock | | 9,826 |
| Hca Holdings Inc | Common Stock | | 33,815 |
| Headwaters Inc | Common Stock | | 20,244 |
| Healthwarehouse.Com New | Common Stock | | 4 |
| Hemispherx Biopharma Inc | Common Stock | | 805 |
| Hemp Inc | Common Stock | | 915 |
| Hewlett Packard Enterprise C | Common Stock | | 21,447 |
| Hi-Crush Partners Lp | Common Stock | | 321 |
| Highpower Intl Inc | Common Stock | | 6,000 |
| Hilton Worldwide Hld | Common Stock | | 3,210 |
| Hollyfrontier Corp | Common Stock | | 11,967 |
| Home Depot Inc | Common Stock | | 355,542 |
| Home Depot Inc Common Stock Usd.05 | Common Stock | | 1,482,980 |
| Honeywell International | Common Stock | | 31,420 |
| Honeywell International Inc | Common Stock | | 455,683 |
| Hooper Holmes Inc | Common Stock | | 61 |
| Hovnanian Enterprises Inc | Common Stock | | 3,396 |
| Hp Inc | Common Stock | | 16,706 |
| Hp Inc Common Stock Usd.01 | Common Stock | | 176,136 |
| Hsbc Hldgs Plc Adr New | Common Stock | | 24,906 |
| Hsn Inc | Common Stock | | 608 |
| Huntington Bancshs | Common Stock | | 7,678 |
| Hydrogenics Corp New | Common Stock | | 631 |
| Hypersolar Inc | Common Stock | | 213 |
| Iac/Interactive Corp | Common Stock | | 1,862 |
| Iamgold Corporation | Common Stock | | 9,594 |
| Ibio Inc | Common Stock | | 2,800 |
| Ibm Corp | Common Stock | | 44,803 |
| Icahn Enterprises Lp | Common Stock | | 26,903 |

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|-----------------------|--------------|-----------|
| Idera Pharma New | Common Stock | 36,524 |
| Illinois Tool Wks Inc | Common Stock | 9,731 |
| Illumina Inc | Common Stock | 19,194 |
| Illumina Inc | Common Stock | 2,960,713 |
| Imation Corp | Common Stock | 137 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|----------------------------------|----------------------------|----------------------|
| Immunomedics Inc | Common Stock | | 4,605 |
| Implant Sciences Corp | Common Stock | | 5,386 |
| Inception Mining Inc | Common Stock | | 5 |
| Incyte Genomics Inc | Common Stock | | 140,985 |
| Inditex Unspn Adr | Common Stock | | 3,987,951 |
| Infinera Corporation | Common Stock | | 21,744 |
| Infosys Tech Spon Adr | Common Stock | | 3,350 |
| Ingles Markets Class A | Common Stock | | 17,632 |
| Ingli Green Energy F | Common Stock | | 91 |
| Insmmed Inc New | Common Stock | | 2,686 |
| Insys Therapeutics New | Common Stock | | 2,748 |
| Intel Corp | Common Stock | | 59,015 |
| Intel Corp Common Stock Usd.001 | Common Stock | | 259,983 |
| Intelsat S A | Common Stock | | 416 |
| Interactive Brokers Cl A | Common Stock | | 12,382 |
| Interactive Leisure Sys | Common Stock | | 1 |
| Intercontinental Exchange | Common Stock | | 492,957 |
| International Paper Co | Common Stock | | 70,662 |
| International Paper Co | Common Stock | | 15,402 |
| Interpace Diagnostic | Common Stock | | 47 |
| Interval Leisure Group | Common Stock | | 187 |
| Intrexon | Common Stock | | 33,165 |
| Intuitive Surgical | Common Stock | | 2,731 |
| Invensense Inc | Common Stock | | 15,284 |
| Invesco Ltd | Common Stock | | 69,358 |
| Invivo Therapeutics | Common Stock | | 6,480 |
| Invo Bioscience Inc | Common Stock | | 1,400 |
| Ionis Pharmaceutical | Common Stock | | 8,546 |
| Ipass Inc | Common Stock | | 1,000 |
| Ipg Photonics Corp | Common Stock | | 19,972 |
| Isoray Inc | Common Stock | | 20,906 |
| Italk Inc | Common Stock | | 1 |
| Itc Hldgs Corp | Common Stock | | 2,944 |
| Ivanhoe Energy Inc New F | Common Stock | | 10 |
| J P Morgan Chase & Co | Common Stock | | 51,831 |
| Ja Solar Hldgs New Adr F | Common Stock | | 2,570 |
| Jabil Circuit Inc | Common Stock | | 11,645 |
| Jack In The Box Inc | Common Stock | | 11,506 |
| James River Coal Co | Common Stock | | 20 |
| Jd.Com Inc Adr Adr Usd.00002 | Common Stock | | 1,290,260 |
| Jetblue Airways Corp | Common Stock | | 28,312 |
| Johnson & Johnson | Common Stock | | 153,349 |

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|----------------------|--------------|---------|
| Johnson Controls Inc | Common Stock | 1,055 |
| Johnson Controls Inc | Common Stock | 419,563 |
| Juniper Networks Inc | Common Stock | 46,920 |
| Juniper Pharmaceutic | Common Stock | 773 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Juno Therapeutics In | Common Stock | | 13,191 |
| Just Energy Group Inc F | Common Stock | | 427 |
| Karyopharm Therapeut | Common Stock | | 1,047 |
| Kat Exploration Inc New | Common Stock | | 2 |
| Keryx Biopharmaceuticals | Common Stock | | 4,823 |
| Keycorp Inc New | Common Stock | | 13,190 |
| Keysight Technologies | Common Stock | | 65,676 |
| Kimberly-Clark Corp | Common Stock | | 50,920 |
| Kinder Morgan Holdco Llc | Common Stock | | 113,135 |
| Kma Global Solutions | Common Stock | | 5 |
| Kohls Corp | Common Stock | | 47,630 |
| Kraft Heinz Company | Common Stock | | 76,543 |
| Krispy Kreme Doughnuts Inc | Common Stock | | 15,070 |
| Kroger Co | Common Stock | | 29,281 |
| Kroger Co Common Stock Usd1. | Common Stock | | 3,507,689 |
| Kronos Worldwide Inc | Common Stock | | 23 |
| L S B Industries Inc | Common Stock | | 6,721 |
| Lake Shore Gold Corp | Common Stock | | 16 |
| Las Vegas Sands Corp | Common Stock | | 361,552 |
| Ldk Solar Co Ltd Adr | Common Stock | | 43 |
| Leapfrog Enterprises Inc | Common Stock | | 710 |
| Legacy Reserves Lp | Common Stock | | 175 |
| Lendingtree Inc | Common Stock | | 179 |
| Liberty All Star Equity | Common Stock | | 128 |
| Liberty Global Inc Cl Cf | Common Stock | | 4,933 |
| Liberty Global Plc Cl Cf | Common Stock | | 258 |
| Liberty Global Plc Series C Common Stock Usd.01 | Common Stock | | 72,395 |
| Liberty Media Corp | Common Stock | | 190,458 |
| Lifeline Biotechnologies Inc New | Common Stock | | 2,150 |
| Limelight Networks Inc | Common Stock | | 2,190 |
| Lincoln Natl Corp Ind | Common Stock | | 4,318 |
| Linkedin Corp | Common Stock | | 9,678 |
| Linkedin Corp | Common Stock | | 3,601,707 |
| Linco Llc | Common Stock | | 188 |
| Linux Gold Corporation | Common Stock | | 48 |
| Liquidity Services Inc | Common Stock | | 813 |
| Lithium Expl Group New | Common Stock | | 42,444 |
| Livanova Plc F | Common Stock | | 2,612 |
| Live Nation Entmt Inc | Common Stock | | 418 |
| Live Ventures Incorp | Common Stock | | 365 |
| Logitech Intl S A New | Common Stock | | 9,795 |
| Lowe's | Common Stock | | 52,509 |

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|-----------------------|--------------|--------|
| Lowes Companies | Common Stock | 15,208 |
| Lpbp Inc Cl A | Common Stock | 3 |
| Lumentum Holdings In | Common Stock | 639 |
| Lynas Corporation Ord | Common Stock | 36 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|---------------------------|---------------------|---------------|
| Lyondellbasell Inds | Common Stock | | 43,450 |
| M D U Resources Group Inc | Common Stock | | 2,027 |
| M G M Grand | Common Stock | | 2,499 |
| Magellan Petroleum | Common Stock | | 137 |
| Magnegas Corp New | Common Stock | | 5,690 |
| Magnum Hunter Resour | Common Stock | | 2 |
| Main Str Cap Corp | Common Stock | | 46,311 |
| Mallinckrodt Plc Common Stock Usd.2 | Common Stock | | 320,255 |
| Mallinckrodt Pub F | Common Stock | | 149 |
| Manhattan Scientifics Inc | Common Stock | | 3,056 |
| Manitok Energy Inc | Common Stock | | 202 |
| Manitowoc Inc | Common Stock | | 2,917 |
| Mankind Corp | Common Stock | | 15,225 |
| Marathon Oil Corp | Common Stock | | 25,395 |
| Marathon Pete Corp | Common Stock | | 75,297 |
| Markel Corp Holding Co | Common Stock | | 24,734 |
| Marriott International | Common Stock | | 3,133,451 |
| Marsh & McLennan Cos | Common Stock | | 65,641 |
| Mast Therapeutics Inc | Common Stock | | 23,116 |
| Mastercard Inc | Common Stock | | 6,304,581 |
| Mastercard Inc | Common Stock | | 143,094 |
| Mazda Motors Corp Adr F | Common Stock | | 1,446 |
| Mc Donalds Corp | Common Stock | | 99,186 |
| Mcdonald S Corp Common Stock Usd.01 | Common Stock | | 2,225,995 |
| Mcgraw Hill Financial Inc | Common Stock | | 2,326,864 |
| Mcgraw Hill Inc | Common Stock | | 5,225 |
| Mckesson Corp Common Stock Usd.01 | Common Stock | | 531,165 |
| Med Cannabis Pharma Inc | Common Stock | | 4 |
| Medbox Inc | Common Stock | | 13 |
| Medical Marijuana Inc | Common Stock | | 962 |
| Medical Properties Trust | Common Stock | | 26,022 |
| Medicines Company | Common Stock | | 20,910 |
| Medicinova Inc New | Common Stock | | 10,650 |
| Medivation Inc | Common Stock | | 3,287 |
| Medtronic Plc | Common Stock | | 7,154 |
| Medtronic Plc Common Stock Usd.1 | Common Stock | | 470,311 |
| Meetme Inc | Common Stock | | 17,900 |
| Mei Pharma Inc New | Common Stock | | 3,200 |
| Mercadolibre Inc | Common Stock | | 6,975 |
| Merck & Co Inc | Common Stock | | 164,528 |
| Merck & Co. Inc. | Common Stock | | 72,949 |
| Merrimack Pharma Inc | Common Stock | | 11,810 |

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|------------------------|--------------|-------|
| * Metlife Inc | Common Stock | 5,247 |
| Mgic Invt Corp Wis | Common Stock | 2,216 |
| Micro Imaging Tech New | Common Stock | 33 |
| Micron Technology Inc | Common Stock | 2,832 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------------|---------------------------|---------------------|---------------|
| Microsoft Corp | Common Stock | | 92,307 |
| Microsoft Corp | Common Stock | | 2,929,839 |
| Microsoft Corp | Common Stock | | 76,623 |
| Miller Herman Inc | Common Stock | | 2,870 |
| Minco Gold Corp | Common Stock | | 4 |
| Mind Solutions Inc | Common Stock | | 920 |
| Mirna Therapeutics I | Common Stock | | 3,281 |
| Molycorp Inc | Common Stock | | 1 |
| Mondelez Intl Inc | Common Stock | | 52,149 |
| Monitise Plc Ord | Common Stock | | 147 |
| Monogram Residential | Common Stock | | 488 |
| Monsanto Co | Common Stock | | 1,756,599 |
| Monsanto Co | Common Stock | | 539,400 |
| Monsanto Co New Del | Common Stock | | 18,620 |
| Monster Beverage Cor | Common Stock | | 7,150 |
| Monster Beverage Corp Common Stock | Common Stock | | 1,900,184 |
| Morgan Stanley | Common Stock | | 1,969,932 |
| Morgan Stanley | Common Stock | | 12,869 |
| Mosaic Co | Common Stock | | 230,531 |
| Mosaic Co | Common Stock | | 5,628 |
| Multi-Corp Intl Inc | Common Stock | | 27 |
| Murphy Oil Corp | Common Stock | | 4,946 |
| Mycheck Inc New | Common Stock | | 583 |
| Mylan N V | Common Stock | | 3,623 |
| National-Oilwell Inc | Common Stock | | 3,397 |
| Natl Bk Greece F | Common Stock | | 104 |
| Navidea Biopharma | Common Stock | | 6,251 |
| Navios Maritime | Common Stock | | 2,349 |
| Navios Maritime Partners | Common Stock | | 1,510 |
| Navistar International Corp New | Common Stock | | 12,040 |
| Nestle S A | Common Stock | | 7,442 |
| Netapp Inc | Common Stock | | 2,122 |
| Netflix Inc | Common Stock | | 5,229,453 |
| Netflix Inc | Common Stock | | 271,652 |
| Netgear Inc | Common Stock | | 4,191 |
| Nextera Energy Inc | Common Stock | | 66,731 |
| Nike Inc | Common Stock | | 50,000 |
| Nike Inc | Common Stock | | 6,132,655 |
| No Amern Palladium New F | Common Stock | | 20 |
| Nokia Corp Spon Adr F | Common Stock | | 21,453 |
| Nordic American Tanker Shipp | Common Stock | | 46,620 |
| Nordic Amern Offshore Ltd | Common Stock | | 132 |

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| | | |
|------------------------|--------------|---------|
| Nordstrom Inc | Common Stock | 11,406 |
| Norstra Energy Inc | Common Stock | |
| North Atlantic Drill F | Common Stock | 1,223 |
| * Northern Trust Corp | Common Stock | 450,877 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|------------------------------------|----------------------------------|----------------------------|----------------------|
| Novartis Ag | Common Stock | | 70,381 |
| Novartis Ag Adr | Common Stock | | 506,721 |
| Novatel Wireless Inc New | Common Stock | | 2,004 |
| Novavax Inc | Common Stock | | 8,390 |
| Novo Nordisk A/S Spons Adr | Common Stock | | 2,238,993 |
| Novo-Nordisk A-S F | Common Stock | | 42,979 |
| Now Inc | Common Stock | | 854 |
| Nrg Energy Inc New | Common Stock | | 4,520 |
| Nrg Yield Inc | Common Stock | | 8,856 |
| Nuance Commun Inc | Common Stock | | 4,972 |
| Nucor Corp | Common Stock | | 18,377 |
| Nuverra Environmentl New | Common Stock | | 256 |
| Nvidia Corp | Common Stock | | 59,862 |
| Nxp Semiconductors Nv F | Common Stock | | 8,425 |
| Nxp Semiconductors Nv Common Stock | Common Stock | | 1,534,746 |
| Nxstage Medical Inc | Common Stock | | 8,435 |
| O Reilly Automotive Inc | Common Stock | | 3,624,206 |
| Oasis Petroleum Inc | Common Stock | | 2,211 |
| Occidental Petrol Co | Common Stock | | 13,135 |
| Occidental Petroleum Corp | Common Stock | | 368,166 |
| Ocean Rig Udwr Inc F | Common Stock | | 62 |
| Olin Corp | Common Stock | | 2,209 |
| Omega Hlthcare Invs Inc | Common Stock | | 31,685 |
| Omnicell Inc | Common Stock | | 17,343 |
| Omnicom Group | Common Stock | | 503,807 |
| On The Move Systems New | Common Stock | | 6 |
| Oncogenex Pharmaceuticals Inc | Common Stock | | 21 |
| Oncolytics Biotech Inc | Common Stock | | 41,776 |
| Oncomed Pharmaceutic | Common Stock | | 22,540 |
| Oneok Inc New | Common Stock | | 12,205 |
| Opko Health Inc | Common Stock | | 3,015 |
| Optigenex Inc New | Common Stock | | 4 |
| Oracle Corp | Common Stock | | 504,512 |
| Oracle Corp | Common Stock | | 72,073 |
| Oracle Corporation | Common Stock | | 49,340 |
| Orange Adr F | Common Stock | | 832 |
| Orexigen Therapeutics | Common Stock | | 3,177 |
| Organovo Hldgs Inc | Common Stock | | 934 |
| Outerwall Inc | Common Stock | | 745 |
| Ovascience Inc | Common Stock | | 4,885 |
| Oxigene Inc New | Common Stock | | 8 |
| P D L Biopharma Inc | Common Stock | | 5,310 |

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| | | |
|--|--------------|---------|
| Paccar Inc | Common Stock | 4,740 |
| Pacific Ethanol Inc New | Common Stock | 2,390 |
| Palatin Technologies New | Common Stock | 997 |
| Palo Alto Networks Inc Common Stock Usd.0001 | Common Stock | 919,716 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|-------------------------------|---------------------------|-------------|------------------|
| Panacos Pharmaceuticals | Common Stock | | |
| Panera Bread Co Cl A | Common Stock | | 14,609 |
| Parexel Intl Corp | Common Stock | | 3,406 |
| Parkervision Inc | Common Stock | | 930 |
| Parkway Pptys Inc | Common Stock | | 9,405 |
| Patriot Gold Corp | Common Stock | | 6,667 |
| Pay Chest Inc | Common Stock | | 2 |
| Paychex Inc | Common Stock | | 37,816 |
| Paypal Hldgs Inc | Common Stock | | 10,715 |
| Pdc Energy Inc | Common Stock | | 107 |
| Peabody Energy Corp | Common Stock | | 1,843 |
| Pembina Pipeline Corp F | Common Stock | | 87 |
| Penn West Pete Ltd New F | Common Stock | | 437 |
| Penney J C Co Inc | Common Stock | | 11,322 |
| Pennymac Mtg Invt Tr | Common Stock | | 21,344 |
| Pentair Plc | Common Stock | | 398,706 |
| Pentair Plc F | Common Stock | | 248 |
| Pepeco Holdings Inc | Common Stock | | 26,829 |
| Pepsico Inc | Common Stock | | 47,145 |
| Perceptron Inc | Common Stock | | 23,370 |
| Peregrine Pharma Inc New | Common Stock | | 58,511 |
| Petmedexpress.Com Inc | Common Stock | | 5,605 |
| Petrochina Co Adr | Common Stock | | 787 |
| Petroleo Brasileiro Adrf | Common Stock | | 7,637 |
| Pfenex Inc | Common Stock | | 2,476 |
| Pfizer Incorporated | Common Stock | | 141,298 |
| Philip Morris Intl Inc | Common Stock | | 161,106 |
| Phillips 66 | Common Stock | | 102,986 |
| Pilgrims Pride Corp | Common Stock | | 6,075 |
| Pineapple Express In | Common Stock | | 80 |
| Pitney Bowes Inc | Common Stock | | 14,455 |
| Plains All Amern Pipeline L P | Common Stock | | 23,100 |
| Platinum Studios Inc | Common Stock | | 1 |
| Plug Power Inc New | Common Stock | | 8,440 |
| Plum Creek Timber Co | Common Stock | | 14,316 |
| Pnc Financial Services Group | Common Stock | | 422,162 |
| Polymet Mng Corp | Common Stock | | 12,214 |
| Pop3 Media Corp | Common Stock | | 1 |
| Postrock Energy New | Common Stock | | 9 |
| Potash Corp Sask Inc Foreign | Common Stock | | 20,921 |
| Potbelly Corp | Common Stock | | 2,928 |

