

BAXTER INTERNATIONAL INC

Form 11-K

June 26, 2014

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### Form 11-K

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

For the year ended December 31, 2013

OR

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

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

Commission file number 1-4448

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

**Incentive Investment Plan**

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

**One Baxter Parkway**

**Deerfield, IL 60015**

**(224) 948-2000**

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**Baxter International Inc.**

**and Subsidiaries**

**Incentive Investment Plan**

**Financial Statements and Supplemental Schedule**

**December 31, 2013 and 2012**

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**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrative Committee of

the Baxter International Inc. and Subsidiaries Incentive Investment Plan

Deerfield, Illinois

We have audited the accompanying statements of net assets available for benefits of the Baxter International Inc. and Subsidiaries Incentive Investment Plan ( the Plan ) as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

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

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 25, 2014

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

December 31, 2013 and 2012 (in thousands)

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

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

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

For the Years Ended December 31, 2013 and 2012 (in thousands)

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

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

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

### **Incentive Investment Plan**

### **Notes to Financial Statements**

### **December 31, 2013 and 2012**

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

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

The Plan is a defined contribution plan the predecessor of which originally became effective on January 1, 1960. The Plan was created for the purpose of providing retirement benefits to United States employees of Baxter International Inc. (the Sponsor or the Company) and its subsidiaries, and to encourage and assist employees in adopting a regular savings program by means of payroll deductions through a plan that qualifies under the United States Internal Revenue Code. Plan participants may authorize the Company to make payroll deductions under the Plan ranging from 1% to 50% of their pre-tax monthly compensation limited to a maximum of \$17,500 and \$17,000 a year in 2013 and 2012, respectively. Participants who have attained the age of 50 by the end of the year may contribute up to an additional \$5,500 per year in catch-up contributions. Newly hired employees are deemed to have elected to contribute 3% of compensation (increased by 1% per year to a total of 6%) unless they make a contrary election. The Company matches a participant's savings contributions on a dollar for dollar basis up to 3.0% of the participant's compensation, and matches any contributions between 3% and 4% of compensation at the rate of 50 cents for each dollar of a participant's pre-tax contribution, so that the maximum matching contribution for participants who contribute at least 4% of their compensation is 3.5% of compensation. The Company also contributes an additional non-matching 3% of compensation for employees that are not eligible to participate in the Company's U.S. qualified defined benefit pension plan, which includes all new employees hired on or after January 1, 2007, and employees who had less than five years of service on January 1, 2007 and who elected to cease earning additional service in the pension plan and participate in the higher level of Company contributions in the Plan.

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

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

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

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





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

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

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

**Valuation of Investments and Collateral**

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

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

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Commingled funds

Value based on net asset values reported by the fund managers as of the Plan's financial statement dates and recent transaction prices. The investment objectives of certain funds are to track the performances of the S&P 500, Europe, Australasia and the Far East (EAFE), or Russell 2000 indexes. In addition, these funds include

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	target date retirement funds, whose objective is to provide investors, who have a specific date in mind for retirement with a portfolio of investments. The underlying investments for all funds vary, with some holding diversified portfolios of domestic stocks, government agency and corporate bonds, and others holding collective investment funds. Each fund provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement.
Registered investment companies	Value based upon the closing price from a national security exchange on the valuation date.
Synthetic guaranteed investment contracts	Value based on the fair value of the underlying securities in the contract on the valuation date plus the fair value of the wrapper contracts, which is calculated using a replacement cost approach. The underlying securities are valued based upon the methodologies described above. In addition, this investment in 2013 includes an individual separate account with Metropolitan Life Insurance Company (MetLife). The value of this separate account is based upon the unit value provided by MetLife as of the Plan's financial statement date plus the fair value of the wrapper contracts, which is calculated using a replacement cost approach. The underlying securities primarily of the account, managed by a sub-advisor of the insurance company, consist of fixed income securities. See below for more information.
Collateral held on loaned securities	Value based upon the net asset value per unit of the short-term investment funds where the collateral is invested. Refer to Note 7 for more information on the securities lending program.
Collateral to be paid on loaned securities	Value based on the fair value of the underlying securities loaned on the valuation date, plus an incremental margin.