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|-----------------------------|--------------|--------|
| Ppg Inds Inc | Common Stock | 79,056 |
| Pra Group, Inc. | Common Stock | 3,226 |
| Prana Biotechnology Ltd Adr | Common Stock | 2,541 |
| Precision Castparts Corp | Common Stock | 2,784 |
| Priceline Group, Inc | Common Stock | 6,375 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------------|----------------------------|----------------------|
| Priceline.Com Inc | Common Stock | | 3,575,723 |
| Primco Management New | Common Stock | | |
| Procter & Gamble | Common Stock | | 141,682 |
| Procter & Gamble Co | Common Stock | | 62,670 |
| Progressive Co Ohio | Common Stock | | 4,834 |
| Progressive Waste Solu F | Common Stock | | 4,828 |
| Propanc Health Group | Common Stock | | 19,530 |
| Prospect Energy Corp | Common Stock | | 4,721 |
| Proto Labs Inc | Common Stock | | 1,146 |
| Provectus Biopharmaceuticals | Common Stock | | 624 |
| Proxim Wireless Corp New | Common Stock | | 184 |
| Ptc Therapeutics Inc | Common Stock | | 4,180 |
| Qihoo 360 Technology Co | Common Stock | | 57,884 |
| Qorvo Inc | Common Stock | | 3,156 |
| Qualcomm Inc | Common Stock | | 29,217 |
| Quantum Fuel Sys New | Common Stock | | 456 |
| Quest Diagnostics Inc | Common Stock | | 70,665 |
| R M R Group Inc | Common Stock | | 1,672 |
| Radian Group Inc | Common Stock | | 6,835 |
| Rainbow Coral Corp | Common Stock | | 37 |
| Rambus Inc Del | Common Stock | | 11,590 |
| Rapid Fire Mktg Inc New | Common Stock | | 1 |
| Rayonier Advanced Ma | Common Stock | | 294 |
| Rayonier Inc | Common Stock | | 1,998 |
| Raytheon Company New | Common Stock | | 6,227 |
| Realogy Holdings Corp | Common Stock | | 61,497 |
| Realty Income Corporation | Common Stock | | 32,745 |
| Red Hat Inc | Common Stock | | 3,411,517 |
| Regeneron Pharmaceuticals Common Stock Usd.001 | Common Stock | | 3,019,895 |
| Regeneron Pharmaceuticals Inc | Common Stock | | 3,257 |
| Regions Financial Cp New | Common Stock | | 5,222 |
| Regulus Therapeutics | Common Stock | | 1,962 |
| Reliance Stl & Alumi | Common Stock | | 5,791 |
| Rentech Nitrogen Partners Lcom Unit | Common Stock | | 43,333 |
| Retail Oppty Ivenstm | Common Stock | | 1,325 |
| Revolutionary Concep | Common Stock | | |
| Rex Stores Corp | Common Stock | | 4,272 |
| Rhino Res Partners Lp | Common Stock | | 58 |
| Ricebran Tech New | Common Stock | | 570 |
| Rio Tinto Plc Sponsored Adr | Common Stock | | 2,912 |
| Rite Aid Corporation | Common Stock | | 2,078 |
| Rocket Fuel Inc | Common Stock | | 1,745 |

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|------------------------|--------------|--------|
| Rockwell Medical Tech | Common Stock | 14,643 |
| Royal Bank Scot Ne Adr | Common Stock | 444 |
| Royal Dutch Shell Adr | Common Stock | 53,345 |
| Rpx Corporation | Common Stock | 3,751 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Rubicon Minerals Corp | Common Stock | | 1,684 |
| Sage Therapeutics In | Common Stock | | 758 |
| Sagent Pharmaceutl | Common Stock | | 39,775 |
| Salesforce.Com Inc | Common Stock | | 4,560,259 |
| Samson Oil&Gas New Adr F | Common Stock | | 237 |
| San Gold Corp | Common Stock | | |
| Sandisk Corp | Common Stock | | 30,396 |
| Sandridge Energy Inc | Common Stock | | 20 |
| Sangamo Biosciences Inc | Common Stock | | 6,208 |
| Sanmina Corporation | Common Stock | | 4,116 |
| Sanofi Adr | Common Stock | | 9,127 |
| Sanofi Adr | Common Stock | | 75,733 |
| Sarepta Therapeutics | Common Stock | | 217,591 |
| Sasol Ltd Sponsored Adr | Common Stock | | 10,379 |
| Satcon Technology New | Common Stock | | |
| Schlumberger Ltd | Common Stock | | 875,924 |
| Schlumberger Ltd | Common Stock | | 62,496 |
| Seadrill Limited Ord | Common Stock | | 698 |
| Seagate Technology Plc F | Common Stock | | 7,332 |
| Sears Canada Inc F | Common Stock | | 434 |
| Seattle Genetics Inc | Common Stock | | 7,630 |
| Senior Hsg Ppty Tr Reit | Common Stock | | 125,398 |
| Sequenom Inc New | Common Stock | | 115 |
| Seventy Seven Energy Inc | Common Stock | | 119 |
| Sevion Therapeutics Inc | Common Stock | | 399 |
| Sgoco Technology Ord F | Common Stock | | 117 |
| Sherwin Williams Co/The Common Stock Usd1. | Common Stock | | 1,152,165 |
| Ship Finance International | Common Stock | | 464 |
| Shire Plc Adr | Common Stock | | 3,739,454 |
| Sierra Wireless Inc | Common Stock | | 18,526 |
| Silver Bay Rlty Tr C | Common Stock | | 188 |
| Silver Wheaton Corp | Common Stock | | 17,723 |
| Sirius Xm Hldgs Inc | Common Stock | | 36,219 |
| Skechers U S A Inc | Common Stock | | 6,042 |
| Smith & Wesson Hldg Corp | Common Stock | | 63,742 |
| Snap On Inc | Common Stock | | 17,143 |
| Socket Mobile Inc New | Common Stock | | 57,320 |
| Solar Capital Ltd | Common Stock | | 15,224 |
| Solarcity Corp | Common Stock | | 23,928 |
| Soligenix Inc New | Common Stock | | 3,763 |
| Sothebys | Common Stock | | 1,030 |
| Southern Co | Common Stock | | 115,291 |

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| | | |
|----------------------|--------------|--------|
| Southern Copper Corp | Common Stock | 23,694 |
| Southwest Airline Co | Common Stock | 21,530 |
| Spark Therapeutics | Common Stock | 3,851 |
| Spectra Energy Corp | Common Stock | 32,779 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------|----------------------------------|----------------------------|----------------------|
| Spectranetics Corp | Common Stock | | 4,819 |
| Spectrum Pharms Inc | Common Stock | | 754 |
| Spirit Aerosystems Hldgs | Common Stock | | 3,755 |
| Splunk Inc | Common Stock | | 470 |
| Splunk Inc | Common Stock | | 1,993,533 |
| Spongetech Delivery Sys | Common Stock | | 2 |
| Sprint Corporation | Common Stock | | 1,343 |
| Spyglass Resources Corpf | Common Stock | | |
| Stag Industrial Inc | Common Stock | | 5,322 |
| Stanley Black & Decker | Common Stock | | 7,274 |
| Star Bulk Carriers New F | Common Stock | | 10 |
| Starbucks Corp | Common Stock | | 79,750 |
| Starbucks Corp | Common Stock | | 4,579,595 |
| Statoil Asa Adr | Common Stock | | 3,029 |
| Stemcells Inc New | Common Stock | | 41,525 |
| Stemline Therapeutic | Common Stock | | 631 |
| Stone Energy Corp | Common Stock | | 17,160 |
| Suncor Energy Inc New | Common Stock | | 1,780 |
| Sunedison Inc | Common Stock | | 18,701 |
| Swingplane Ventures | Common Stock | | |
| Synchrony Financial | Common Stock | | 2,007 |
| Synta Pharmaceuticals | Common Stock | | 106 |
| Synthetic Biologics Inc | Common Stock | | 13,355 |
| Tableau Software Inc | Common Stock | | 4,711 |
| Taiwan Semiconductor Mfg Co Adr | Common Stock | | 9,146 |
| Tanger Fctry Outlet Ctrs Inc | Common Stock | | 13,570 |
| Target Corporation | Common Stock | | 59,536 |
| Taseko Mines Ltd | Common Stock | | 5,470 |
| Taser International Inc | Common Stock | | 15,388 |
| Tata Motors Ltd Adr | Common Stock | | 22,780 |
| Tauriga Sciences Inc | Common Stock | | 30 |
| Te Connectivity Ltd | Common Stock | | 1,421 |
| Teck Resources Ltd Cl B | Common Stock | | 386 |
| Tencent Holdings Adr | Common Stock | | 981 |
| Tencent Holdings Ltd | Common Stock | | 4,021,599 |
| Terra Tech Corp | Common Stock | | 1,198 |
| Tesco Plc Sponsored Adr | Common Stock | | 7,908 |
| Tesla Motors Inc | Common Stock | | 13,201 |
| Tesla Motors Inc | Common Stock | | 2,509,269 |
| Tesoro Pete Corp | Common Stock | | 3,372 |
| Teva Pharmaceutical Industries | Common Stock | | 4,595 |
| Teva Pharmaceutical Sp Adr Adr | Common Stock | | 336,070 |

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| | | |
|--------------------------|--------------|---------|
| Texas Instruments Inc | Common Stock | 184,918 |
| Texas Instruments Inc | Common Stock | 59,477 |
| Texas Jack Oil & Gas | Common Stock | 63 |
| Texas Oil & Minerals Inc | Common Stock | 310 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-----------------------------------|----------------------------------|----------------------------|----------------------|
| Textainer Group Holdings | Common Stock | | 3,104 |
| Tg Therapeutics Inc | Common Stock | | 12 |
| The Wendys Company | Common Stock | | 13,301 |
| The Whitewave Foods | Common Stock | | 4,552 |
| Thermo Fisher Scientific Corp Com | Common Stock | | 7,101 |
| Thermo Fisher Scientific Inc | Common Stock | | 69,967 |
| Thompson Creek Metals | Common Stock | | 8,686 |
| Threshold Pharmaceutical New | Common Stock | | 24 |
| Tiger Oil & Energy I | Common Stock | | 94 |
| Time Inc | Common Stock | | 309 |
| Time Warner Cable Inc | Common Stock | | 7,372 |
| Time Warner Inc | Common Stock | | 2,072,174 |
| Time Warner Inc | Common Stock | | 44,658 |
| Time Warner Inc New | Common Stock | | 16,545 |
| Tital Medical Inc | Common Stock | | 173,512 |
| Tjx Companies Inc | Common Stock | | 2,640,975 |
| Tobira Therapeutics | Common Stock | | 1,116 |
| Tompkins Financial Cp | Common Stock | | 6,121 |
| Torchlight Energy Re | Common Stock | | 10,600 |
| Toronto Dominion Bk Ont | Common Stock | | 4,387 |
| Total Fina S A Adr F | Common Stock | | 7,776 |
| Toyota Motor Cp Adr New | Common Stock | | 6,152 |
| Transcanada Corp F | Common Stock | | 6,518 |
| Transocean Inc New F | Common Stock | | 22,494 |
| Transwitch Corp | Common Stock | | 1 |
| Travelers Companies Inc | Common Stock | | 2,596 |
| Trimedyne Inc | Common Stock | | 401 |
| Tripadvisor Inc | Common Stock | | 3,325 |
| Ttm Technologies Inc | Common Stock | | 6,510 |
| Turkcell Iletisim New Adrf | Common Stock | | 475 |
| Twitter Inc | Common Stock | | 153,395 |
| Two Harbors Investment | Common Stock | | 2,381 |
| Tyco Intl Plc New F | Common Stock | | 702 |
| Tyson Foods Inc Class A | Common Stock | | 15,999 |
| Ultra Salon Cosm & Frag | Common Stock | | 9,250 |
| Ultra Petroleum Corp | Common Stock | | 1,800 |
| Under Armour Inc | Common Stock | | 3,069,836 |
| Under Armour Inc Cl A | Common Stock | | 20,797 |
| Union Pacific Corp | Common Stock | | 18,768 |
| United Parcel Service B | Common Stock | | 17,321 |
| United States Steel Corp | Common Stock | | 406 |
| United Technologies Corp | Common Stock | | 6,437 |

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| | | |
|------------------------|--------------|--------|
| Universal Display Corp | Common Stock | 12,521 |
| Us Bancorp Del New | Common Stock | 13,877 |
| Valeant Pharma Intl F | Common Stock | 41,981 |
| Valero Energy Corp New | Common Stock | 29,203 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------|---------------------------|---------------------|---------------|
| Vanguard Natural Res Llc | Common Stock | | 596 |
| Vape Hldgs Inc | Common Stock | | 6 |
| Varonis Sys Inc | Common Stock | | 940 |
| Vasco Data Security Intl | Common Stock | | 569 |
| Vector Group Ltd | Common Stock | | 32,927 |
| Vectron Corp | Common Stock | | 1,061 |
| Velatel Global Comm New | Common Stock | | |
| Ventas Inc | Common Stock | | 5,417 |
| Veolia Environ Adr | Common Stock | | 17,716 |
| Vericel Corporation | Common Stock | | 1,032 |
| Verisign Inc | Common Stock | | 874 |
| Verizon Communicatn | Common Stock | | 275,257 |
| Vertex Pharmaceuticals Inc | Common Stock | | 1,169,681 |
| Vg Life Sciences Inc | Common Stock | | |
| Via Pharmaceuticals Inc | Common Stock | | |
| Viavi Solutions Inc | Common Stock | | 914 |
| Vipshop Hldgs Ltd Ad | Common Stock | | 1,527 |
| Viropro Inc Nv New | Common Stock | | 26 |
| Virtra Systems Inc | Common Stock | | 26,880 |
| Virtual Piggy Inc | Common Stock | | 29,139 |
| Visa Inc | Common Stock | | 6,588,167 |
| Visa Inc Cl A | Common Stock | | 13,524 |
| Vital Therapies Inc | Common Stock | | 876 |
| Vmware Inc Cl A | Common Stock | | 9,617 |
| Vodafone Group F | Common Stock | | 4,387 |
| Vodafone Group Plc Sp Adr | Common Stock | | 355,159 |
| Vodafone Group Plc Sp Adr | Common Stock | | 57,284 |
| Volkswagen A G | Common Stock | | 20,134 |
| Volt Info Sciences | Common Stock | | 651 |
| Voltari Corp New | Common Stock | | 25 |
| * Voya Financial Inc | Common Stock | | 14,772 |
| Walgreens Boots Alli | Common Stock | | 30,911 |
| Wal-Mart Stores Inc | Common Stock | | 54,312 |
| Walt Disney Co | Common Stock | | 3,905,001 |
| Walt Disney Co | Common Stock | | 294,351 |
| Waste Management Inc Del | Common Stock | | 16,191 |
| Weatherford Intl New F | Common Stock | | 16,780 |
| Wells Fargo & Co | Common Stock | | 32,507 |
| Wellstar Intl Inc New | Common Stock | | 5 |
| Welltower Inc | Common Stock | | 6,803 |
| Westell Technologies Inc Cl A | Common Stock | | 2,117 |
| Western Refining Inc | Common Stock | | 111 |

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| | | |
|-----------------------------------|--------------|---------|
| Westport Innovation New | Common Stock | 2,513 |
| Whirlpool Corp Common Stock Usd1. | Common Stock | 435,383 |
| Whiting Petroleum Co | Common Stock | 66,835 |
| Whole Foods Mkt Inc | Common Stock | 4,824 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------|---------------------------|---------------------|---------------|
| Wi-Lan Inc | Common Stock | | 5,280 |
| Williams Co. Inc. | Common Stock | | 2,913 |
| Windstream Hldgs Inc | Common Stock | | 11,070 |
| Wingstop Inc | Common Stock | | 2,281 |
| Wisdomtree Investments | Common Stock | | 44 |
| Workday Inc | Common Stock | | 2,279,115 |
| Xcel Energy Inc | Common Stock | | 3,755 |
| Xerox Corp | Common Stock | | 3,391 |
| Xinyuan Real Estate Adr | Common Stock | | 554 |
| Xoma Corp | Common Stock | | 753 |
| Xpo Logistics Inc | Common Stock | | 16,350 |
| Yahoo! Inc | Common Stock | | 5,322 |
| Yamana Gold Inc | Common Stock | | 100 |
| Yelp Inc Class A | Common Stock | | 104,256 |
| Yum Brands Inc | Common Stock | | 9,181 |
| Zagg Incorporated | Common Stock | | 32,820 |
| Zap New | Common Stock | | 45 |
| Zillow Group Inc | Common Stock | | 260 |
| Zillow Group Inc | Common Stock | | 470 |
| Zimmer Holdings Inc | Common Stock | | 102,693 |
| Zion Oil & Gas Inc | Common Stock | | 1,860 |
| Ziopharm Oncology | Common Stock | | 2,077 |
| Zoes Kitchen Inc | Common Stock | | 5,596 |
| Zoetis Inc | Common Stock | | 4,409 |
| Zynga Inc | Common Stock | | 1,876 |

| | | | |
|--------------|--|--|-------------|
| Common Stock | | | 442,133,521 |
|--------------|--|--|-------------|

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

| | | | |
|--------------------------|--------------------|--|---------|
| Fannie Mae | 6.625% 15 Nov 2030 | | 55,795 |
| Fed HM LN PC Pool C48827 | 6.0% 01 Mar 2031 | | 3,501 |
| Fed HM LN PC Pool G12334 | 5.0% 01 Sep 2021 | | 44,570 |
| FNMA Pool 256398 | 6.0% 01 Sep 2021 | | 10,237 |
| FNMA Pool 581043 | 6.0% 01 May 2016 | | 285 |
| FNMA Pool 615005 | 6.0% 01 Dec 2016 | | 1,884 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | | 73,879 |
| FNMA Pool 748115 | 6.0% 01 Oct 2033 | | 21,805 |
| FNMA Pool 815316 | 5.5% 01 May 2035 | | 123,611 |
| FNMA Pool 885504 | 6.0% 01 Aug 2021 | | 36,818 |
| FNMA Pool 902793 | 6.5% 01 Nov 2036 | | 59,779 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| FNMA Pool AH4008 | 4.0% 01 Mar 2041 | | 311,409 |
| FNMA Pool AP6604 | 3.0% 01 Sep 2042 | | 612,445 |
| FNMA Pool AT2032 | 3.5% 01 Apr 2043 | | 737,267 |
| FNMA Pool MA0734 | 4.5% 01 May 2031 | | 195,977 |
| FNMA Pool MA1437 | 3.5% 01 May 2043 | | 226,865 |
| Fnma Tba 30 Yr 3 Single Family Mortgage | 3% 11 Feb 2046 | | 132,709 |
| FNMA Tba 30Yr Single Family Ja | 3.5% 01 Dec 2099 | | 2,656,984 |
| FNMA Tba Single Family Mortgag | 4.0% 01 Dec 2099 | | 2,288,708 |
| GNMA II Pool 710082 | 4.698% 20 Jul 2061 | | 52,456 |
| GNMA II Pool 710089 | 4.7% 20 Oct 2061 | | 36,476 |
| GNMA II Pool 751415 | 4.616% 20 Aug 2061 | | 33,999 |
| GNMA II Pool 756731 | 4.673% 20 Mar 2062 | | 19,363 |
| GNMA II Pool 766519 | 4.668% 20 May 2062 | | 47,892 |
| GNMA II Pool 766522 | 4.538% 20 Nov 2062 | | 59,475 |
| GNMA II Pool 766544 | 4.499% 20 Dec 2062 | | 58,469 |
| GNMA II Pool 766549 | 4.616% 20 Jul 2062 | | 84,770 |
| Gnma Ii Pool 767659 G2 09/63 Fixed 4.66 | 4.66% 20 Sep 2063 | | 125,448 |
| GNMA II Pool 771800 | 4.627% 20 Jan 2064 | | 78,130 |
| Gnma Ii Pool 798510 G2 01/64 Fixed 4.661 | 4.661% 20 Jan 2064 | | 123,537 |
| Gnma Ii Pool Aa1698 G2 02/63 Fixed 4.394 | 4.394% 20 Feb 2063 | | 101,628 |
| Gnma Ii Pool Aa7548 G2 04/64 Fixed 4.629 | 4.629% 20 Apr 2064 | | 219,893 |
| GNMA II Pool AB8466 | 1.0% 20 Sep 2063 | | 274,800 |
| GNMA II Pool AC0988 | 4.423% 20 July 2063 | | 42,705 |
| GNMA II Pool AC9906 | 4.323% 20 May 2063 | | 33,954 |
| GNMA II Pool AC9910 | 4.515% 20 Jul 2063 | | 36,812 |
| Gnma Ii Pool Ah1430 G2 04/65 Fixed 4.575 | 4.575% 20 Apr 2065 | | 70,295 |
| Gnma Ii Pool An4723 G2 05/65 Fixed 4.49 | 4.49% 20 May 2065 | | 206,870 |
| Mex Bonos Desarr | 6.5% 10 Jun 2021 | | 1,250,792 |
| Republic Of Colombia Sr Unsecured 01/26 4.5 | 4.5% 28 Jan 2026 | | 423,298 |
| Republic Of Indonesia Sr Unsecured 144A 01/42 5.25 | 5.25% 17 Jan 2042 | | 182,337 |
| Republic Of Philippines | 3.9% 26 Nov 2022 | | 201,215 |
| Tenn Valley Authority | 3.5% 15 Dec 2042 | | 345,649 |
| Tenn Valley Authority Sr Unsecured 01/48 4.875 | 4.875% 15 Jan 2048 | | 92,593 |
| Tenn Valley Authority Sr Unsecured 09/39 5.25 | 5.25% 15 Sep 2039 | | 136,143 |
| Tenn Valley Authority Sr Unsecured 09/65 4.25 | 4.25% 15 Sep 2065 | | 187,648 |
| Tsy Infl Ix N/B 01/25 0.25 | 0.25% 15 Jan 2025 | | 377,632 |
| Tsy Infl Ix N/B 02/44 1.375 | 1.375% 15 Feb 2044 | | 1,698,176 |
| Tsy Infl Ix N/B 02/45 0.75 | 0.75% 15 Feb 2045 | | 485,868 |
| Tsy Infl Ix N/B 07/24 0.125 | 0.125% 15 Jul 2024 | | 1,091,639 |
| US Treasury N/B | 3.75% 15 Nov 2043 | | 918,948 |
| US Treasury N/B | 0.5% 30 Sep 2016 | | 816,228 |
| US Treasury N/B | 0.375% 31 Oct 2016 | | 427,146 |