**Income Recognition**

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

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

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#### Synthetic Guaranteed Investment Contracts

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

The fair value of the synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contracts. The fair value of the wrapper contracts is computed using a replacement cost approach that incorporates a comparison of the current fee rate on similar wrapper contracts to the fee being paid by the Plan. Using this approach, the fair values of the wrapper contracts were a loss of \$129 thousand and a loss of \$991 thousand at December 31, 2013 and 2012, respectively.

While Plan investments are presented at fair value in the Statements of Net Assets Available for Benefits, any material difference between the fair value of the Plan's direct and indirect interests in fully benefit-responsive investment contracts and their contract value is presented as an adjustment line in the Statements of Net Assets Available for Benefits, because contract value is the relevant measurement attribute for that portion of the Plan's net assets available for benefits. Contract value represents contributions, plus earnings, less participant withdrawals and administrative expenses. The wrapper contracts used by the Plan are fully benefit-responsive because the wrapper contract issuers are contractually obligated to make up any shortfall in the event that the underlying asset portfolio has been liquidated and is inadequate to cover participant withdrawals and transfers at contract value. There are currently no reserves against contract values for credit risk of the contract issuers or any other risk. The contract value for the synthetic GICs was \$696.9 million and \$708.6 million at December 31, 2013 and 2012, respectively.

The crediting interest rate, which is reset quarterly, can never fall below zero. The crediting rate formula smoothes the impact of interest rate changes on participant returns by amortizing any difference between market value and book value over a period of years equal to the duration of the portfolio benchmark. The average yield on the synthetic GICs was approximately 2.0% and 2.2% at December 31, 2013 and 2012, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 2.7% and 3.4% for the years ended December 31, 2013 and 2012. The credit ratings for Transamerica were AA- at both December 31, 2013 and 2012, the credit ratings for Bank of America N.A. were A at both December 31, 2013 and 2012, and the credit rating for MetLife was AA- at December 31, 2013.

Events that lead to market value withdrawals that exceed 20 percent of the contract value would limit the ability of the Plan to transact at contract value with participants. These events include restructurings, early retirement plans, divestitures, bankruptcies, or legal, tax or regulatory changes. The Plan sponsor believes that the occurrence of any such event is remote.

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

#### Notes Receivables from Participants

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



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#### Payment of Benefits and Fees

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

#### Use of Estimates

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

#### Other

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

#### Risks and Uncertainties

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

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

### **3. Eligibility Requirements**

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

- A. U.S. employees of Baxter or its subsidiaries which have adopted the Plan;

B. U.S. employees not covered by a collective bargaining agreement unless the agreement provides for coverage under the Plan; and

C. U.S. employees who are not leased employees.

**4. Administration of the Plan**

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



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

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

**5. Fair Value Measurements**

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

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

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

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

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

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

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Cash and cash equivalents	16,087		16,087	
Wrapper contracts	(129)			(129)
Total synthetic guaranteed investment contracts	733,857		733,986	(129)
Collateral held on loaned securities	14,078		14,078	
Total assets	\$ 2,339,461	\$ 508,837	\$ 1,830,753	\$ (129)
<b>Liability</b>				
Collateral to be paid on loaned securities	\$ 14,078	\$ 1,957	\$ 12,121	\$

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

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

**Liability**

Collateral to be paid on loaned securities	\$ 18,842	\$ 2,859	\$ 15,983	\$
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Transfers between hierarchy measurement levels are recognized by the Plan as of the beginning of the reporting period. In 2013, due to a change in the structure of the investment, the target date retirement funds are now classified as commingled funds. In 2012 they were classified as registered investment companies. The fair value of commingled funds is valued based upon the net asset value of the underlying securities and is classified as Level 2.

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

(in thousands)	Wrapper Contracts
<b>Balance at December 31, 2011</b>	\$ (343)
Unrealized losses (relating to assets held at end of year)	(648)
<b>Balance at December 31, 2012</b>	(991)
Additions	65
Unrealized gains (relating to assets held at end of year)	797
<b>Balance at December 31, 2013</b>	\$ (129)

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

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

**6. Investments**

Investments representing five percent or more of the Plan's net assets available for benefits at December 31, 2013 and 2012 are summarized as follows:

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

\* Does not meet 5% threshold

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

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

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

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



**7. Securities Lending Transactions**

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

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

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

As of December 31, 2013 and 2012, the Plan had securities on loan with a fair value of \$13.8 million and \$18.5 million, respectively, with cash collateral received of \$14.1 million and \$18.8 million, respectively, which was invested in the State Street Quality D Short-Term Investment Fund. Investments underlying this fund primarily consisted of cash and cash equivalents and asset-backed securities as of both December 31, 2013 and 2012, and the net asset value of this fund was approximately \$1.00 per unit. As of December 31, 2013 and 2012 the cash collateral received is reflected at its fair value of \$14.1 million and \$18.8 million in the 2013 and 2012 Statements of Net Assets Available for Benefits, respectively.