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| | | |
|-----------------------------|--------------------|-----------|
| US Treasury N/B | 1.875% 31 Aug 2017 | 584,117 |
| US Treasury N/B | 1.0% 30 Jun 2019 | 1,331,977 |
| Us Treasury N/B 02/44 3.625 | 3.625% 15 Feb 2044 | 515,235 |
| Us Treasury N/B 02/45 2.5 | 2.5% 15 Feb 2045 | 123,726 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Us Treasury N/B 03/16 0.375 | 0.375% 31 Mar 2016 | | 3,846,518 |
| Us Treasury N/B 03/16 0.375 | 0.375% 31 Mar 2016 | | 999,994 |
| Us Treasury N/B 05/25 2.125 | 2.125% 15 May 2025 | | 136,099 |
| Us Treasury N/B 05/45 3 | 3.0% 15 May 2045 | | 132,365 |
| Us Treasury N/B 08/17 0.625 | 0.625% 31 Aug 2017 | | 880,808 |
| Us Treasury N/B 08/45 2.875 | 2.875% 15 Aug 2045 | | 1,305,798 |
| Us Treasury N/B 10/17 0.75 | 0.75% 31 Oct 2017 | | 396,800 |
| Us Treasury N/B 10/20 1.375 | 1.375% 31 Oct 2020 | | 72,570 |
| U.S Government and Government Agency Issues | | | 28,483,426 |

**** Corporate and Other Obligations:**

| | | | |
|--|--------------------|--|---------|
| Actavis Funding Scs Company Guar 03/35 4.55 | 4.55% 15 Mar 2035 | | 110,085 |
| Actavis Funding Scs Company Guar 03/45 4.75 | 4.75% 15 Mar 2045 | | 144,061 |
| AES Corp | 1.0% 01 Jun 2019 | | 54,223 |
| Alexandria Real Est | Preferred stock | | 25,700 |
| American Tower Corp | 4.5% 15 Jan 2018 | | 169,494 |
| Americredit Automobile Receiva Amcar 2015 4 B | 2.11% 08 Jan 2021 | | 93,014 |
| Americredit Automobile Receiva Amcar 2015 4 C | 2.88% 08 Jul 2021 | | 63,630 |
| Americredit Automobile Receivables | 1.19% 08 May 2018 | | 98,422 |
| Americredit Automobile Receivables | 1.79% 08 Mar 2019 | | 78,868 |
| Anadarko Petroleum Corp | 6.375% 15 Sep 2017 | | 222,069 |
| Anglo American Capital Company Guar 144A 05/25 4.875 | 4.875% 14 May 2025 | | 243,291 |
| Arcelormittal | 7.25% 01 Mar 2041 | | 153,202 |
| Asbury Automotive Group Company Guar 12/24 6 | 6.0% 15 Dec 2024 | | 101,700 |
| At+T Inc Sr Unsecured 05/46 4.75 | 4.75% 15 May 2046 | | 153,314 |
| At+T Inc Sr Unsecured 08/41 5.55 | 5.55% 15 Aug 2041 | | 14,847 |
| Banc Of America Commercial Mortgage | 1.0% 10 Apr 2049 | | 149,517 |
| Banco Santander Bras Ci | 4.625% 13 Feb 2017 | | 198,672 |
| Banco Santander Chile | 3.875% 20 Sep 2022 | | 196,073 |
| Bank of America | 6.4% 28 Aug 2017 | | 189,921 |
| Bank of America | 5.625% 01 Jul 2020 | | 284,464 |
| Bank of America | 5.0% 13 May 2021 | | 145,280 |
| Barclays Plc Sr Unsecured 06/20 2.875 | 2.875% 08 Jun 2020 | | 452,143 |
| Bear Stearns Commercial Mortgage | 1.0% 11 Jun 2040 | | 139,277 |
| Biogen Inc Sr Unsecured 09/20 2.9 | 2.9% 15 Sep 2020 | | 88,416 |
| Braskem America Finance | 7.125% 22 Jul 2041 | | 242,159 |
| Bunge Limited Finance Co | 4.1% 15 Mar 2016 | | 74,253 |
| California Republic Auto Recei Crart 2015 4 A3 144A | 2.04% 15 Jan 2020 | | 54,050 |
| CBRE Services Inc | 5.0% 15 Mar 2023 | | 34,650 |

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| | | |
|---|--------------------|---------|
| CCO Hldgs LLC | 5.25% 15 Mar 2021 | 240,441 |
| CCO Hldgs LLC/Cap Corp | 6.5% 30 Apr 2021 | 56,341 |
| Cco Safari Ii Llc Sr Secured 144A 10/45 6.484 | 6.484% 23 Oct 2045 | 167,722 |
| CD Commercial Mortgage Trust | 5.322% 28 Jun 2016 | 125,203 |
| Celgene Corp Sr Unsecured 08/45 5 | 5.0% 15 Aug 2045 | 143,378 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|---|---------------------------|-------------|------------------|
| Celulosa Arauco | 5.0% 21 Jan 2021 | | 179,671 |
| Centurylink Inc | 5.625% 01 Apr 2020 | | 68,173 |
| Centurylink Inc Sr Unsecured 03/22 5.8 | 5.8% 15 Mar 2022 | | 13,541 |
| Cielo Sa/Cielo Usa Inc | 3.75% 16 Nov 2022 | | 162,542 |
| Citigroup Inc | 4.05% 30 Jul 2022 | | 166,239 |
| Citigroup Inc Sr Unsecured 10/20 2.65 | 2.65% 26 Oct 2020 | | 131,898 |
| Citigroup Inc Sr Unsecured 12/18 2.05 | 2.05% 07 Dec 2018 | | 127,372 |
| CNPC General Capital | 3.95% 19 Apr 2022 | | 201,224 |
| Colony American Finance Ltd Cafil 2015 1 A 144A | 2.896% 15 Oct 2047 | | 183,827 |
| Colony American Homes | 1.0% 17 May 2031 | | 226,663 |
| Comm Mortgage Trust | 1.0% 10 Dec 2049 | | 51,058 |
| Contl Airlines | 4.0% 29 Apr 2026 | | 153,951 |
| Contl Airlines | 5.983% 19 Oct 2023 | | 257,914 |
| Cps Auto Trust Cps 2015 C C 144A | 3.42% 16 Aug 2021 | | 146,836 |
| Cvs Health Corp Sr Unsecured 07/25 3.875 | 3.875% 20 Jul 2025 | | 150,788 |
| Cvs Health Corp Sr Unsecured 07/45 5.125 | 5.125% 20 Jul 2045 | | 98,573 |
| Cvs Health Corp Sr Unsecured 144A 12/22 4.75 | 4.75% 01 Dec 2022 | | 47,494 |
| Cvs Health Corp Sr Unsecured 144A 12/24 5 | 5.0% 01 Dec 2024 | | 26,640 |
| Db Master Finance Llc Dnkn 2015 1A A2I 144A | 3.262% 20 Feb 2045 | | 48,366 |
| Delphi Automotive Plc Company Guar 11/20 3.15 | 3.15% 19 Nov 2020 | | 39,348 |
| Deluxe Corp | 6.0% 15 Nov 2020 | | 194,633 |
| Digital Rlty Tr | Preferred stock | | 26,160 |
| Dolphin Energy Ltd | 5.5% 15 Dec 2021 | | 216,650 |
| Dun & Bradstreet Corp | 3.25% 01 Dec 2017 | | 109,191 |
| Dynergy Inc Company Guar 11/19 6.75 | 6.75% 01 Nov 2019 | | 148,142 |
| Ecopetrol Sa Sr Unsecured 06/26 5.375 | 5.375% 26 Jun 2026 | | 176,337 |
| Embarq Corp | 7.995% 01 Jun 2036 | | 436,250 |
| Embraer Netherlands Fina Company Guar 06/25 5.05 | 5.05% 15 Jun 2025 | | 242,011 |
| Energy Transfer Partners | 6.05% 01 Jun 2041 | | 330,493 |
| Energy Transfer Partners | 5.2% 01 Feb 2022 | | 78,219 |
| Ensco Plc | 4.5% 01 Oct 2024 | | 40,682 |
| Ensco Plc | 5.75% 01 Oct 2044 | | 51,943 |
| Equifax Inc | 7.0% 01 Jul 2037 | | 166,394 |
| Firstenergy Corp | 2.75% 15 Mar 2018 | | 143,473 |
| Flextronics Intl Ltd Company Guar 144A 06/25 4.75 | 4.75% 15 Jun 2025 | | 62,343 |
| Ford Motor | 7.45% 16 Jul 2031 | | 109,394 |
| Ford Motor Credit Co LLC | 5.75% 01 Feb 2021 | | 326,457 |
| Ford Motor Credit Co LLC | 5.0% 15 May 2018 | | 403,503 |
| Freeport McMoran | 2.375% 15 Mar 2018 | | 84,512 |
| Frontier Communications | 7.875% 15 Jan 2027 | | 88,846 |
| Frontier Communications | 8.5% 15 Apr 2020 | | 197,490 |

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| | | |
|--|--------------------|---------|
| Gamestop Corp | 5.5% 01 Oct 2019 | 135,830 |
| GCCFC Commercial Mortgage | 5.736% 10 Dec 2049 | 98,112 |
| General Elec Cap Corp | 2.95% 09 May 2016 | 188,379 |
| General Motors Co | 5.0% 01 Jan 2035 | 344,704 |
| General Motors Co Sr Unsecured 04/45 5.2 | 5.2% 01 Jan 2045 | 295,568 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Goldman Sachs Group | 5.25% 27 Jul 2021 | | 196,024 |
| Goldman Sachs Group | 6.15% 01 Apr 2018 | | 267,403 |
| GP Portfolio Trust | 1.0% 15 Feb 2027 | | 176,106 |
| Grupo Televisa Sab | 7.25% 14 May 2043 | | 95,049 |
| GS Mortgage Securities Trust | 1.0% 10 Aug 2045 | | 417,104 |
| Gs Mortgage Securities Trust Gsms 2011 Gc5 C 144A | 1.0% 10 Aug 2044 | | 63,522 |
| Halyard Health Inc Company Guar 10/22 6.25 | 6.25% 15 Oct 2022 | | 122,508 |
| HCA Inc | 7.5% 15 Feb 2022 | | 332,716 |
| Health Care Reit | Preferred stock | | |
| Hospitality Pptys Tr | Preferred stock | | 67,210 |
| Hp Enterprise Co Sr Unsecured 144A 10/20 3.6 | 3.6% 15 Oct 2020 | | 276,429 |
| Hp Enterprise Co Sr Unsecured 144A 10/35 6.2 | 6.2% 15 Oct 2035 | | 147,119 |
| Hyundai Capital America Sr Unsecured 144A 10/20 3 | 3.0% 30 Oct 2020 | | 269,578 |
| Ihs Inc Company Guar 11/22 5 | 5.0% 01 Nov 2022 | | 69,811 |
| Intl Lease Finance Corp | 6.25% 15 May 2019 | | 506,480 |
| Jp Morgan Chase Commercial Mor Jpmcc 2006 Ldp9 A3 | 5.336% 15 May 2047 | | 105,121 |
| Jp Morgan Chase Commercial Mor Jpmcc 2014 Fl5 B 144A | 1.0% 15 Jul 2031 | | 122,625 |
| Jp Morgan Chase Commercial Mor Jpmcc 2014 Fl5 C 144A | 1.0% 15 Jul 2031 | | 97,615 |
| JPMorgan Chase & Co | 4.25% 15 Oct 2020 | | 47,021 |
| JPMorgan Chase & Co | 4.625% 10 May 2021 | | 74,476 |
| JPMorgan Chase & Co | 4.5% 24 Jan 2022 | | 260,291 |
| Kb Home Company Guar 05/19 4.75 | 4.75% 15 May 2019 | | 152,870 |
| Kindred Healthcare Inc Company Guar 01/20 8 | 8.0% 15 Jan 2020 | | 101,306 |
| Kla Tencor Corp Sr Unsecured 11/19 3.375 | 3.375% 01 Nov 2019 | | 69,658 |
| Kraft Heinz Foods Co Company Guar 144A 07/25 3.95 | 3.95% 15 Jul 2025 | | 188,890 |
| Level 3 Financing Inc Company Guar 02/23 5.625 | 5.625% 01 Feb 2023 | | 100,469 |
| M S Cap Trust Vi | Preferred stock | | |
| Mednax Inc Company Guar 144A 12/23 5.25 | 5.25% 01 Dec 2023 | | 29,697 |
| Methanex Corp | 3.25% 15 Dec 2019 | | 183,295 |
| Mexichem Sab DE CV | 6.75% 19 Sep 2042 | | 200,912 |
| Mill City Mortgage Trust Mcmlt 2015 2 A1 144A | 1.0% 25 Sep 2057 | | 143,370 |
| Ml Cfc Commercial Mortgage Tru Mlcfc 2007 8 A3 | 1.0% 12 Aug 2049 | | 325,901 |
| ML CFC Commercial Mortgage Trust | 1.0% 12 Mar 2051 | | 247,422 |
| Molex Electronics Tech Sr Unsecured 144A 04/20 2.878 | 2.878% 15 Apr 2020 | | 124,759 |
| Molex Electronics Tech Sr Unsecured 144A 04/25 3.9 | 3.9% 15 Apr 2025 | | 69,126 |
| Morgan Stanley | 5.55% 27 Apr 2017 | | 258,372 |
| Morgan Stanley | 5.5% 26 Jan 2020 | | 178,923 |
| Morgan Stanley Capital I Trust | 1.0% 12 Apr 2049 | | 43,235 |
| Morgan Stanley Capital I Trust | 5.569% 15 Dec 2044 | | 571,688 |
| Morgan Stanley Sr Unsecured 10/24 3.7 | 3.7% 23 Oct 2024 | | 287,019 |
| Mtn Mauritius Invstments Company Guar 144A 11/24 4.755 | 4.755% 11 Nov 2024 | | 171,387 |
| Murray St Invt | 4.647% 09 Mar 2017 | | 25,802 |

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| | | |
|--------------------------|------------------|---------|
| Myriad Int Holding BV | 6.0% 18 Jul 2020 | 261,989 |
| Nabors Industries Inc | 5.1% 15 Sep 2023 | 195,215 |
| National Rural Util Coop | 1.0% 30 Apr 2043 | 145,738 |
| Natl Retail Pptys De | Preferred stock | 26,110 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Navient Corp Sr Unsecured 03/24 6.125 | 6.125% 25 Mar 2024 | | 144,497 |
| Newfield Exploration Co | 5.75% 30 Jan 2022 | | 148,191 |
| Newfield Exploration Co Sr Unsecured 01/26 5.375 | 5.375% 01 Jan 2026 | | 40,754 |
| Onemain Financial Issuance Tru Omfit 2015 1A A 144A | 3.19% 18 Mar 2026 | | 185,987 |
| Owens Corning Company Guar 12/24 4.2 | 4.2% 01 Dec 2024 | | 95,864 |
| Perkinelmer Inc | 5.0% 15 Nov 2021 | | 114,413 |
| Pertamina Persero | 5.625% 20 May 2043 | | 370,028 |
| Petrobras Global Finance | 5.625% 20 May 2043 | | 110,700 |
| Petrobras Global Finance Company Guar 06/49 6.85 | 6.85% 05 Jun 2049 | | 204,089 |
| Petrobras Intl Fin Co | 6.75% 27 Jan 2041 | | 179,661 |
| Petroleos Mexicanos | 3.5% 18 Jul 2018 | | 92,850 |
| Petroleos Mexicanos Company Guar 01/21 5.5 | 5.5% 21 Jan 2021 | | 69,549 |
| Petroleos Mexicanos Company Guar 144A 07/20 3.5 | 3.5% 23 Jul 2020 | | 32,630 |
| Phillips 66 | 4.3% 01 Apr 2022 | | 162,136 |
| Plains Exploration & Pro | 6.875% 15 Feb 2023 | | 127,211 |
| Polyone Corp | 5.25% 15 Mar 2023 | | 134,451 |
| Protective Life Corp | Preferred stock | | 25,900 |
| Quicken Loans Inc Company Guar 144A 05/25 5.75 | 5.75% 01 May 2025 | | 70,365 |
| Qwest Corp | Preferred stock | | 24,840 |
| Qwest Corporation | Preferred stock | | 25,680 |
| Regal Entertainment Grp Sr Unsecured 03/22 5.75 | 5.75% 15 Mar 2022 | | 123,123 |
| Regency Cntrs | Preferred stock | | 26,320 |
| Reynolds American Inc | 7.25% 15 Jun 2037 | | 409,997 |
| Rio Oil Finance Trust Sr Secured 144A 07/24 6.25 | 6.25% 06 Jul 2024 | | 320,711 |
| Rock Tenn Co | 4.0% 01 Mar 2023 | | 108,715 |
| Rowan Companies Inc | 5.0% 01 Sep 2017 | | 190,628 |
| Royal Bk Scot | 5.625% 24 Aug 2020 | | 27,883 |
| Royal Bk Scotland | Preferred stock | | 10,753 |
| RPM International Inc | 6.125% 15 Oct 2019 | | 143,296 |
| Santander Drive Auto | 2.7% 15 Aug 2018 | | 85,397 |
| Santander Drive Auto | 1.94% 15 Mar 2018 | | 77,214 |
| Sealed Air Corp | 6.5% 01 Dec 2020 | | 97,735 |
| Sequoia Mortgage Trust | 1.0% 25 May 2043 | | 215,576 |
| Sidewinder Drilling Inc | 9.75% 15 Nov 2019 | | 45,506 |
| SLM Corp | 4.875% 17 Jun 2019 | | 312,634 |
| SM Energy Co | 6.5% 01 Jan 2023 | | 119,454 |
| Southern Copper Corp Sr Unsecured 04/45 5.875 | 5.875% 23 Apr 2045 | | 252,797 |
| Springleaf Funding Trust | 3.92% 16 Jan 2023 | | 349,869 |
| Sprint Capital Corp | 6.875% 15 Nov 2028 | | 116,795 |
| Telefonica Emisiones Sau | 5.134% 27 Apr 2020 | | 161,319 |
| Telefonica Emisiones Sau | 5.462% 16 Feb 2021 | | 11,008 |
| Telephone Data | Preferred stock | | 25,259 |

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| | | |
|---|--------------------|---------|
| Tesoro Logistics Lp/Corp Company Guar 144A 10/19 5.5 | 5.5% 15 Oct 2019 | 33,440 |
| Tesoro Logistics Lp/Corp Company Guar 144A 10/22 6.25 | 6.25% 15 Oct 2022 | 60,663 |
| Textainer Marine Containers Li Tmcl 2014 1A A 144A | 3.27% 20 Oct 2039 | 232,803 |
| Textron Inc Sr Unsecured 03/25 3.875 | 3.875% 01 Mar 2025 | 57,946 |
| Thai Oil Pcl | 4.875% 23 Jan 2043 | 368,847 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Time Warner Cable Inc | 5.875% 15 Nov 2040 | | 32,670 |
| Time Warner Cable Inc | 5.5% 01 Sep 2041 | | 142,412 |
| Time Warner Cable Inc | 4.5% 15 Sep 2042 | | 108,220 |
| Towd Point Mortgage Trust Tpmt 2015 2 1A12 144A | 2.75% 25 Nov 2060 | | 92,958 |
| Transec SA | 4.625% 26 Jul 2023 | | 205,604 |
| Transocean Inc | 6.5% 15 Nov 2020 | | 108,742 |
| Universal Health Svcs Sr Secured 144A 08/19 3.75 | 3.75% 01 Aug 2019 | | 50,111 |
| Universal Health Svcs Sr Secured 144A 08/22 4.75 | 4.75% 01 Aug 2022 | | 54,716 |
| USG Corp | 9.75% 15 Jan 2018 | | 175,327 |
| Valeant Pharmaceuticals | 6.375% 15 Oct 2020 | | 128,319 |
| Verizon Communications Sr Unsecured 03/34 5.05 | 5.05% 15 Mar 2034 | | 83,415 |
| Verizon Communications Sr Unsecured 11/34 4.4 | 4.4% 01 Nov 2034 | | 372,598 |
| Vesey Str Invt Tr I | 4.404% 01 Sep 2016 | | 25,436 |
| Viacom Inc Sr Unsecured 04/44 5.25 | 5.25% 01 Apr 2044 | | 40,636 |
| Votorantim Cimentos SA | 7.25% 05 Apr 2041 | | 149,718 |
| Welltower Inc | Preferred stock | | 41,374 |
| Wf Rbs Commercial Mortgage Tru Wfrbs 2011 C4 D 144A | 1.0% 15 Jun 2044 | | 50,564 |
| Whirlpool Corp | 4.7% 01 Jun 2022 | | 240,993 |
| Windstream Corp | 7.5% 01 Apr 2023 | | 133,381 |
| Wolverine World Wide | 6.125% 15 Oct 2020 | | 56,341 |
| World Financial Network | 3.14% 17 Jan 2023 | | 659,258 |
| World Financial Network | 1.76% 17 May 2021 | | 443,620 |
| Corporate and Other Obligations | | | 29,444,972 |

Synthetic Guaranteed Investment Contracts:

| Cash & Cash Equivalents | | |
|--------------------------------|----------------------------|------------|
| * State Street Bank & Trust Co | Short-Term Investment Fund | 21,565,218 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 3,007,972 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 2,575,318 |
| Cash and Cash Equivalents | | 27,148,508 |

U.S. Government and Government Agency Issues

| | | |
|--------------------------|-------------------|---------|
| California St Cas | 5.75% 01 Mar 2017 | 417,220 |
| Fed HM LN PC Pool 1L1358 | 1.0% 01 May 2036 | 616,130 |
| Fed HM LN PC Pool G01843 | 6.0% 01 Jun 2035 | 315,525 |
| Fed HM LN PC Pool G03205 | 5.5% 01 Jul 2035 | 59,025 |

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| | | |
|---|------------------|-----------|
| Fed Hm Ln Pc Pool G07956 Fg 01/45 Fixed 4 | 4.0% 01 Jan 2045 | 1,685,719 |
| Fed Hm Ln Pc Pool G08677 Fg 11/45 Fixed 4 | 4.0% 01 Nov 2045 | 1,608,549 |
| Fed HM LN PC Pool G12743 | 5.5% 01 Aug 2022 | 63,990 |
| Fed HM LN PC Pool J16933 | 3.0% 01 Oct 2026 | 24,384 |
| Fed HM LN PC Pool Q03572 | 4.0% 01 Sep 2041 | 1,749,002 |
| Fed HM LN PC Pool Q11095 | 3.5% 01 Sep 2042 | 2,106,576 |
| Fed HM LN PC Pool U92432 | 4.0% 01 Feb 2044 | 331,488 |
| FNMA Tba Jan 30 Single Fam | 4.5% 01 Feb 2099 | 1,716,381 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| FNMA Pool 254693 | 5.5% 01 Apr 2033 | | 109,851 |
| FNMA Pool 725222 | 5.5% 01 Feb 2034 | | 140,301 |
| FNMA Pool 725423 | 5.5% 01 May 2034 | | 106,866 |
| FNMA Pool 725424 | 5.5% 01 Apr 2034 | | 47,124 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | | 43,529 |
| FNMA Pool 725946 | 5.5% 01 Nov 2034 | | 123,102 |
| FNMA Pool 743132 | 5.0% 01 Oct 2018 | | 162,068 |
| FNMA Pool 914789 | 5.0% 01 Apr 2037 | | 870,628 |
| FNMA Pool 931745 | 5.0% 01 Aug 2024 | | 1,015,819 |
| FNMA Pool 986148 | 5.5% 01 Jan 2038 | | 825,117 |
| FNMA Pool AB5519 | 3.5% 01 Jul 2042 | | 1,675,052 |
| FNMA Pool AB5688 | 3.5% 01 Jul 2037 | | 535,018 |
| FNMA Pool AB6282 | 3.5% 01 Sep 2042 | | 2,503,651 |
| FNMA Pool AB7016 | 4.0% 01 Nov 2042 | | 1,588,607 |
| FNMA Pool AB9096 | 4.0% 01 Apr 2043 | | 917,841 |
| Fnma Pool Aj7678 Fn 12/41 Fixed 3.5 | 3.5% 01 Dec 2041 | | 542,556 |
| FNMA Pool AL0139 | 1.0% 01 Feb 2039 | | 392,859 |
| FNMA Pool AO4163 | 3.5% 01 Jun 2042 | | 1,526,911 |
| FNMA Pool AO5515 | 3.5% 01 Jul 2042 | | 297,762 |
| FNMA Pool AO8169 | 3.5% 01 Sep 2042 | | 1,038,494 |
| FNMA Pool AQ6238 | 3.5% 01 Dec 2042 | | 421,613 |
| FNMA Pool AR4445 | 3.0% 01 Mar 2043 | | 393,350 |
| FNMA Pool AR9225 | 3.0% 01 Mar 2043 | | 1,543,058 |
| Fnma Pool As3642 Fn 10/44 Fixed 4 | 4.0% 01 Oct 2044 | | 1,503,877 |
| Fnma Pool As4067 Fn 12/44 Fixed 4 | 4.0% 01 Dec 2044 | | 335,758 |
| Fnma Pool As4558 Fn 03/45 Fixed 3.5 | 3.5% 01 Mar 2045 | | 845,995 |
| Fnma Pool As4705 Fn 04/45 Fixed 3.5 | 3.5% 01 Apr 2045 | | 425,872 |
| FNMA Pool AU1628 | 3.0% 01 Jul 2043 | | 1,600,700 |
| FNMA Pool MA1217 | 4.0% 01 Oct 2042 | | 930,820 |
| FNMA Pool MA1404 | 3.5% 01 Apr 2042 | | 922,381 |
| Fnma Pool Ma2512 Fn 01/46 Fixed 4 | 4.0% 01 Jan 2046 | | 512,829 |
| FNMA Tba 30Yr Single Family Ja | 3.5% 01 Dec 2099 | | 3,479,657 |
| FNMA Tba Single Family Mortgag | 4.0% 01 Dec 2099 | | 4,451,769 |
| Futures Cash Collateral Usd Held At Broker | US Dollars | | 159,760 |
| Gnma Ii Pool Ma2963 G2 07/45 Fixed 4.5 | 4.5% 20 Jul 2045 | | 1,391,028 |
| GNMA II TBA 30 Yr | 3.5% 21 Jan 2045 | | 2,638,177 |
| Korea Finance Corp | 2.25% 07 Aug 2017 | | 873,153 |
| New Jersey St Econ Dev Auth | 1.802% 15 Jun 2017 | | 903,135 |
| New Jersey St Econ Dev Auth Re Njsdev 06/20 Fixed 4.447 | 4.447% 15 Jun 2020 | | 689,086 |
| North Carolina State Education | 1.0% 25 Jul 2025 | | 1,267,110 |
| Province of Ontario | 4.0% 07 Oct 2019 | | 1,981,005 |
| Republic Of Poland | 6.375% 15 Jul 2019 | | 44,129 |

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| | | |
|---|--------------------|-----------|
| Republica Orient Uruguay Sr Unsecured 08/24 4.5 | 4.5% 14 Aug 2024 | 151,918 |
| Republica Orient Uruguay Sr Unsecured 10/27 4.375 | 4.375% 27 Oct 2027 | 260,901 |
| State Of Qatar | 4.5% 20 Jan 2022 | 296,062 |
| Treasury Bill 03/16 0.00000 | 0.01% 24 Mar 2016 | 7,964,974 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Tsy Infl Ix N/B | 0.125% 15 Apr 2019 | | 3,566,745 |
| Tsy Infl Ix N/B 01/18 1.625 | 1.625% 15 Jan 2018 | | 7,461,832 |
| United Mexican States Sr Unsecured 03/19 5.95 | 5.95% 19 Mar 2019 | | 105,041 |
| United States of America Treasury | 1.0% 31 Oct 2016 | | 3,566,454 |
| US Treasury N/B | 0.625% 15 Feb 2017 | | 2,008,226 |
| US Treasury N/B | 0.875% 15 Aug 2017 | | 7,751,188 |
| US Treasury N/B | 3.625% 15 Feb 2020 | | 1,781,003 |
| US Treasury N/B | 0.625% 30 Sep 2017 | | 4,996,146 |
| US Treasury N/B | 0.5% 31 Aug 2016 | | 8,482,124 |
| US Treasury N/B | 0.5% 30 Sep 2016 | | 9,964,468 |
| US Treasury N/B | 0.375% 31 Oct 2016 | | 4,533,983 |
| US Treasury N/B | 0.5% 30 Nov 2016 | | 7,117,241 |
| US Treasury N/B | 1.5% 31 Dec 2018 | | 13,486,751 |
| US Treasury N/B | 0.75% 15 Jan 2017 | | 7,066,884 |
| US Treasury N/B | 0.875% 15 Aug 2017 | | 9,981,642 |
| US Treasury N/B | 2.375% 15 Aug 2024 | | 482,972 |
| Us Treasury N/B 01/17 0.5 | 0.5% 31 Jan 2017 | | 10,390,696 |
| Us Treasury N/B 01/18 2.625 | 2.625% 31 Jan 2018 | | 13,339,755 |
| Us Treasury N/B 01/20 1.25 | 1.25% 31 Jan 2020 | | 228,184 |
| Us Treasury N/B 02/18 1 | 1.0% 15 Feb 2018 | | 842,285 |
| Us Treasury N/B 03/18 0.75 | 0.75% 31 Mar 2018 | | 2,335,060 |
| Us Treasury N/B 04/20 1.375 | 1.375% 30 Apr 2020 | | 4,084,221 |
| Us Treasury N/B 05/25 2.125 | 2.125% 15 May 2025 | | 266,849 |
| Us Treasury N/B 06/20 1.625 | 1.625% 30 Jun 2020 | | 774,143 |
| Us Treasury N/B 07/17 0.5 | 0.5% 31 Jul 2017 | | 3,402,007 |
| Us Treasury N/B 07/17 0.625 | 0.625% 31 Jul 2017 | | 3,106,362 |
| Us Treasury N/B 07/18 1.375 | 1.375% 31 Jul 2018 | | 7,851,540 |
| Us Treasury N/B 07/19 1.625 | 1.625% 31 Jul 2019 | | 5,445,707 |
| Us Treasury N/B 07/20 1.625 | 1.625% 31 Jul 2020 | | 4,656,177 |
| Us Treasury N/B 08/20 1.375 | 1.375% 31 Aug 2020 | | 632,999 |
| Us Treasury N/B 08/20 2.125 | 2.125% 31 Aug 2020 | | 10,793,287 |
| Us Treasury N/B 08/22 1.875 | 1.875% 31 Aug 2022 | | 768,374 |
| Us Treasury N/B 08/25 2 | 2.0% 15 Aug 2025 | | 3,102,329 |
| Us Treasury N/B 10/17 1.875 | 1.875% 31 Oct 2017 | | 12,862,454 |
| Us Treasury N/B 10/18 1.75 | 1.75% 31 Oct 2018 | | 2,386,417 |
| Us Treasury N/B 10/20 1.375 | 1.375% 31 Oct 2020 | | 1,560,415 |
| Us Treasury N/B 10/20 1.375 | 1.375% 31 Oct 2020 | | 964,706 |
| Us Treasury N/B 10/22 1.875 | 1.875% 31 Oct 2022 | | 538,676 |
| Us Treasury N/B 11/20 2 | 2.0% 30 Nov 2020 | | 3,472,419 |
| Us Treasury N/B 11/22 2 | 2.0% 30 Nov 2022 | | 1,546,161 |
| Us Treasury N/B 11/25 2.25 | 2.25% 15 Nov 2025 | | 1,893,236 |
| Us Treasury N/B 12/16 0.625 | 0.625% 31 Dec 2016 | | 3,569,911 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Corporate and Other Obligations: | | | |
| 21St Century Fox America Company | 4.5% 15 Feb 2021 | | 400,034 |
| Abbvie Inc Sr Unsecured 05/20 2.5 | 2.5% 14 May 2020 | | 76,474 |
| Abn Amro Bank Nv | 2.5% 30 Oct 2018 | | 476,171 |
| Abn Amro Bank Nv | 4.25% 02 Feb 2017 | | 396,638 |
| Abn Amro Bank Nv | 2.5% 30 Oct 2018 | | 534,478 |
| Ace Ina Holdings | 2.7% 13 Mar 2023 | | 4,716 |
| Actavis Funding Scs | 3.85% 15 Jun 2024 | | 122,853 |
| Actavis Funding Scs Company Guar 03/20 3 | 3.0% 12 Mar 2020 | | 696,630 |
| Agilent Technologies Inc | 6.5% 01 Nov 2017 | | 86,578 |
| Airgas Inc Sr Unsecured 08/20 3.05 | 3.05% 01 Aug 2020 | | 179,758 |
| Albemarle Corp | 3.0% 01 Dec 2019 | | 260,465 |
| Alcoa Inc | 6.75% 15 Jul 2018 | | 440,638 |
| Alibaba Group Holding Sr Unsecured 11/19 2.5 | 2.5% 28 Nov 2019 | | 910,361 |
| Allegheny Technologies | 5.95% 15 Jan 2021 | | 244,980 |
| Allied World Assurance | 7.5% 01 Aug 2016 | | 164,613 |
| Allied World Assurance Company Guar 10/25 4.35 | 4.35% 29 Oct 2025 | | 451,511 |
| Ally Auto Receivables Trust Allya 2015 2 A3 | 1.49% 15 Nov 2019 | | 388,552 |
| Ally Master Owner Trust | 1.29% 15 Jan 2019 | | 618,238 |
| Ally Master Owner Trust | 1.54% 15 Sep 2019 | | 1,204,617 |
| Ally Master Owner Trust Amot 2015 3 A | 1.63% 15 May 2020 | | 612,123 |
| Altria Group Inc | 2.85% 09 Aug 2022 | | 866,064 |
| Altria Group Inc | 2.625% 14 Jan 2020 | | 454,689 |
| American Express Credit | 1.26% 15 Jan 2020 | | 200,443 |
| American Express Credit Sr Unsecured 09/20 2.6 | 2.6% 14 Sep 2020 | | 778,705 |
| American Intl Group | 4.875% 01 Jun 2022 | | 312,847 |
| American Intl Group | 6.4% 15 Dec 2020 | | 946,886 |
| American Tower Corp | 5.05% 01 Sep 2020 | | 401,348 |
| American Tower Corp Sr Unsecured 02/19 3.4 | 3.4% 15 Feb 2019 | | 470,503 |
| American Tower Corp Sr Unsecured 03/22 4.7 | 4.7% 15 Mar 2022 | | 385,663 |
| American Tower Corp Sr Unsecured 06/20 2.8 | 2.8% 01 Jun 2020 | | 209,039 |
| Americredit Automobile Receiva Amcar 2015 2 A3 | 1.27% 08 Jan 2020 | | 888,879 |
| Americredit Automobile Receivables | 1.27% 08 Jul 2019 | | 495,579 |
| Americredit Automobile Receivables | 0.92% 09 Apr 2018 | | 212,459 |
| Americredit Automobile Receivables | 0.96% 09 Apr 2018 | | 105,826 |
| Ameriprise Financial Inc | 3.7% 15 Oct 2024 | | 137,837 |
| Amgen Inc | 2.2% 22 Feb 2019 | | 67,509 |
| Anadarko Petroleum Corp | 6.375% 15 Sep 2017 | | 399,969 |
| Anheuser Busch | 5.0% 01 Mar 2019 | | 31,196 |
| Anheuser Busch Inbev Wor Company Guar 07/22 2.5 | 2.5% 15 Jul 2022 | | 394,832 |
| Anthem Inc | 2.3% 15 Jul 2018 | | 602,380 |

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|--|--------------------|---------|
| Apple Inc | 2.85% 06 May 2021 | 375,782 |
| Apple Inc Sr Unsecured 05/22 2.7 | 2.7% 13 May 2022 | 217,848 |
| Astrazeneca Plc Sr Unsecured 11/20 2.375 | 2.375% 16 Nov 2020 | 771,782 |
| AT&T Inc | 5.8% 15 Feb 2019 | 436,786 |
| AT&T Inc | 1.0% 27 Nov 2018 | 734,518 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| At+T Inc Sr Unsecured 06/22 3 | 3.0% 30 Jun 2022 | | 485,373 |
| Bank of America | 1.0% 15 Jun 2021 | | 501,259 |
| Bank of America | 6.4% 28 Aug 2017 | | 899,911 |
| Bank of America | 6.875% 25 Apr 2018 | | 229,048 |
| Bank of America | 3.3% 11 Jan 2023 | | 368,791 |
| Bank of America | 4.0% 01 Apr 2024 | | 273,555 |
| Bank of America | 4.2% 26 Aug 2024 | | 233,771 |
| Bank of America | 6.875% 25 Apr 2018 | | 159,801 |
| Bank of America | 6.0% 01 Sep 2017 | | 385,362 |
| Bank of America | 5.65% 01 May 2018 | | 140,177 |
| Bank of America | 5.625% 01 Jul 2020 | | 906,340 |
| Bank of America | 3.875% 22 Mar 2017 | | 118,409 |
| Bank of America | 2.6% 15 Jan 2019 | | 204,412 |
| Bank of America | 5.42% 15 Mar 2017 | | 301,535 |
| Bank of America | 1.0% 15 Jan 2019 | | 959,483 |
| Bank Of America Corp | 6.5% 15 Jul 2018 | | 715,062 |
| Bank Of America Credit Card Tr Bacct 2015 A2 A | 1.36% 15 Sep 2020 | | 877,562 |
| Bank Of America Na Sr Unsecured 03/18 1.65 | 1.65% 26 Mar 2018 | | 416,889 |
| Bank of Montreal | 1.4% 11 Sep 2017 | | 270,268 |
| Bank Of The West Auto Trust Bwsta 2015 1 A3 144A | 1.31% 15 Oct 2019 | | 614,218 |
| Barclays Bank | 5.125% 08 Jan 2020 | | 398,046 |
| Barclays Dryrock Issuance Trus Drock 2015 1 A | 2.2% 15 Dec 2022 | | 626,179 |
| Barclays Dryrock Issuance Trus Drock 2015 4 A | 1.72% 16 Aug 2021 | | 311,658 |
| Barclays Dryrock Issuance Trust | 2.41% 15 Jul 2022 | | 1,015,062 |
| Barclays Dryrock Issuance Trust | 2.41% 15 Jul 2022 | | 337,387 |
| Barclays Plc Sr Unsecured 03/25 3.65 | 3.65% 16 Mar 2025 | | 422,237 |
| Barrick Gold Corp Sr Unsecured 05/23 4.1 | 4.1% 01 May 2023 | | 19,881 |
| Barrick NA Finance LLC | 4.4% 30 May 2021 | | 442,205 |
| * Baxalta Inc Sr Unsecured 144A 06/22 3.6 | 3.6% 23 Jun 2022 | | 352,361 |
| * Baxter International Inc | 1.85% 15 Jan 2017 | | 213,297 |
| Bear Stearns Commercial Mortgage | 1.0% 12 Jan 2045 | | 694,899 |
| Bear Stearns Cos LLC | 7.25% 01 Feb 2018 | | 804,207 |
| Becton Dickinson & Co | 2.675% 15 Dec 2019 | | 283,499 |
| Biogen Inc Sr Unsecured 09/22 3.625 | 3.625% 15 Sep 2022 | | 201,123 |
| Bmw Floorplan Master Owner Tru Bmwft 2015 1A A 144A | 1.0% 15 Jul 2020 | | 464,441 |
| Boston Properties LP | 3.7% 15 Nov 2018 | | 265,085 |
| BP Capital Markets PLC | 1.846% 05 May 2017 | | 921,741 |
| Bp Capital Markets Plc Company Guar 03/22 3.062 | 3.062% 17 Mar 2022 | | 298,054 |
| British Telecom Plc | 1.625% 28 Jun 2016 | | 473,748 |
| Brown & Brown Inc | 4.2% 15 Sep 2024 | | 166,865 |
| Capital One Financial Co | 5.25% 21 Feb 2017 | | 379,364 |
| Capital One Multi Asset Execut Comet 2015 A5 A5 | 1.6% 17 May 2021 | | 543,737 |