Non-cash collateral of \$1.7 million received for securities on loan at December 31, 2013, consisted of U.S. government and government agency issues, equity securities, and corporate and other obligations held by the Trustee on behalf of the Plan. Non-cash collateral is not included with the collateral balance on the 2013 Statement of Net Assets Available for Benefits because it may not be sold or repledged. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Plan and the Trustee in its capacity as a security agent. The Plan did not receive any non-cash collateral for securities on loan at December 31, 2012. Securities lending income allocated to the Plan amounted to \$32 thousand and \$45 thousand for 2013 and 2012, respectively. Securities lending income is classified as interest income in the Statements of Changes in Net Assets Available for Benefits.

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

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

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

The Internal Revenue Service (IRS) has determined and informed the Plan sponsor by a letter dated September 16, 2013 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (the IRC). The Plan has been amended since the date of the determination letter. The Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements. U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013 and 2012, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

**10. Related Parties**

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

At December 31, 2013 and 2012, the Plan held units of participation in certain shares of common stock of State Street Corporation, commingled funds and short-term investment funds of State Street Bank and Trust

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Company, and units of registered investment companies of SSgA, the Plan trustee; shares of common stock and bonds of Baxter, the Plan sponsor; loans with participants; units of registered investment companies managed by Pacific Investment Management Company, an investment manager for the Plan; shares of common stock and units of registered investment companies managed by AllianceBernstein, an investment manager for the Plan; units of registered investment companies managed by Loomis Sayles, an investment manager for the Plan; shares of common stock, bonds, and interest rate wrapper contracts of Bank of America, issuer of the Plan's fully benefit-responsive contracts; interest rate wrapper contracts of Transamerica, issuer of the Plan's fully benefit-responsive contracts; shares of common stock, bonds, an individual separate account and interest rate wrapper contracts of MetLife, issuer of the Plan's fully benefit-responsive contracts; units of commingled funds managed by Northern Trust Corporation, an investment manager for the Plan; and units of registered investment companies in various affiliates of ING Institutional Plan Services, LLC, the recordkeeper. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

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

**11. Plan Merger**

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

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

**12. Subsequent Event**

On March 27, 2014, Baxter announced plans to create two separate, independent global healthcare companies – one focused on developing and marketing innovative biopharmaceuticals and the other on life-saving medical products. The transaction is intended to take the form of a tax-free distribution to Baxter shareholders of publicly traded stock in the new biopharmaceuticals company. The transaction is expected to be completed by mid-year 2015, subject to market, regulatory and certain other conditions, including final approval by the Baxter Board of Directors, receipt of a favorable opinion and/or rulings with respect to the tax-free nature of the transaction, and the effectiveness of a Form 10 registration statement that will be filed with the SEC. Any impact on the Plan as of the issuance date is unknown to the Plan Management.

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**SUPPLEMENTAL SCHEDULE**

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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



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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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



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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

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



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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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



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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

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

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

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

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

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

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



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

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

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

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

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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



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

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

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



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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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

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

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

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

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



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

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

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

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

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

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Wyndham Worldwide Corp	2.5% 01 Mar 2018		494,569
Xerox Corporation	5.625% 15 Dec 2019		450,659
XLIT Ltd	2.3% 15 Dec 2018		406,179
XLIT Ltd	5.25% 15 Sep 2014		335,979
			232,410,943

**Separate Investment Contract**

* Metropolitan Life Insurance Company	Separate Account		172,671,885
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**Benefit Responsive Interest Rate Wrapper Contracts**

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

**Commingled Investments:**

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

Commingled Investments

\$ 977,799,009

**Registered Investment Companies:**

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2013**

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



**Collateral Held on Loaned Securities**

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

**Total Investments \$ 2,386,515,469**

\* Party-in-interest

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

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

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SIGNATURE

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

BAXTER INTERNATIONAL INC. AND SUBSIDIARIES  
INCENTIVE INVESTMENT PLAN

Date: June 25, 2014

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