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|---|-------------------|---------|
| Capital One NA | 2.4% 05 Sep 2019 | 883,730 |
| Capital One NA | 1.5% 22 Mar 2018 | 750,195 |
| Carmax Auto Owner Trust Carmx 2015 4 A3 | 1.56% 16 Nov 2020 | 389,170 |
| CBS Corp | 5.75% 15 Apr 2020 | 273,312 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|--|---------------------------|-------------|---------------|
| Cbs Corp Company Guar 01/25 3.5 | 3.5% 15 Jan 2025 | | 142,687 |
| Cco Safari Ii Llc Sr Secured 144A 07/25 4.908 | 4.908% 23 Jul 2025 | | 347,288 |
| CD Commercial Mortgage Trust | 5.322% 28 Jun 2016 | | 1,227,425 |
| Celgene Corp Sr Unsecured 08/25 3.875 | 3.875% 15 Aug 2025 | | 341,410 |
| Centerpoint Energy Resources | 4.5% 15 Jan 2021 | | 101,355 |
| Chase Issuance Trust | 2.77% 15 Mar 2023 | | 470,805 |
| Chrysler Capital Auto Receivab Ccart 2015 Ba A3 144A | 1.91% 16 Mar 2020 | | 388,774 |
| CIT Equipment Collateral | 1.13% 20 Jul 2020 | | 243,463 |
| Citibank Credit Card Issuance | 2.88% 23 Jan 2023 | | 902,232 |
| Citigroup Commercial Mortgage | 1.0% 10 Dec 2049 | | 399,140 |
| Citigroup Commercial Mortgage | 5.431% 15 Oct 2045 | | 222,835 |
| Citigroup Commercial Mortgage | 1.0% 15 Mar 2049 | | 136,084 |
| Citigroup Inc Sr Unsecured 10/20 2.65 | 2.65% 26 Oct 2020 | | 507,647 |
| Citigroup Inc Subordinated 03/25 3.875 | 3.875% 26 Mar 2025 | | 629,690 |
| Citigroup Inc Subordinated 06/25 4.4 | 4.4% 10 Jun 2025 | | 453,511 |
| Citigroup Inc Subordinated 09/27 4.45 | 4.45% 29 Sep 2027 | | 393,287 |
| Cleveland Electric | 5.7% 01 Apr 2017 | | 208,035 |
| Cnh Equipment Trust Cnh 2015 A A4 | 1.85% 15 Apr 2021 | | 318,486 |
| Codelco Inc Sr Unsecured 144A 09/25 4.5 | 4.5% 16 Sep 2025 | | 185,501 |
| Comcast Corp | 6.5% 15 Jan 2017 | | 177,876 |
| Comerica Bank Sr Unsecured 06/20 2.5 | 2.5% 02 Jun 2020 | | 249,722 |
| Comm Mortgage Trust | 1.0% 11 Jun 2027 | | 306,070 |
| Comm Mortgage Trust | 1.8726% 12 Apr 2035 | | 190,606 |
| Comm Mortgage Trust | 3.689% 10 Aug 2046 | | 614,188 |
| Comm Mortgage Trust Comm 2006 C8 A1A | 5.292% 10 Dec 2046 | | 559,495 |
| Comm Mortgage Trust Comm 2015 Cr27 Asb | 3.404% 10 Oct 2048 | | 819,242 |
| Conocophillips Company Company Guar 11/21 2.875 | 2.875% 15 Nov 2021 | | 271,932 |
| Constellation Energy | 5.15% 01 Dec 2020 | | 91,213 |
| Consumers Energy | 6.12% 15 Mar 2019 | | 297,709 |
| Cooperatieve Rabobank Ua Bank Guarant 08/25 4.375 | 4.375% 04 Aug 2025 | | 397,749 |
| Cooperatieve Rabobank Ua Company Guar 11/22 3.95 | 3.95% 09 Nov 2022 | | 552,250 |
| Corporate Office Prop Lp Company Guar 07/25 5 | 5.0% 01 Jul 2025 | | 213,521 |
| Countrywide Finl Corp | 6.25% 15 May 2016 | | 71,679 |
| Coventry Health Care Inc | 5.95% 3/15/2017 | | 86,192 |
| Cox Communications Inc | 6.2% 01 Jun 2018 | | 840,495 |
| Cox Communications Inc Sr Unsecured 144A 06/23 2.95 | 2.95% 30 Jun 2023 | | 108,031 |
| Cred Suis Gp Fun Ltd Company Guar 144A 03/20 2.75 | 2.75% 26 Mar 2020 | | 526,062 |
| Cred Suis Gp Fun Ltd Company Guar 144A 09/22 3.8 | 3.8% 15 Sep 2022 | | 776,718 |
| Cred Suis Gp Fun Ltd Company Guar 144A 12/20 3.125 | 3.125% 10 Dec 2020 | | 389,304 |
| Credit Based Asset Servicing | 1.0% 25 Jan 2033 | | 85,279 |
| Credit Suisse | 5.3% 13 Aug 2019 | | 959,693 |

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|---|--------------------|---------|
| Csail Commercial Mortgage Trus Csail 2015 C3 A4 | 3.718% 15 Aug 2048 | 430,725 |
| Csail Commercial Mortgage Trus Csail 2015 C4 Asb | 3.616% 15 Nov 2048 | 246,597 |
| CVS Caremark Corp | 2.25% 05 Dec 2018 | 751,974 |
| Cvs Health Corp Sr Unsecured 07/25 3.875 | 3.875% 20 Jul 2025 | 320,288 |
| Daimler Finance Na Llc Company Guar 144A 05/20 2.45 | 2.45% 18 May 2020 | 445,132 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|---|---------------------------|-------------|---------------|
| DCP Midstream Operating Company | 4.95% 01 Apr 2022 | | 300,306 |
| Dell Equipment Finance Trust Deft 2015 1 A3 144A | 1.3% 23 Mar 2020 | | 216,548 |
| Dell Equipment Finance Trust Deft 2015 2 A2A 144A | 1.42% 22 Dec 2017 | | 122,222 |
| Delmarva Pwr & Light Co | 3.5% 15 Nov 2023 | | 635,098 |
| Delphi Automotive Plc Company Guar 11/20 3.15 | 3.15% 19 Nov 2020 | | 72,329 |
| Delta Air Lines | 7.75% 17 Jun 2021 | | 388,769 |
| Deutsche Bank Ag London Sr Unsecured 02/18 1.875 | 1.875% 13 Feb 2018 | | 526,580 |
| Devon Energy Corporation Sr Unsecured 12/25 5.85 | 5.85% 15 Dec 2025 | | 244,170 |
| Directv Holdings | 4.6% 15 Feb 2021 | | 255,692 |
| Directv Holdings | 3.8% 15 Mar 2022 | | 81,626 |
| DirecTV Holdings LLC | 4.45% 01 Apr 2024 | | 237,038 |
| Discover Bank | 7.0% 15 Apr 2020 | | 439,780 |
| Discover Card | 1.04% 15 Apr 2019 | | 622,518 |
| Discover Card Execution Note T Dcent 2015 A1 A1 | 1.0% 17 Aug 2020 | | 422,069 |
| Discover Card Execution Note T Dcent 2015 A2 A | 1.9% 17 Oct 2022 | | 559,049 |
| Discovery Communications Company Guar 03/25 3.45 | 3.45% 15 Mar 2025 | | 145,986 |
| Drive Auto Receivables Trust Drive 2015 Aa A2 144A | 1.01% 15 Nov 2017 | | 119,660 |
| Drive Auto Receivables Trust Drive 2015 Da A2A 144A | 1.23% 15 Jun 2018 | | 233,442 |
| Duke Energy Corp Sr Unsecured 04/24 3.75 | 3.75% 15 Apr 2024 | | 337,539 |
| Duke Energy Progress Inc | 1.0% 06 Mar 2017 | | 428,443 |
| Ebay Inc Sr Unsecured 07/22 2.6 | 2.6% 15 Jul 2022 | | 602,221 |
| Empresa De Transporte | 4.75% 04 Feb 2024 | | 219,807 |
| Enel Finance Intl NV | 6.25% 15 Sep 2017 | | 406,421 |
| Energy Transfer Partners | 4.65% 01 Jun 2021 | | 303,703 |
| Energy Transfer Partners | 6.7% 01 Jul 2018 | | 499,575 |
| Energy Transfer Partners | 4.15% 01 Oct 2020 | | 823,977 |
| Energy Transfer Partners Sr Unsecured 06/18 2.5 | 2.5% 15 Jun 2018 | | 443,964 |
| Entergy Corp Sr Unsecured 07/22 4 | 4.0% 15 Jul 2022 | | 312,281 |
| Enterprise Products | 5.2% 01 Sep 2020 | | 258,253 |
| Enterprise Products | 3.35% 15 Mar 2023 | | 301,247 |
| Enterprise Products Oper Company Guar 02/26 3.7 | 3.7% 15 Feb 2026 | | 342,138 |
| Exelon Corp Sr Unsecured 06/20 2.85 | 2.85% 15 Jun 2020 | | 576,210 |
| Exelon Generation Co | 4.25% 15 Jun 2022 | | 410,916 |
| Exelon Generation Co | 4.25% 15 Jun 2022 | | 181,977 |
| Expedia Inc Company Guar 144A 02/26 5 | 5.0% 15 Feb 2026 | | 485,333 |
| Extended Stay America Trust | 2.2952% 05 Dec 2031 | | 332,243 |
| Fanniemae Aces Fna 2015 M17 Fa | 1.0% 25 Nov 2022 | | 781,524 |
| FHLMC Multifamily Structured | 2.917% 25 Aug 2020 | | 384,320 |
| FHLMC Multifamily Structured | 1.603% 25 Jan 2022 | | 706,429 |
| FHLMC Multifamily Structured | 2.615% 25 Mar 2023 | | 499,550 |
| Fifth Third Bancorp | 3.5% 15 Mar 2022 | | 184,954 |

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|---|-------------------|---------|
| First National | 1.0% 15 Oct 2019 | 337,805 |
| First National Master Note Tru Fnmnt 2015 1 A | 1.0% 15 Sep 2020 | 469,269 |
| Ford Credit Auto Lease Trust | 0.89% 15 Sep 2017 | 324,913 |
| Ford Credit Auto Owner Trust | 2.26% 15 Nov 2025 | 340,697 |
| Ford Credit Auto Owner Trust | 1.0% 15 Sep 2017 | 122,204 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|--|---------------------------|-------------|---------------|
| Ford Credit Floorplan Master | 1.2% 15 Feb 2019 | | 452,174 |
| Ford Motor Credit | 1.0% 13 Mar 2019 | | 742,040 |
| Ford Motor Credit Co LLC | 5.875% 02 Aug 2021 | | 812,990 |
| Ford Motor Credit Co Llc Sr Unsecured 08/25 4.134 | 4.134% 04 Aug 2025 | | 534,003 |
| Ford Motor Credit Co Llc Sr Unsecured 09/22 4.25 | 4.25% 20 Sep 2022 | | 197,575 |
| Fortune Brands Home + Se Sr Unsecured 06/20 3 | 3.0% 15 Jun 2020 | | 244,892 |
| Freeport McMoran | 2.375% 15 Mar 2018 | | 192,817 |
| Freeport Mcmoran Oil+Gas Company Guar 11/20 6.5 | 6.5% 15 Nov 2020 | | 41,107 |
| Fs Investment Corp Sr Unsecured 05/22 4.75 | 4.75% 15 May 2022 | | 435,657 |
| GCCFC Commercial Mortgage | 5.444% 10 Mar 2039 | | 941,407 |
| GCCFC Commercial Mortgage | 5.444% 10 Mar 2039 | | 658,086 |
| GDF Suez | 1.625% 10 Oct 2017 | | 170,952 |
| GE Capital | 1.76% 15 Sep 2022 | | 1,366,282 |
| GE Capital Credit Card Master | 2.22% 15 Jan 2022 | | 541,233 |
| General Elec Cap Corp | 1.0% 14 Jan 2019 | | 848,676 |
| General Elec Cap Corp | 4.65% 17 Oct 2021 | | 208,477 |
| General Motors Finl Co Company Guar 01/19 3.1 | 3.1% 15 Jan 2019 | | 361,585 |
| General Motors Finl Co Company Guar 01/25 4 | 4.0% 15 Jan 2025 | | 53,137 |
| General Motors Finl Co Company Guar 05/18 3.25 | 3.25% 15 May 2018 | | 28,143 |
| General Motors Finl Co Company Guar 05/23 4.25 | 4.25% 15 May 2023 | | 210,131 |
| General Motors Finl Co Company Guar 07/25 4.3 | 4.3% 13 Jul 2025 | | 65,545 |
| Gilead Sciences Inc Sr Unsecured 03/26 3.65 | 3.65% 01 Mar 2026 | | 312,595 |
| Gilead Sciences Inc Sr Unsecured 09/20 2.55 | 2.55% 01 Sep 2020 | | 1,013,526 |
| Glaxosmithkline Capital Company | 1.5% 5/08/20 17 | | 892,123 |
| Glencore Funding LLC | 2.5% 15 Jan 2019 | | 362,835 |
| Gm Financial Automobile Leasin Gmalt 2015 2 A3 | 1.68% 20 Dec 2018 | | 805,493 |
| Gm Financial Automobile Leasin Gmalt 2015 3 A3 | 1.69% 20 Mar 2019 | | 544,776 |
| Gmf Floorplan Owner Revolving Gfort 2015 1 A1 144A | 1.65% 15 May 2020 | | 298,015 |
| Goldman Sachs Group | 7.5% 15 Feb 2019 | | 441,973 |
| Goldman Sachs Group | 6.0% 15 Jun 2020 | | 338,293 |
| Goldman Sachs Group | 5.75% 24 Jan 2022 | | 356,894 |
| Goldman Sachs Group | 7.5% 15 Feb 2019 | | 828,699 |
| Goldman Sachs Group | 1.0% 29 Nov 2023 | | 881,650 |
| Goldman Sachs Group Inc | 5.95% 18 Jan 2018 | | 800,770 |
| Goldman Sachs Group Inc | 1.0% 15 Nov 2018 | | 930,769 |
| Goldman Sachs Group Inc | 4.0% 03 Mar 2024 | | 342,922 |
| Goldman Sachs Group Inc Sr Unsecured 09/20 2.75 | 2.75% 15 Sep 2020 | | 212,299 |
| Grupo Bimbo Sab De Cv | 3.875% 27 Jun 2024 | | 240,252 |
| GS Mortgage Securities Trust | 3.68% 10 Apr 2047 | | 830,845 |
| Halliburton Co Sr Unsecured 11/22 3.375 | 3.375% 15 Nov 2022 | | 384,875 |
| Harley Davidson Motorcycle Tru Hdmot 2015 2 A3 | 1.3% 16 Mar 2020 | | 614,607 |

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|--------------------------------|--------------------|---------|
| Hartford Finl Svcs Grp | 5.5% 30 Mar 2020 | 255,478 |
| Hartford Finl Svcs Grp | 5.125% 15 Apr 2022 | 212,094 |
| Hcp Inc Sr Unsecured 02/25 3.4 | 3.4% 01 Feb 2025 | 418,252 |
| Hcp Inc Sr Unsecured 12/22 4 | 4.0% 01 Dec 2022 | 764,126 |
| Health Care Reit Inc | 5.25% 15 Jan 2022 | 532,662 |

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| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Health Care Reit Inc | 2.25% 15 Mar 2018 | | 366,610 |
| Healthcare Realty Trust | 3.75% 15 Apr 2023 | | 75,566 |
| Hess Corp | 8.125% 15 Feb 2019 | | 481,545 |
| Hewlett Packard Co | 4.30% 01 Jun 2021 | | 851,056 |
| Hewlett Packard Co | 3.75% 01 Dec 2020 | | 31,618 |
| Hewlett Packard Co | 4.65% 09 Dec 2021 | | 95,236 |
| Hilton USA Trust | 2.662% 05 Nov 2030 | | 1,048,493 |
| Host Hotels + Resorts Lp Sr Unsecured 02/26 4.5 | 4.5% 01 Feb 2026 | | 190,636 |
| Host Hotels + Resorts Lp Sr Unsecured 10/23 3.75 | 3.75% 15 Oct 2023 | | 12,103 |
| Hp Enterprise Co Sr Unsecured 144A 10/20 3.6 | 3.6% 15 Oct 2020 | | 391,977 |
| Hp Enterprise Co Sr Unsecured 144A 10/20 3.6 | 3.6% 15 Oct 2020 | | 597,161 |
| Hp Enterprise Co Sr Unsecured 144A 10/22 4.4 | 4.4% 15 Oct 2022 | | 389,581 |
| HSBC Holdings PLC | 5.1% 05 Apr 2021 | | 246,916 |
| HSBC USA Inc | 2.375% 13 Nov 2019 | | 442,328 |
| Humana Inc | 7.2% 15 Jun 2018 | | 470,000 |
| Huntington National Bank Sr Unsecured 11/18 2.2 | 2.2% 06 Nov 2018 | | 389,999 |
| Ibm Corp Sr Unsecured 11/22 2.875 | 2.875% 09 Nov 2022 | | 541,427 |
| Ingram Micro Inc | 4.95% 15 Dec 2024 | | 173,173 |
| International Paper Co | 3.65% 15 Jun 2024 | | 32,111 |
| International Paper Co Sr Unsecured 01/26 3.8 | 3.8% 15 Jan 2026 | | 143,659 |
| Intl Bk Recon & Develop | 9.25% 15 Jul 2017 | | 135,133 |
| Israel Electric Corp Ltd Sr Secured 144A Regs 11/24 5 | 5.0% 12 Nov 2024 | | 251,008 |
| Jabil Circuit Inc | 5.625% 15 Dec 2020 | | 304,173 |
| Jabil Circuit Inc | 8.25% 15 Mar 2018 | | 95,706 |
| JP Morgan Chase & Co | 3.625% 13 May 2024 | | 475,270 |
| Jp Morgan Chase Commercial Mor Jpmcc 2015 Sgp A 144A | 1.0% 15 Jul 2036 | | 389,621 |
| JP Morgan Chase Commercial Mortgage | 5.42% 15 Jan 2049 | | 1,213,599 |
| JPMBB Commercial Mortgage Secu | 2.878% 15 Feb 2047 | | 1,809,315 |
| Jpmbb Commercial Mortgage Secu Jpmbb 2015 C32 Asb | 3.358% 15 Nov 2048 | | 1,186,829 |
| JPMorgan Chase & Co | 6.0% 15 Jan 2018 | | 928,215 |
| JPMorgan Chase & Co | 4.4% 22 Jul 2020 | | 293,748 |
| JPMorgan Chase & Co | 6.0% 15 Jan 2018 | | 417,175 |
| JPMorgan Chase Commercial Mortgage | 1.0% 12 Jun 2043 | | 504,931 |
| JPMorgan Chase Commercial Mortgage | 5.439% 15 Jan 2049 | | 1,365,020 |
| JPMorgan Chase Commercial Mortgage | 2.7493% 15 Nov 2043 | | 20,716 |
| Key Bank Na Sr Unsecured 10/27 3.18 | 3.18% 15 Oct 2027 | | 386,392 |
| Kinder Morgan | 5.95% 15 Feb 2018 | | 405,923 |
| Kinder Morgan | 6.85% 15 Feb 2020 | | 619,239 |
| Kinder Morgan | 4.15% 01 Mar 2022 | | 523,401 |
| Kinder Morgan | 4.15% 01 Mar 2022 | | 168,175 |
| Kinder Morgan | 3.95% 01 Sep 2022 | | 315,225 |
| | 5.625% 15 Nov 2023 | | 211,850 |

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Kinder Morgan Inc/Delawa Company Guar 144A 11/23
5.625

| | | |
|--|--------------------|---------|
| KLA Tencor Corp | 4.65% 01 Nov 2024 | 321,590 |
| Kla Tencor Corp Sr Unsecured 11/21 4.125 | 4.125% 01 Nov 2021 | 58,022 |
| Kohl S Corporation Sr Unsecured 07/25 4.25 | 4.25% 17 Jul 2025 | 306,030 |
| Korea National Oil Corp | 3.125% 03 Apr 2017 | 485,324 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|--|---------------------------|-------------|---------------|
| Kraft Heinz Foods Co Company Guar 144A 07/20 2.8 | 2.8% 02 Jul 2020 | | 438,225 |
| Kraft Heinz Foods Co Company Guar 144A 07/20 2.8 | 2.8% 02 Jul 2020 | | 481,566 |
| Laboratory Corp Of Amer Sr Unsecured 02/25 3.6 | 3.6% 01 Feb 2025 | | 130,448 |
| Liberty Property LP | 5.5% 15 Dec 2016 | | 69,814 |
| Liberty Property LP | 6.625% 01 Oct 2017 | | 41,451 |
| Life Technologies Corp | 6.0% 01 Mar 2020 | | 583,397 |
| Lincoln National Corp | 8.75% 01 Jul 2019 | | 118,293 |
| Lloyds Bank Plc Company Guar 03/18 1.75 | 1.75% 16 Mar 2018 | | 871,528 |
| Lloyds Banking Group Plc | 4.5% 04 Nov 2024 | | 303,873 |
| Lyondellbasell Ind | 5.0% 15 Apr 2019 | | 883,423 |
| Macys Retail Hldgs Inc | 3.875% 15 Jan 2022 | | 399,356 |
| Magna International Inc | 3.625% 15 Jun 2024 | | 316,063 |
| Marathon Petroleum Corp | 5.125% 01 Mar 2021 | | 155,067 |
| Marathon Petroleum Corp Sr Unsecured 12/20 3.4 | 3.4% 15 Dec 2020 | | 355,623 |
| Mcgraw Hill Financial In Company Guar 02/26 4.4 | 4.4% 15 Feb 2026 | | 284,543 |
| Mcgraw Hill Financial In Company Guar 08/20 3.3 | 3.3% 14 Aug 2020 | | 189,907 |
| Medtronic Inc Company Guar 03/20 2.5 | 2.5% 15 Mar 2020 | | 870,370 |
| Medtronic Inc Company Guar 03/22 3.15 | 3.15% 15 Mar 2022 | | 453,920 |
| Mercedes Benz Auto Lease Trust Mbalt 2015 B A3 | 1.34% 16 Jul 2018 | | 293,151 |
| Merrill Lynch Mortgage | 1.0% 12 Aug 2043 | | 290,253 |
| * Met Life Glob Funding I Secured 144A 12/20 2.5 | 2.5% 03 Dec 2020 | | 537,675 |
| Methanex Corp | 3.25% 15 Dec 2019 | | 221,161 |
| * Metlife Inc | 7.717% 15 Feb 2019 | | 132,382 |
| * Metlife Inc | 6.817% 15 Aug 2018 | | 402,351 |
| Microsoft Corp Sr Unsecured 02/22 2.375 | 2.375% 12 Feb 2022 | | 686,252 |
| Mizuho Bank Ltd | 2.45% 16 Apr 2019 | | 463,708 |
| ML CFC Commercial Mortgage Trust | 1.0% 12 Mar 2051 | | 1,113,796 |
| ML CFC Commercial Mortgage Trust | 5.166% 12 Dec 2049 | | 517,377 |
| ML CFC Commercial Mortgage Trust | 5.7% 12 Sep 2049 | | 722,571 |
| Morgan Stanley | 5.5% 24 Jul 2020 | | 297,602 |
| Morgan Stanley | 3.875% 29 Apr 2024 | | 251,007 |
| Morgan Stanley | 5.5% 28 Jul 2021 | | 337,542 |
| Morgan Stanley | 5.625% 23 Sep 2019 | | 552,016 |
| Morgan Stanley | 5.55% 27 Apr 2017 | | 207,702 |
| Morgan Stanley | 5.95% 28 Dec 2017 | | 721,665 |
| Morgan Stanley | 6.625% 01 Apr 2018 | | 1,350,023 |
| Morgan Stanley | 6.625% 01 Apr 2018 | | 794,131 |
| Morgan Stanley BAML Trust | 3.669% 15 Feb 2047 | | 909,381 |
| Morgan Stanley Baml Trust Msbam 2015 C22 A4 | 3.306% 15 Apr 2048 | | 256,803 |
| Morgan Stanley Capital I | 1.0% 11 Jun 2042 | | 525,954 |
| Murray St Inv Trust I | 1.0% 08 Mar 2017 | | 45,765 |

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|--|--------------------|---------|
| Mylan Inc | 4.2% 29 Nov 2023 | 909,653 |
| Nabors Industries Inc | 5.0% 15 Sep 2020 | 338,887 |
| Nabors Industries Inc Company Guar 09/21 4.625 | 4.625% 15 Sep 2021 | 138,865 |
| National Bank Of Canada Bank Guarant 12/18 2.1 | 2.1% 14 Dec 2018 | 781,201 |
| National Fuel Gas Co Sr Unsecured 07/25 5.2 | 5.2% 15 Jul 2025 | 420,741 |
| Nevada Power Co | 6.5% 01 Aug 2018 | 267,911 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Nisource Finance Corp | 6.8% 15 Jan 2019 | | 552,474 |
| Nisource Finance Corp | 6.125% 01 Mar 2022 | | 453,168 |
| Nissan Auto Lease Trust Nalt 2015 A A3 | 1.4% 15 Jun 2018 | | 515,607 |
| Nissan Auto Receivables Owner Narot 2015 A A3 | 1.05% 15 Oct 2019 | | 858,286 |
| Noble Energy Inc | 8.25% 01 Mar 2019 | | 374,744 |
| Noble Energy Inc | 3.9% 15 Nov 2024 | | 213,998 |
| Noble Holding Intl Ltd | 4.9% 01 Aug 2020 | | 2,936 |
| Nomura Holdings Inc | 2.0% 13 Sep 2016 | | 477,000 |
| Nordea Bank Ab Sr Unsecured 144A 09/20 2.5 | 2.5% 17 Sep 2020 | | 902,305 |
| Oceaneering Intl Inc | 4.65% 15 Nov 2024 | | 295,763 |
| Oneok Partners Lp Company Guar 10/22 3.375 | 3.375% 01 Oct 2022 | | 469,947 |
| Owens Corning Inc | 6.5% 01 Dec 2016 | | 11,923 |
| Perrigo Finance Plc | 3.5% 15 Dec 2021 | | 191,471 |
| Petroleos Mexicanos | 3.5% 18 Jul 2018 | | 149,474 |
| Philip Morris Intl Inc | 5.65% 16 May 2018 | | 26,338 |
| Philip Morris Intl Inc | 2.9% 15 Nov 2021 | | 112,375 |
| Pioneer Natural Resource Sr Unsecured 01/21 3.45 | 3.45% 15 Jan 2021 | | 173,865 |
| Plains All Amer Pipeline Sr Unsecured 06/22 3.65 | 3.65% 01 Jun 2022 | | 327,318 |
| Plains All Amer Pipeline Sr Unsecured 10/25 4.65 | 4.65% 15 Oct 2025 | | 25,288 |
| Plains All Amer Pipeline Sr Unsecured 11/24 3.6 | 3.6% 01 Nov 2024 | | 250,215 |
| Plains Exploration & Pro | 6.875% 15 Feb 2023 | | 425,843 |
| PNC Bank NA | 2.4% 18 Oct 2019 | | 421,677 |
| PNC Bank NA | 2.2% 28 Jan 2019 | | 411,732 |
| * Prudential Financial Inc | 3.5% 15 May 2024 | | 906,614 |
| * Prudential Financial Inc | 4.5% 15 Nov 2020 | | 294,312 |
| Puget Energy Inc Sr Secured 144A 05/25 3.65 | 3.65% 15 May 2025 | | 60,813 |
| Quest Diagnostic Inc | 4.75% 30 Jan 2020 | | 342,891 |
| Quest Diagnostics Inc | 4.7% 01 Apr 2021 | | 127,823 |
| Regency Centers LP | 5.875% 15 Jun 2017 | | 110,993 |
| Reliance Steel & Alum | 4.5% 15 Apr 2023 | | 76,404 |
| Republic Services Inc | 3.8% 15 May 2018 | | 13,003 |
| Residential Asset Securities | 1.0% 25 May 2033 | | 6,159 |
| Reynolds American Inc | 3.25% 01 Nov 2022 | | 221,510 |
| Reynolds American Inc Company Guar 06/19 8.125 | 8.125% 23 Jun 2019 | | 664,719 |
| Reynolds American Inc Company Guar 06/22 4 | 4.0% 12 Jun 2022 | | 429,648 |
| Rio Tinto Fin Usa Ltd | 3.5% 02 Nov 2020 | | 23,664 |
| Rio Tinto Fin Usa Ltd Company Guar 09/21 3.75 | 3.75% 20 Sep 2021 | | 220,577 |
| Rio Tinto Fin Usa PLC | 3.5% 22 Mar 2022 | | 496,043 |
| Rockwell Collins Inc | 1.0% 15 Dec 2016 | | 178,312 |
| Ross Stores Inc | 3.375% 15 Sep 2024 | | 375,427 |
| Rowan Companies Inc | 5.0% 01 Sep 2017 | | 340,220 |
| Santander Drive Auto Receivabl | 1.15% 15 Jan 2019 | | 327,793 |

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|---|--------------------|-----------|
| Santander Drive Auto Receivabl Sdart 2015 2 A3 | 1.22% 15 Apr 2019 | 1,063,025 |
| Santander Drive Auto Receivabl Sdart 2015 3 A2A | 1.02% 17 Sep 2018 | 257,432 |
| Santander Drive Auto Receivabl Sdart 2015 4 A2A | 1.2% 17 Dec 2018 | 265,029 |
| Santander Holdings USA | 4.625% 19 Apr 2016 | 126,633 |
| Santander Issuances Company Guar 11/25 5.179 | 5.179% 19 Nov 2025 | 570,599 |

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, 2015**

| Identity of Issue | Description of Investment | Cost (1) | Current Value |
|---|---------------------------|-------------|---------------|
| Schlumberger Hldgs Corp Sr Unsecured 144A 12/20 3 | 3.0% 21 Dec 2020 | | 386,028 |
| Schlumberger Hldgs Corp Sr Unsecured 144A 12/22 3.625 | 3.625% 21 Dec 2022 | | 538,937 |
| SCSLC 2010 | 1.0% 25 Jul 2025 | | 1,348,853 |
| Sempra Energy | 4.05% 01 Dec 2023 | | 487,391 |
| Sempra Energy Sr Unsecured 03/20 2.4 | 2.4% 15 Mar 2020 | | 733,463 |
| Shell International Fin Company Guar 11/18 1.625 | 1.625% 10 Nov 2018 | | 773,045 |
| Simon Property Group Lp Sr Unsecured 09/20 2.5 | 2.5% 01 Sep 2020 | | 802,091 |
| Sky Plc | 2.625% 16 Sep 2019 | | 884,275 |
| SLM Student Loan Trust | 1.0% 25 Sep 2019 | | 862,386 |
| Smart Trust | 1.25% 14 Aug 2018 | | 1,052,511 |
| Snap On Inc | 4.25% 15 Jan 2018 | | 324,056 |
| Societe Generale | 5.0% 17 Jan 2024 | | 310,045 |
| Solvay Finance (America) Company Guar 144A 12/25 4.45 | 4.45% 03 Dec 2025 | | 190,536 |
| Southern Cal Edison | 5.5% 15 Aug 2018 | | 420,823 |
| Spectra Energy Capital | 8.00% 01 Oct 2019 | | 124,098 |
| Spectra Energy Partners | 2.95% 25 Sep 2018 | | 94,879 |
| Spectra Energy Partners Sr Unsecured 03/25 3.5 | 3.5% 15 Mar 2025 | | 392,753 |
| Standard Chartered PLC | 1.0% 12 Jul 2022 | | 486,132 |
| * State Street Corp | 3.7% 20 Nov 2023 | | 195,928 |
| Svenska Handelsbanken AB Bank | 2.875% 04 Apr 2017 | | 245,558 |
| Synchrony Credit Card Master N Synct 2015 3 A | 1.74% 15 Sep 2021 | | 387,972 |
| Synchrony Financial Sr Unsecured 08/19 3 | 3.0% 15 Aug 2019 | | 409,823 |
| Talent Yield Investments | 4.5% 25 Apr 2022 | | 495,063 |
| Talisman Energy Sr Unsecured 02/21 3.75 | 3.75% 01 Feb 2021 | | 288,924 |
| Teck Resources Limited | 4.5% 15 Jan 2021 | | 196,988 |
| Telefonica Emisiones Sau | 5.462% 16 Feb 2021 | | 178,068 |
| Time Warner Cable Inc | 5.0% 01 Feb 2020 | | 122,661 |
| Time Warner Inc | 3.55% 01 Jun 2024 | | 630,100 |
| Time Warner Inc | 3.55% 01 Jun 2024 | | 260,567 |
| Time Warner Inc | 4.75% 29 Mar 2021 | | 425,558 |
| Time Warner Inc | 2.1% 01 Jun 2019 | | 701,029 |
| Time Warner Inc Company Guar 07/25 3.6 | 3.6% 15 Jul 2025 | | 310,207 |
| Toronto Dominion Bank Sr Unsecured 12/20 2.5 | 2.5% 14 Dec 2020 | | 781,842 |
| Total System Services | 2.375% 01 Jun 2018 | | 135,695 |
| Trans Canada Pipelines Sr Unsecured 08/22 2.5 | 2.5% 01 Aug 2022 | | 66,488 |
| Transocean Inc | 6.5% 15 Nov 2020 | | 113,268 |
| Travelers Cos Inc | 5.75% 15 Dec 2017 | | 385,320 |
| Trust F/1401 | 5.25% 15 Dec 2024 | | 373,771 |
| Tyson Foods Inc | 2.65% 15 Aug 2019 | | 85,989 |
| Ubs Group Funding Company Guar 144A 09/20 2.95 | 2.95% 24 Sep 2020 | | 310,900 |
| Ubs Group Funding Company Guar 144A 09/25 4.125 | 4.125% 24 Sep 2025 | | 195,819 |

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| | | |
|------------------------|--------------------|---------|
| Unicredito Luxem Fin | 6.0% 31 Oct 2017 | 232,289 |
| Unum Group | 5.625% 15 Sep 2020 | 403,591 |
| Valero Energy Corp | 6.125% 01 Feb 2020 | 280,066 |
| Verizon Communications | 3.5% 01 Nov 2024 | 851,701 |
| Verizon Communications | 3.65% 14 Sep 2018 | 838,093 |
| Verizon Communications | 5.15% 15 Sep 2023 | 652,848 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Viacom Inc | 3.875% 01 Apr 2024 | | 145,679 |
| Viacom Inc | 5.625% 15 Sep 2019 | | 67,781 |
| Viacom Inc Sr Unsecured 12/21 3.875 | 3.875% 15 Dec 2021 | | 132,905 |
| Vodafone Group | 2.95% 19 Feb 2023 | | 72,390 |
| Vodafone Group Plc Sr Unsecured 09/22 2.5 | 2.5% 26 Sep 2022 | | 326,484 |
| Volkswagen Auto Loan | 0.91% 22 Oct 2018 | | 533,040 |
| Volvo Financial Equipment Llc Vfet 2015 1A A3 144A | 1.51% 17 Jun 2019 | | 859,129 |
| Wachovia Bank Commercial Mortg Wbcmt 2006 C26 A1A | 1.0% 15 Jun 2045 | | 193,513 |
| Walgreens Boots Alliance | 3.8% 18 Nov 2024 | | 440,307 |
| Waste Management Inc | 6.1% 15 Mar 2018 | | 736,790 |
| Waste Management Inc | 4.75% 30 Jun 2020 | | 439,586 |
| Wells Fargo + Company Sr Unsecured 02/25 3 | 3.0% 19 Feb 2025 | | 432,045 |
| Wells Fargo + Company Sr Unsecured 07/20 2.6 | 2.6% 22 Jul 2020 | | 770,524 |
| Welltower Inc Sr Unsecured 06/25 4 | 4.0% 01 Jun 2025 | | 351,447 |
| Western Union Co | 3.65% 22 Aug 2018 | | 450,362 |
| Western Union Co | 3.35% 22 May 2019 | | 234,684 |
| Westpac Banking Corp Sr Unsecured 11/20 2.6 | 2.6% 23 Nov 2020 | | 518,629 |
| WF RBS Commercial Mortgage | 3.337% 15 Jun 2046 | | 446,219 |
| WF RBS Commercial Mortgage | 2.921% 15 Dec 2046 | | 545,682 |
| WF RBS Commercial Mortgage Trust | 3.66% 15 Mar 2047 | | 623,169 |
| Williams Partners LP | 5.25% 15 Mar 2020 | | 367,699 |
| Williams Partners LP | 3.9% 15 Jan 2025 | | 206,803 |
| Williams Partners LP | 4.0% 15 Nov 2021 | | 273,839 |
| Williams Partners LP | 7.25% 01 Feb 2017 | | 320,023 |
| Williams Partners Lp Sr Unsecured 03/22 3.6 | 3.6% 15 Mar 2022 | | 186,050 |
| World Financial Network | 3.14% 17 Jan 2023 | | 1,431,809 |
| World Financial Network | 1.76% 17 May 2021 | | 1,014,771 |
| World Financial Network | 1.61% 15 Dec 2021 | | 246,661 |
| World Financial Network Credit WFNMT | 1.0% 15 Dec 2019 | | 415,237 |
| World Financial Network Credit Wfnmt 2015 A A | 1.0% 15 Feb 2022 | | 347,445 |
| Xerox Corporation Sr Unsecured 05/18 6.35 | 6.35% 15 May 2018 | | 160,015 |
| Xerox Corporation Sr Unsecured 05/20 2.8 | 2.8% 15 May 2020 | | 105,894 |
| Yamana Gold Inc | 4.95% 15 Jul 2024 | | 320,165 |
| Zimmer Biomet Holdings Sr Unsecured 04/20 2.7 | 2.7% 01 Apr 2020 | | 738,957 |
| Corporate and Other Obligations | | | 190,291,199 |

Separate Investment Contract

| | | |
|---------------------------------------|-----------------------------|-------------|
| * Metropolitan Life Insurance Company | Separate Investment Account | 145,275,633 |
|---------------------------------------|-----------------------------|-------------|

Benefit Resource Interest Rate Wrapper Contracts

| | | |
|---|---------------------|-------------|
| * Metropolitan Life Insurance Company | Open Ended Maturity | (164,767) |
| * Prudential Financial Inc | Open Ended Maturity | (74,088) |
| * Transamerica Inc. | Open Ended Maturity | (152,354) |
| Benefit Resource Interest Rate Wrapper Contracts | | (391,208) |
| Synthetic Guaranteed Investment Contracts (contract value equals \$594,193,375) | | 616,636,464 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Commingled Investments: | | | |
| * State Street International Index Non-Lending Series Fund | Commingled Investments | | 79,539,968 |
| * SSgA Emerging Markets Fund | Commingled Investments | | 6,965,095 |
| * Northern Trust Domestic Mid Cap | Commingled Investments | | 26,289,447 |
| * State Street S&P 500 Index Non-Lending Series Fund | Commingled Investments | | 272,441,022 |
| * Vanguard Target Retirement 2010 | Commingled Investments | | 7,032,451 |
| * Vanguard Target Retirement 2015 | Commingled Investments | | 27,479,499 |
| * Vanguard Target Retirement 2020 | Commingled Investments | | 53,891,536 |
| * Vanguard Target Retirement 2025 | Commingled Investments | | 60,198,479 |
| * Vanguard Target Retirement 2030 | Commingled Investments | | 63,458,820 |
| * Vanguard Target Retirement 2035 | Commingled Investments | | 70,360,325 |
| * Vanguard Target Retirement 2040 | Commingled Investments | | 55,646,735 |
| * Vanguard Target Retirement 2045 | Commingled Investments | | 38,767,110 |
| * Vanguard Target Retirement 2050 | Commingled Investments | | 38,201,762 |
| * Vanguard Target Retirement Income | Commingled Investments | | 16,840,112 |
| * State Street Russell Small Cap Index Non-Lending Series Fund | Commingled Investments | | 102,917,799 |
| Commingled Investments | | | 920,030,160 |

Registered Investment Companies:

| | | |
|--------------------------------------|-------------------------------|---------|
| Aberdeen Intl Eqty Fd Cl A | Registered Investment Company | 4,704 |
| Aberdeen Select Intl Eqty Fd Ii Cl A | Registered Investment Company | 11,089 |
| Acadian Emerging Mkts Port Instl Cl | Registered Investment Company | 4,305 |
| Advisorshares Trust | Registered Investment Company | 8,264 |
| Akre Focus Fd Retail | Registered Investment Company | 13,015 |
| Alerian Mlp Etf | Registered Investment Company | 24,451 |
| Alliance World Dlr Govt Fd Ii | Registered Investment Company | 9,563 |
| Alps Kotak India Gwt | Registered Investment Company | 8,879 |
| Alps Sector Dividend Dogs Etf | Registered Investment Company | 3,865 |
| Amana Income Fund Inv | Registered Investment Company | 49,461 |
| America Europacific Growth Fdf2 | Registered Investment Company | 13,089 |
| American Century Equity Income Fd In | Registered Investment Company | 27,362 |
| American Century Heritage Fund Inv | Registered Investment Company | 3,041 |
| American Century Zero Coupon 2020 In | Registered Investment Company | 11,880 |
| Amg Managers Brandywine Blue Fd | Registered Investment Company | 12,451 |
| Amg Southernsun Small Cap Inv | Registered Investment Company | 6,907 |
| Amg Yacktman Fd Svc | Registered Investment Company | 247,240 |
| Amg Yacktman Focused Fd Svc | Registered Investment Company | 20,568 |

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|--------------------------------------|-------------------------------|---------------------|---------------|
| Apollo Investment Corp | Registered Investment Company | | 6,242 |
| Aqr Diversified Arbitrage I | Registered Investment Company | | 47,424 |
| Aqr Managed Futures Strategy I | Registered Investment Company | | 50,196 |
| Ariel Appreciation Fund Inv | Registered Investment Company | | 29,936 |
| Ariel Fund Inv | Registered Investment Company | | 17,316 |
| Artisan International Fund Inv | Registered Investment Company | | 13,706 |
| Artisan International Value Fund | Registered Investment Company | | 15,149 |
| Asa Bermuda Ltd | Registered Investment Company | | 2,509 |
| Aston Lmcg Small Cap Gwth Fd Cl N | Registered Investment Company | | 872 |
| Azzad Ethical Mid Ca | Registered Investment Company | | 3,475 |
| B P Prudhoe Bay Rty Tr | Registered Investment Company | | 24,940 |
| Babson Cap Partn Invs Tr | Registered Investment Company | | 27,491 |
| Baird Core Plus Bd Inv | Registered Investment Company | | 16,102 |
| Barclays Bank Ipath Etn | Registered Investment Company | | 15,295 |
| Barclays Bank Ipath Etn | Registered Investment Company | | 10,226 |
| Barclays Bank Ipath Etn | Registered Investment Company | | 4,205 |
| Barclays Bank Ipath New | Registered Investment Company | | 55,576 |
| Baron Partners Fund Retail | Registered Investment Company | | 21,480 |
| Berkshire Focus Fund | Registered Investment Company | | 4,979 |
| Bitcoin Investment T | Registered Investment Company | | 630 |
| Blackrock Cap & Income Strategy | Registered Investment Company | | 412,181 |
| Blackrock Equity Dividend Cl I | Registered Investment Company | | 55,607 |
| Blackrock Global Allocation Fd Inst | Registered Investment Company | | 29,179 |
| Blackrock Health Science Oppty A | Registered Investment Company | | 5,118 |
| Blackrock Strat Incm Oppty Port Inst | Registered Investment Company | | 68,986 |
| Boston Partners All Cap Val Inv | Registered Investment Company | | 94,543 |
| Bridgeway Aggressive Investors I | Registered Investment Company | | 200,892 |
| Broadview Opportunity Fund | Registered Investment Company | | 10,774 |
| Buffalo Mid Cap Fund | Registered Investment Company | | 8,982 |
| Burnham Financial Services Fd | Registered Investment Company | | 11,011 |
| Calvert Global Water Fd Cl Cl A | Registered Investment Company | | 1,576 |
| Central Gold Trust | Registered Investment Company | | 5,655 |
| Clipper Fund | Registered Investment Company | | 6,793 |
| Cohen & Steers Realty Shares | Registered Investment Company | | 10,376 |
| Columbia Acorn Int L Fd Cl Z | Registered Investment Company | | 11,887 |
| Columbia Gbl Technology Gwth A | Registered Investment Company | | 5,225 |
| Columbia Intl Oppty Z | Registered Investment Company | | 5,241 |
| Columbia Real Estate Equity Fd Cl Z | Registered Investment Company | | 82,989 |
| Columbia Value And Restructuring Z | Registered Investment Company | | 9,265 |
| Crm Mid Cap Value Fund Investor Cl | Registered Investment Company | | 12,270 |
| Dbx Trackers Msci Et | Registered Investment Company | | 88 |
| Delafield Fund | Registered Investment Company | | 2,198 |

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|--------------------------------------|-------------------------------|--------|
| Deutsche Alternative Asset Alloc S | Registered Investment Company | 8,431 |
| Deutsche S&P 500 Index Fund-S | Registered Investment Company | 9,408 |
| Deutsche Xtrckrs Msci Europe Hdgd Eq | Registered Investment Company | 8,463 |
| Dfa Commodity Strategy | Registered Investment Company | 31,401 |

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|-------------------------------------|----------------------------------|----------------------------|----------------------|
| Dfa Emerg Mkts Core Eqty Port Instl | Registered Investment Company | | 24,618 |
| Dfa Emerging Mkts Port Instl | Registered Investment Company | | 4,233 |
| Dfa Global Real Estate Sec Port | Registered Investment Company | | 51,832 |
| Dfa Intl Core Eqty Port Instl | Registered Investment Company | | 81,615 |
| Dfa Intl Small Cap Value Port Instl | Registered Investment Company | | 17,299 |
| Dfa Intl Small Co Port Instl | Registered Investment Company | | 13,163 |
| Dfa Us Core Eqty 2 Port Instl | Registered Investment Company | | 55,750 |
| Dfa Us Micro Cap Port Instl | Registered Investment Company | | 20,779 |
| Dfa Us Small Cap Value Port Instl | Registered Investment Company | | 12,223 |
| Direxion | Registered Investment Company | | 0 |
| Direxion Daily Ftse | Registered Investment Company | | 121,500 |
| Direxion Dly Jr Gold Min | Registered Investment Company | | 29,740 |
| Direxion Shs Etf Tr | Registered Investment Company | | 29,008 |
| Dodge & Cox Income Fd | Registered Investment Company | | 29,714 |
| Dodge & Cox Intl Stock Fd | Registered Investment Company | | 22,184 |
| Dodge & Cox Stock Fund | Registered Investment Company | | 145,608 |
| Doubleline Core Fixed Incm Fd Cl I | Registered Investment Company | | 60,017 |
| Doubleline Fds Tr | Registered Investment Company | | 30,976 |
| Doubleline Total Return Bd Fd Cl N | Registered Investment Company | | 16,422 |
| Doubleline Total Returnbd Fd Cl I | Registered Investment Company | | 63,414 |
| Driehaus Emerging Mkts Growth Fd | Registered Investment Company | | 787 |
| Driehaus Intl Small Cap Growth | Registered Investment Company | | 13,754 |
| Drxn Dly S&P Ol Gs Exp | Registered Investment Company | | 166 |
| Eagle Small Cap Growth Fd Cl I | Registered Investment Company | | 10,544 |
| Eaton Vance Sr Fl Rt Tr | Registered Investment Company | | 34,803 |
| Eaton Vance Tax Mgd Sml Cap Fd Cl A | Registered Investment Company | | 15,846 |
| Edgewood Growth Retail | Registered Investment Company | | 13,045 |
| Etf's Physical Silver | Registered Investment Company | | 9,343 |
| Etf's Physical Swiss Gold | Registered Investment Company | | 4,140 |
| Eventide Gilead Cl N | Registered Investment Company | | 883 |
| Fairholme Fund | Registered Investment Company | | 16,879 |
| Fam Value Fund Inv | Registered Investment Company | | 137,041 |
| Fidelity Adv Biotech Fd Cl I | Registered Investment Company | | 26,540 |
| Fidelity Adv Diversified Intl Cl A | Registered Investment Company | | 18,710 |
| Fidelity Adv New Insights Fd Cl I | Registered Investment Company | | 34,485 |
| Fidelity Advr New Insights Cl A | Registered Investment Company | | 38,674 |
| Fidelity Cap Apprec Fund | Registered Investment Company | | 32,425 |
| Fidelity Cap Tr Focused Stk Fd | Registered Investment Company | | 2,478 |
| Fidelity Capital & Income Fund | Registered Investment Company | | 56,033 |
| Fidelity Contra Fund | Registered Investment Company | | 191,359 |
| Fidelity Discovery Growth Fund | Registered Investment Company | | 2,775 |
| Fidelity Diversified Intl Fund | Registered Investment Company | | 71,599 |

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|------------------------------|-------------------------------|--------|
| Fidelity Dividend Growth | Registered Investment Company | 36,520 |
| Fidelity Emerging Markets Fd | Registered Investment Company | 44,515 |
| Fidelity Equity Income Fd | Registered Investment Company | 18,464 |
| Fidelity Freedom 2025 Fund | Registered Investment Company | 8,655 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|----------------------------------|----------------------------|----------------------|
| Fidelity Growth Strategies Fund | Registered Investment Company | | 3,571 |
| Fidelity High Income Fund | Registered Investment Company | | 60,916 |
| Fidelity International Discovery Fd | Registered Investment Company | | 68,246 |
| Fidelity Large Cap Stock Fd | Registered Investment Company | | 4,877 |
| Fidelity Latin Amer Fund | Registered Investment Company | | 4,784 |
| Fidelity Leveraged Company Stock Fd | Registered Investment Company | | 4,027 |
| Fidelity Low Priced Stock | Registered Investment Company | | 172,499 |
| Fidelity Msci Etf | Registered Investment Company | | 1,777 |
| Fidelity New Mkts Income Fd | Registered Investment Company | | 51,361 |
| Fidelity Otc Portfolio | Registered Investment Company | | 12,041 |
| Fidelity Overseas Fund | Registered Investment Company | | 15,067 |
| Fidelity Select Energy Services | Registered Investment Company | | 5,362 |
| Fidelity Select Health Care | Registered Investment Company | | 24,130 |
| Fidelity Select Portfolios | Registered Investment Company | | 3,208 |
| Fidelity Slct Biotech | Registered Investment Company | | 63,061 |
| Fidelity Slct Energy | Registered Investment Company | | 15,234 |
| Fidelity Slct Health Care Svcs Port | Registered Investment Company | | 83,597 |
| Fidelity Slct It Service Port | Registered Investment Company | | 3,654 |
| Fidelity Slct Technology | Registered Investment Company | | 4,535 |
| Fidelity Strategic Income Fund | Registered Investment Company | | 17,489 |
| Fidelity Value Fund | Registered Investment Company | | 2,812 |
| Financial Select Sector Spdr Etf | Registered Investment Company | | 4,766 |
| First Trust Dow Jones Internet Etf | Registered Investment Company | | 26,114 |
| First Trust Nyse Arca Biotech Etf | Registered Investment Company | | 5,092 |
| Fmi Intl Fd | Registered Investment Company | | 33,704 |
| Forward Emerging Markets Inst Cl | Registered Investment Company | | 594 |
| Forward Intl Dividend Fd Inv Cl | Registered Investment Company | | 3,705 |
| Fpa Crescent Fd Inst Cl Shares | Registered Investment Company | | 116,486 |
| Franklin Mutual Fin Serv Fd A | Registered Investment Company | | 5,102 |
| Franklin Utilities Advisor Class | Registered Investment Company | | 10,429 |
| Franklin Value Invs Tr | Registered Investment Company | | 35,888 |
| Fund X Upgrader Fund | Registered Investment Company | | 23,336 |
| Gabelli Utils Fd | Registered Investment Company | | 7,630 |
| Gamco Growth Fund Cl Aaa | Registered Investment Company | | 12,382 |
| Glenmede Large Cap Gwth | Registered Investment Company | | 72,190 |
| Global X Lithium Etf | Registered Investment Company | | 3,013 |
| Global X Silver Miners | Registered Investment Company | | 12,531 |
| Global X Uranium Etf | Registered Investment Company | | 923 |
| Goldman Sachs Absolute Rtn Tracker I | Registered Investment Company | | 17,056 |
| Goldman Sachs Tr | Registered Investment Company | | 13,498 |
| Government Ppty Incm | Registered Investment Company | | 34,914 |
| Guggenheim S&P 500 Eq Weight Hc Etf | Registered Investment Company | | 3,074 |

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|--------------------------------------|-------------------------------|---------|
| Guggenhm S&P 500 Eq Wt Cons Stpl Etf | Registered Investment Company | 24,248 |
| Hancock Horizon Burkenroad Sm Cap D | Registered Investment Company | 110,364 |
| Hancock John Pfd Eqty Fd | Registered Investment Company | 64,064 |
| Harbor Bond Fund Inst | Registered Investment Company | 96,619 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------------------------|----------------------------------|----------------------------|----------------------|
| Harbor Capital Appr Fd Investor Cl | Registered Investment Company | | 7,563 |
| Harbor International Fd Investor Cl | Registered Investment Company | | 64,231 |
| Harbor International Fund Instl | Registered Investment Company | | 87,105 |
| Harding Loevner Emerging Markets | Registered Investment Company | | 15,198 |
| Hartford Healthcare Cl A | Registered Investment Company | | 5,235 |
| Hartford Small Cap Growth R5 | Registered Investment Company | | 237 |
| Heartland Value Fund Inv | Registered Investment Company | | 22,104 |
| Hennessy Cornerstone Mid Cap 30 Inv | Registered Investment Company | | 11,094 |
| Hennessy Focus Fd Inv Cl | Registered Investment Company | | 3,687 |
| Hennessy Gas Utility Index Fd Inv Cl | Registered Investment Company | | 17,226 |
| Hodges Fund Retail | Registered Investment Company | | 2,278 |
| Hugoton Royalty Tr Sbi | Registered Investment Company | | 315 |
| Hussman Strategic Div Value | Registered Investment Company | | 9,341 |
| Hussman Strategic Growth | Registered Investment Company | | 10,274 |
| Hussman Strategic Total Return Fd | Registered Investment Company | | 12,217 |
| Icon Healthcare Fd Cl S | Registered Investment Company | | 8,317 |
| Invesco Eqty And Incm C | Registered Investment Company | | 24,585 |
| Invesco European Growth Fd Investor | Registered Investment Company | | 1,116 |
| Invesco Mid Cap Core Equity A | Registered Investment Company | | 18,262 |
| Invesco Senior Incm Tr | Registered Investment Company | | 13,855 |
| Iq Hedge Multi-Strategy Tracker Etf | Registered Investment Company | | 11,384 |
| Ishares Cohen & Steers Reit | Registered Investment Company | | 48,826 |
| Ishares Core Msci Emerging Markets | Registered Investment Company | | 16,769 |
| Ishares Core S&P Mid-Cap | Registered Investment Company | | 18,112 |
| Ishares Core Us Aggregate Bond | Registered Investment Company | | 37,263 |
| Ishares Etf | Registered Investment Company | | 10,063 |
| Ishares Global Energy | Registered Investment Company | | 25,581 |
| Ishares Gold Trust | Registered Investment Company | | 15,826 |
| Ishares Iboxx \$ High Yield Corp Bd | Registered Investment Company | | 12,203 |
| Ishares Iboxx \$ Invst Grade Crp Bond | Registered Investment Company | | 56,435 |
| Ishares International Dev Rel Est | Registered Investment Company | | 1,444 |
| Ishares Mortgage Real Estate Capped | Registered Investment Company | | 7,361 |
| Ishares Msci Aus Idx Fdf | Registered Investment Company | | 114 |
| Ishares Msci Brazil Indx | Registered Investment Company | | 14,351 |
| Ishares Msci Eafe | Registered Investment Company | | 66,588 |
| Ishares Msci Emerging Markets | Registered Investment Company | | 32,617 |
| Ishares Msci Etf | Registered Investment Company | | 8,733 |
| Ishares Msci Etf | Registered Investment Company | | 17,577 |
| Ishares Msci Hong Kong | Registered Investment Company | | 6,739 |
| Ishares Msci Japan | Registered Investment Company | | 13,403 |
| Ishares Msci Singapore | Registered Investment Company | | 33,217 |
| Ishares Msci Usa Minimum Volatility | Registered Investment Company | | 42,334 |

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|---------------------------------|-------------------------------|--------|
| Ishares Nasdaq Biotechnology | Registered Investment Company | 6,767 |
| Ishares North Amer Natl Res Etf | Registered Investment Company | 2,814 |
| Ishares Russell 1000 Growth | Registered Investment Company | 76,600 |
| Ishares Russell 2000 Growth | Registered Investment Company | 2,786 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--------------------------------------|-------------------------------|---------------------|---------------|
| Ishares Russell 2000 Value | Registered Investment Company | | 5,618 |
| Ishares Russell 3000 | Registered Investment Company | | 17,608 |
| Ishares Russell Mid-Cap Growth | Registered Investment Company | | 2,298 |
| Ishares Russell Mid-Cap Value | Registered Investment Company | | 6,866 |
| Ishares S&P 500 Growth | Registered Investment Company | | 19,107 |
| Ishares S&P 500 Value | Registered Investment Company | | 17,706 |
| Ishares S&P Euro 350 | Registered Investment Company | | 10,605 |
| Ishares S&P Mid-Cap 400 Value | Registered Investment Company | | 58,630 |
| Ishares Silver Trust | Registered Investment Company | | 19,350 |
| Ishares Tips Bond | Registered Investment Company | | 33,343 |
| Ishares Tr Dj Us Finl Svc Index Fd | Registered Investment Company | | 26,994 |
| Ishares Trs&P Global Timber & For | Registered Investment Company | | 3,344 |
| Ishares Us Preferred Stock | Registered Investment Company | | 28,205 |
| Ivy Global Natural | Registered Investment Company | | 2,864 |
| Ivy Mid Cap Growth I | Registered Investment Company | | 10,117 |
| Ivy Small Cap Growth Cl Y | Registered Investment Company | | 18,240 |
| James Balanced Golden Rainbow Fund | Registered Investment Company | | 37,564 |
| Janus Balanced Fund Class T | Registered Investment Company | | 61,484 |
| Janus Contrarian Fund Class T | Registered Investment Company | | 22,701 |
| Janus Enterprise Fund Class T | Registered Investment Company | | 2,417 |
| Janus Global Life Sciences T | Registered Investment Company | | 114,710 |
| Janus Research Fund Class T | Registered Investment Company | | 2,529 |
| Janus Triton Fund Cl I | Registered Investment Company | | 28,020 |
| Janus Triton Fund Class T | Registered Investment Company | | 67,453 |
| Janus Venture Fund Class T | Registered Investment Company | | 2,424 |
| Jensen Quality Growth Fd Cl J | Registered Investment Company | | 99,192 |
| Jpmorgan Alerian Mlp Etn | Registered Investment Company | | 5,794 |
| Jpmorgan Equity Income Cl A | Registered Investment Company | | 57,625 |
| Laudus Mondrian Em Mkt | Registered Investment Company | | 14,531 |
| Lazard Global Listedinfraport Open | Registered Investment Company | | 2,799 |
| Lazard Intl Strategic | Registered Investment Company | | 20,338 |
| Lazard Us Equity Concentrated Port O | Registered Investment Company | | 38,434 |
| * Loomis Sayles Bond Fund Cl R | Registered Investment Company | | 76,538 |
| * Loomis Sayles Gbl Bd Fd Class R | Registered Investment Company | | 8,425 |
| Mainstay High Yield Opportunities I | Registered Investment Company | | 15,378 |
| Mainstay Total Return Bond A | Registered Investment Company | | 57,060 |
| Manning & Napier Equity Series | Registered Investment Company | | 67,083 |
| Manning & Napier Problend Maximum S | Registered Investment Company | | 1,250 |
| Market Vectors Etf Tr | Registered Investment Company | | 10,192 |
| Market Vectors Etf | Registered Investment Company | | 5,800 |
| Market Vectors New Etf | Registered Investment Company | | 3,842 |
| Market Vectors New Etf | Registered Investment Company | | 9,465 |

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|-------------------------------|-------------------------------|--------|
| Matthews Asia Dividend Fund | Registered Investment Company | 14,373 |
| Matthews China Investor | Registered Investment Company | 2,024 |
| Matthews India Inv Fund | Registered Investment Company | 14,278 |
| Matthews Pacific Tiger Fd Inv | Registered Investment Company | 547 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|-------------------------------|---------------------|---------------|
| Merger Fund | Registered Investment Company | | 64,079 |
| Meridian Growth Fund Legacy | Registered Investment Company | | 34,204 |
| Metropolitan West Total Return Bd M | Registered Investment Company | | 34,116 |
| Nb Socially Responsive Fd | Registered Investment Company | | 3,205 |
| Neuberger Berman Genesis Tr | Registered Investment Company | | 878 |
| Neuberger Berman Real Estate Fd Trst | Registered Investment Company | | 38,047 |
| New Ireland Fund Inc | Registered Investment Company | | 9,918 |
| Nicholas Fund, Class I | Registered Investment Company | | 52,660 |
| Northern Small Cap Core Fd | Registered Investment Company | | 15,787 |
| Nuveen Qual Pfd Inc Fd 2 | Registered Investment Company | | 141,205 |
| Oakmark Equity Income Fd I | Registered Investment Company | | 248,345 |
| Oakmark Fund I | Registered Investment Company | | 171,616 |
| Oakmark International Fund I | Registered Investment Company | | 161,094 |
| Oakmark Intl Small Cap Fd I | Registered Investment Company | | 4,542 |
| Oakmark Select Fd I | Registered Investment Company | | 27,958 |
| Oppenheimer Developing Mkts Cl A | Registered Investment Company | | 6,855 |
| Oppenheimer Developing Mkts Fd Cl R | Registered Investment Company | | 16,704 |
| Oppenheimer Developing Mkts Y | Registered Investment Company | | 5,768 |
| Oppenheimer Intl Small Mid Company A | Registered Investment Company | | 51,997 |
| Oppenheimer Steelpath Mlp Alpha A | Registered Investment Company | | 3,738 |
| Parnassus Core Eqty Fd Inv | Registered Investment Company | | 158,913 |
| Parnassus Endeavor Fd | Registered Investment Company | | 4,242 |
| Permian Basin Royalty Tr | Registered Investment Company | | 1,771 |
| * Pimco 0-5 Year High Yld Corp Bd Etf | Registered Investment Company | | 59,370 |
| * Pimco All Asset Fund Cl D | Registered Investment Company | | 9,971 |
| * Pimco All Asset Fund Instl | Registered Investment Company | | 115,367 |
| * Pimco Enhncd Shrt Maturity Active Etf | Registered Investment Company | | 1,009 |
| * Pimco Incm Fd Inst Cl | Registered Investment Company | | 74,510 |
| * Pimco Income D | Registered Investment Company | | 62,385 |
| * Pimco Real Return Fd Cl D | Registered Investment Company | | 66,047 |
| * Pimco Stocksplus Short A | Registered Investment Company | | 8,402 |
| * Pimco Total Return Fd Cl D | Registered Investment Company | | 13,602 |
| * Pimco Total Return Fund Cl A | Registered Investment Company | | 38,108 |
| * Pimco Total Return Fund Instl Class | Registered Investment Company | | 62,831 |
| Polen Growth Fd Retailcl Shrs | Registered Investment Company | | 6,348 |
| Powershares Exch Trad Fd Tr | Registered Investment Company | | 6,168 |
| Powershares Exch Trad Fd Tr | Registered Investment Company | | 2,313 |
| Powershares Ftse Rafi Us 1000 Etf | Registered Investment Company | | 60,868 |
| Powershares Intl Div Achiev Etf | Registered Investment Company | | 16,690 |
| Powershares Qqq Etf | Registered Investment Company | | 120,132 |
| Primecap Odyssey Aggr Growth Fd | Registered Investment Company | | 63,870 |
| Principal Large Cap Growth I R4 | Registered Investment Company | | 132 |

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|-------------------------------|-------------------------------|---------|
| Principal Midcap Cl P | Registered Investment Company | 5,743 |
| Profunds Biotechnology Svc Cl | Registered Investment Company | 12,650 |
| Proshares Ultra S&P 500 | Registered Investment Company | 65,016 |
| Proshares Ultra Qqq | Registered Investment Company | 126,482 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|-------------------------------|---------------------|---------------|
| Proshs Tr Ultrapro E | Registered Investment Company | | 66,253 |
| Proshs Ultra Finl Ne | Registered Investment Company | | 61,010 |
| Proshs Ultrapro New Etf | Registered Investment Company | | 48,900 |
| Proshs Ultrasht Etf New | Registered Investment Company | | 92 |
| * Prudential Jennison Nat Rescl R | Registered Investment Company | | 3,711 |
| * Prudential Qma Defensive Eqty Fd C | Registered Investment Company | | 18,081 |
| Putnam High Income Secs Fd | Registered Investment Company | | 18,275 |
| Resource Cap Corp | Registered Investment Company | | 100,682 |
| Rivernorth Dblne Strat Incm Fd R | Registered Investment Company | | 161,558 |
| Royce Low Priced Stock Fd | Registered Investment Company | | 70,903 |
| Royce Pennsylvania Mutual Fd Invesmt | Registered Investment Company | | 197,959 |
| Royce Premier Fd Investment Cl | Registered Investment Company | | 4,140 |
| Royce Special Equity Fd Inv Cl | Registered Investment Company | | 18,313 |
| Royce Total Return Fd Inv | Registered Investment Company | | 30,165 |
| Rs Global Natural Resources Fd Cl Y | Registered Investment Company | | 4,278 |
| Rs Global Natural Resources K | Registered Investment Company | | 1,957 |
| Rydex Biotechnology Fd Inv Class | Registered Investment Company | | 9,073 |
| Rydex Consumer Products Inv Class | Registered Investment Company | | 8,358 |
| Rydex Govt Long Bd Advantage Inv Cl | Registered Investment Company | | 52,611 |
| Rydex Health Care Fundinv Cl | Registered Investment Company | | 5,139 |
| Rydex Retailing Fund Inv Cl | Registered Investment Company | | 4,782 |
| Rydex Utilities Fd Investor Cl | Registered Investment Company | | 18,730 |
| San Juan Basin Royal | Registered Investment Company | | 737 |
| * Schwab | Registered Investment Company | | 28,908 |
| * Schwab 1000 Index Fund | Registered Investment Company | | 27,329 |
| * Schwab Core Equity Fund | Registered Investment Company | | 11,040 |
| * Schwab Fundamntl Emerg Mkt Lg Co Etf | Registered Investment Company | | 1,868 |
| * Schwab Fundmntl Glbl Real Estt Idx | Registered Investment Company | | 29,958 |
| * Schwab International Equity Etf | Registered Investment Company | | 21,938 |
| * Schwab Intl Index Fd | Registered Investment Company | | 19,107 |
| * Schwab Total Stk Mkt Index | Registered Investment Company | | 39,229 |
| * Schwab Us Dividend Equity Etf | Registered Investment Company | | 23,164 |
| * Schwab Us Large-Cap Etf | Registered Investment Company | | 22,245 |
| * Schwab Us Large-Cap Growth Etf | Registered Investment Company | | 158,302 |
| * Schwab Us Mid-Cap Etf | Registered Investment Company | | 58,823 |
| * Schwab Us Reit Etf | Registered Investment Company | | 2,141 |
| * Schwab Us Small-Cap Etf | Registered Investment Company | | 51,043 |
| * Schwab Us Tips Etf | Registered Investment Company | | 58,549 |
| Selected Intl Fd Cl D | Registered Investment Company | | 4,643 |
| Selected Intl Fd Cl S | Registered Investment Company | | 4,662 |
| Shelton Green Alpha | Registered Investment Company | | 1,048 |
| Spdr Dj Wilshire Large Cap Growth | Registered Investment Company | | 10,017 |

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|---------------------------------|-------------------------------|---------|
| Spdr Dow Jones Reit Etf | Registered Investment Company | 56,274 |
| Spdr Gold Shares | Registered Investment Company | 178,570 |
| Spdr Msci Acwi Ex-US Etf | Registered Investment Company | 6,029 |
| Spdr S&P 400 Mid Cap Growth Etf | Registered Investment Company | 24,263 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|-------------------------------|---------------------|---------------|
| Spdr S&P 400 Mid Cap Value Etf | Registered Investment Company | | 21,356 |
| Spdr S&P 500 Etf | Registered Investment Company | | 201,053 |
| Spdr S&P 600 Small Cap Growth Etf | Registered Investment Company | | 23,633 |
| Spdr S&P 600 Small Cap Value Etf | Registered Investment Company | | 21,732 |
| Spdr S&P China Etf | Registered Investment Company | | 11,250 |
| Spdr S&P Emerging Europe Etf | Registered Investment Company | | 2,720 |
| Spdr S&P Emerging Mkts Small Cap Etf | Registered Investment Company | | 45,063 |
| Spdr S&P Intl Hlth Care | Registered Investment Company | | 2,543 |
| Spdr S&P Oil 7 Gas Expl | Registered Investment Company | | 3,075 |
| Sprott Phys Gld Tr E | Registered Investment Company | | 12,222 |
| * SSGA Emerging Markets Fund Instl | Registered Investment Company | | 14,531 |
| * SSGA Intl Stock Selection Fund Instl | Registered Investment Company | | 8,558 |
| T Rowe Price Capital Appreciation Fd | Registered Investment Company | | 753,013 |
| T Rowe Price Corporate Income Fund | Registered Investment Company | | 129,353 |
| T Rowe Price Emerging Mkts Bd Fd | Registered Investment Company | | 31,545 |
| T Rowe Price Emrg Europe Fd | Registered Investment Company | | 1,553 |
| T Rowe Price Emrg Mkts Local Curncy | Registered Investment Company | | 28,107 |
| T Rowe Price Growth Stk Adv | Registered Investment Company | | 5,321 |
| T Rowe Price Health Sciences Fd | Registered Investment Company | | 78,765 |
| T Rowe Price International Bond Fund | Registered Investment Company | | 7,856 |
| T Rowe Price Intl Discovery Fund | Registered Investment Company | | 107,337 |
| T Rowe Price Latin America Fund | Registered Investment Company | | 5,664 |
| T Rowe Price Media & Telecom Fund | Registered Investment Company | | 5,638 |
| T Rowe Price Mid Cap Value | Registered Investment Company | | 30,521 |
| T Rowe Price Mid-Cap Growth Fund | Registered Investment Company | | 25,766 |
| T Rowe Price New Horizons Fund | Registered Investment Company | | 60,514 |
| T Rowe Price Retirement 2015 Adv | Registered Investment Company | | 28,693 |
| T Rowe Price Retirement 2025 Adv | Registered Investment Company | | 31,435 |
| T Rowe Price Retirement 2040 Fd | Registered Investment Company | | 6,958 |
| T Rowe Retirement 2040 Fd Advisor CI | Registered Investment Company | | 6,938 |
| Tcw Emerging Markets Inc Fund CI I | Registered Investment Company | | 7,607 |
| Tcw Select Equities Fd CI N | Registered Investment Company | | 6,410 |
| Tcw Total Return Bond Fd CI I | Registered Investment Company | | 64,178 |
| Tcw Total Return Bond Fd CI N | Registered Investment Company | | 80,607 |
| Technology Select Sector Spdr Etf | Registered Investment Company | | 6,783 |
| Tekia Healthcare Inv | Registered Investment Company | | 19,476 |
| Templeton Emrg Mkts Small Cap Fd A | Registered Investment Company | | 6,252 |
| Templeton Global Bd | Registered Investment Company | | 46,018 |
| Templeton Global Bond Fd Advisor CI | Registered Investment Company | | 6,416 |
| Templeton Global Bond Fund CI A | Registered Investment Company | | 4,056 |
| Templeton Global Bond Fund | Registered Investment Company | | 27,314 |
| Templeton Global Income Fd Inc | Registered Investment Company | | 7,302 |

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|--------------------------------------|-------------------------------|--------|
| Teton Westwood Equity Fund Cl Aaa | Registered Investment Company | 1,553 |
| Third Avenue Value Fund Instl | Registered Investment Company | 4,862 |
| Thompson Largecap Fund | Registered Investment Company | 175 |
| Touchstone Sands Capital Instl Growt | Registered Investment Company | 16,293 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|-------------------------------|---------------------|---------------|
| Turkish Invt Fd Inc | Registered Investment Company | | 13,506 |
| Turner Medical Scienceslg Sh Inv Cl | Registered Investment Company | | 11,942 |
| Tweedy Browne Global Value Fd | Registered Investment Company | | 2,146 |
| Ubs Ag Jersey Brh Et | Registered Investment Company | | 2,028 |
| Ubs E-Tracs Shs Etn F | Registered Investment Company | | 1,598 |
| Undiscovered Mgrsbehavioral Value C | Registered Investment Company | | 16,787 |
| United States Gasoline | Registered Investment Company | | 2,926 |
| United States Natural Gas | Registered Investment Company | | 2,168 |
| Us Global Inv Global Resources Fd | Registered Investment Company | | 843 |
| Us Global Inv World Precious Minrls | Registered Investment Company | | 182 |
| Us Global Investors Emerg Europe Fd | Registered Investment Company | | 1,334 |
| Utilities Select Sector Spdr Etf | Registered Investment Company | | 75,714 |
| Value Line Sm Cap Opportunities Fd | Registered Investment Company | | 28,757 |
| * Vanguard 500 Index Fd Admiral Shrs | Registered Investment Company | | 9,800 |
| * Vanguard 500 Index Fd Investor Shs | Registered Investment Company | | 139,557 |
| * Vanguard Balanced Index Fund Inv | Registered Investment Company | | 9,513 |
| * Vanguard Dividend Appreciation Etf | Registered Investment Company | | 56,682 |
| * Vanguard Dividend Growth Fund Inv | Registered Investment Company | | 8,170 |
| * Vanguard Emerging Mkts Stock Index | Registered Investment Company | | 91,643 |
| * Vanguard Energy Fund Inv | Registered Investment Company | | 151,439 |
| * Vanguard Equity Inc Fd Admiral Shs | Registered Investment Company | | 14,345 |
| * Vanguard European Stock Index Fd Inv | Registered Investment Company | | 5,630 |
| * Vanguard Ftse All-World Ex-US Etf | Registered Investment Company | | 35,765 |
| * Vanguard Ftse All-Wrld Exus Smcp Etf | Registered Investment Company | | 4,000 |
| * Vanguard Ftse Emerging Markets Etf | Registered Investment Company | | 77,850 |
| * Vanguard Ftse Europe Etf | Registered Investment Company | | 15,755 |
| * Vanguard Gnma Fund Investor Shs | Registered Investment Company | | 5 |
| * Vanguard Growth Etf | Registered Investment Company | | 10,958 |
| * Vanguard Growth Index Fd Inv Sh | Registered Investment Company | | 12,168 |
| * Vanguard Health Care Fund Inv | Registered Investment Company | | 89,106 |
| * Vanguard High Dividend Yield Etf | Registered Investment Company | | 78,129 |
| * Vanguard High-Yield Corporate Fd Inv | Registered Investment Company | | 54,344 |
| * Vanguard Inflation Protected Sec Fd | Registered Investment Company | | 24,922 |
| * Vanguard Information Technology Etf | Registered Investment Company | | 4,332 |
| * Vanguard Inter Term Bond Index Fd I | Registered Investment Company | | 83,779 |
| * Vanguard Inter Term Tax Exmpt Fd Inv | Registered Investment Company | | 1,532 |
| * Vanguard Interm Term Inv Grd Fund | Registered Investment Company | | 30,975 |
| * Vanguard Interm Term Trsy Fd Adm Cl | Registered Investment Company | | 28,719 |
| * Vanguard Intermediate-Term Bond Etf | Registered Investment Company | | 12,833 |
| * Vanguard Interm-Term Inv Grd Adm Shs | Registered Investment Company | | 50,720 |
| * Vanguard Long Term Trsy Admiral Sh | Registered Investment Company | | 72,905 |
| * Vanguard Mid Cap Index Fd Inv | Registered Investment Company | | 118,263 |

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| | | |
|------------------------------------|-------------------------------|---------|
| * Vanguard Mid-Cap Value Etf | Registered Investment Company | 8,102 |
| * Vanguard Mid-Cap Value Index Inv | Registered Investment Company | 10,510 |
| * Vanguard Reit Etf | Registered Investment Company | 16,984 |
| * Vanguard Reit Index Fund Inv | Registered Investment Company | 114,365 |

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, 2015**

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|-------------------------------|---------------------|---------------|
| * Vanguard Scottsdale | Registered Investment Company | | 29,950 |
| * Vanguard Short Term Bond Index Inv | Registered Investment Company | | 105,054 |
| * Vanguard Short-Term Bond Etf | Registered Investment Company | | 15,268 |
| * Vanguard Short-Term Corp Bond Etf | Registered Investment Company | | 35,261 |
| * Vanguard Shrt-Trm Infl-Prot Secs Etf | Registered Investment Company | | 45,933 |
| * Vanguard Small Cap Growth Index Fd | Registered Investment Company | | 64,448 |
| * Vanguard Small-Cap Etf | Registered Investment Company | | 33,334 |
| * Vanguard Small-Cap Index Fund | Registered Investment Company | | 205,187 |
| * Vanguard Small-Cap Value Etf | Registered Investment Company | | 12,301 |
| * Vanguard Strategic Equity Fund Inv | Registered Investment Company | | 6,106 |
| * Vanguard Target Retirement 2040 Fd I | Registered Investment Company | | 6,689 |
| * Vanguard Total Bond Market Etf | Registered Investment Company | | 21,196 |
| * Vanguard Total Internatl Stock Etf | Registered Investment Company | | 44,585 |
| * Vanguard Total Intl Stk Index Fd Inv | Registered Investment Company | | 6,542 |
| * Vanguard Total Stock Market Etf | Registered Investment Company | | 190,667 |
| * Vanguard Total Stock Mkt Indx Fd I | Registered Investment Company | | 102,036 |
| * Vanguard Total Stock Mkt Indx Fd Adm | Registered Investment Company | | 39,144 |
| * Vanguard Utilities Etf | Registered Investment Company | | 20,383 |
| * Vanguard Value Etf | Registered Investment Company | | 6,435 |
| * Vanguard Value Index Fund | Registered Investment Company | | 18,259 |
| * Vanguard Wellington Fund Inv | Registered Investment Company | | 21,323 |
| * Vanguard Windsor Ii Portfolio Inv | Registered Investment Company | | 64,382 |
| Velocityshares 3X Lng | Registered Investment Company | | 5,925 |
| Vereit Inc | Registered Investment Company | | 8,728 |
| Voc Energy | Registered Investment Company | | 1,336 |
| * Voya Prime Rate Cf | Registered Investment Company | | 8,064 |
| Wasatch Hoisington Us Treas Fd Inv | Registered Investment Company | | 14,182 |
| Wasatch Micro Cap Value Fund Inv | Registered Investment Company | | 4,002 |
| Wells Fargo Adv Premier Lg Co Gr Adm | Registered Investment Company | | 52,137 |
| Wells Fargo Global Divid | Registered Investment Company | | 1,708 |
| Wells Fargo Premier Lrg Co Gr A | Registered Investment Company | | 75,683 |
| Wells Fargo Special Sm Cap Value A | Registered Investment Company | | 15,764 |
| Wisdomtree Emerg Markets Eq Inc Etf | Registered Investment Company | | 3,164 |
| Wisdomtree Etf | Registered Investment Company | | 9,241 |
| Wisdomtree Eur SmCap Div | Registered Investment Company | | 280 |
| Wisdomtree India Earnings Etf | Registered Investment Company | | 3,977 |
| Wisdomtree Total Dividend Etf | Registered Investment Company | | 3,583 |
| Wisdomtree Us Small | Registered Investment Company | | 2,717 |
| Registered Investment Companies | | | 15,979,495 |

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|---|--|----------------------|
| * Notes Receivables from Participants | Interest rates range from 4.25% to 10.5% | 37,329,660 |
| Collateral Held on Loaned Securities | | |
| *SSgA Quality D Short-term Investment Fund | | 12,327,674 |
| Total Investments | | 2,148,718,187 |

* 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 28, 2016

By: /s/ James K. Saccaro
James K. Saccaro
Member of the Administrative Committee