

BAXTER INTERNATIONAL INC

Form 11-K

June 28, 2016

Table of Contents

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### Form 11-K

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

For the year ended December 31, 2015

OR

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

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

Commission file number 1-4448

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

**Incentive Investment Plan**

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

**One Baxter Parkway**

**Deerfield, IL 60015**

**(224) 948-2000**

**Table of Contents**

**Baxter International Inc. and Subsidiaries**

**Incentive Investment Plan**

**Index**

**December 31, 2015 and 2014**

	<b>Page(s)</b>
<b><u>Report of Independent Registered Public Accounting Firm</u></b>	1
<b>Financial Statements</b>	
<u>Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014</u>	2
<u>Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2015 and 2014</u>	3
<u>Notes to Financial Statements</u>	4-15
<b>Supplemental Information</b>	
<u>Schedule H, Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2015</u>	16-66

**Table of Contents**

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrative Committee of

the Baxter International Inc. and Subsidiaries Incentive Investment Plan

Deerfield, Illinois

We have audited the accompanying statements of net assets available for benefits of the Baxter International Inc. and Subsidiaries Incentive Investment Plan (the Plan) as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2015 has been subjected to audit procedures performed in conjunction with the audit of the Baxter International Inc. and Subsidiaries Incentive Investment Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the information presented in the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 28, 2016

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

December 31, 2015 and 2014 (in thousands)

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

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

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

## **Table of Contents**

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

### **Incentive Investment Plan**

### **Notes to Financial Statements**

### **December 31, 2015 and 2014**

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

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

The Plan is a defined contribution plan the predecessor of which originally became effective on January 1, 1960. The Plan was created for the purpose of providing retirement benefits to United States employees of Baxter International Inc. (the Sponsor or the Company) and its subsidiaries, and to encourage and assist employees in adopting a regular savings program by means of payroll deductions through a plan that qualifies under the United States Internal Revenue Code. Plan participants may authorize the Company to make payroll deductions under the Plan ranging from 1% to 50% of their pre-tax monthly compensation limited to a maximum of \$18,000 and \$17,500 a year in 2015 and 2014, respectively. Participants who have attained the age of 50 by the end of the year may contribute up to an additional \$6,000 and \$5,500 per year in catch-up contributions in 2015 and 2014, respectively. Newly hired employees are deemed to have elected to contribute 3% of compensation (increased by 1% per year to a total of 6%) unless they make a contrary election. The Company matches a participant's savings contributions on a dollar for dollar basis up to 3.0% of the participant's compensation, and matches any contributions between 3% and 4% of compensation at the rate of 50 cents for each dollar of a participant's pre-tax contribution, so that the maximum matching contribution for participants who contribute at least 4% of their compensation is 3.5% of compensation. The Company also contributes an additional non-matching 3% of compensation for employees that are not eligible to participate in the Company's U.S. qualified defined benefit pension plan, which includes all new employees hired on or after January 1, 2007, and employees who had less than five years of service on January 1, 2007 and who elected to cease earning additional service in the pension plan and participate in the higher level of Company contributions in the Plan.

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

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

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

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





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

Upon enrollment in the Plan, a participant may direct contributions into any of 17 investment options: Stable Income Fund, Baxter Common Stock Fund, State Street S&P 500 Index Non-Lending Series Fund, State Street International Index Non-Lending Series Fund, State Street Russell Small Cap Index Non-Lending Series Fund, Northern Trust Domestic Mid Cap Fund, State Street Global Advisors Emerging Markets Fund (SSgA Emerging Markets Fund) and ten different Target Date Retirement Funds. However, non-matching contributions may not be invested in the Baxter Common Stock Fund. Participants may not direct contributions to the Self-Managed Fund but can transfer funds into the Self-Managed Fund from other investment options. In addition, certain participants may maintain shares received in connection with Baxter's 1996 spin-off of Allegiance Corporation (Allegiance), which were subsequently converted into common shares of Cardinal Health Inc. (Cardinal) upon Cardinal's acquisition of Allegiance in 1999. These shares are maintained in the Cardinal Health Common Stock Fund. Additionally, certain participants maintain shares in Edwards Lifesciences Corporation. These shares were placed into the Edwards Lifesciences Common Stock Fund in connection with Baxter's 2000 spin-off of its cardiovascular business. Certain participants obtained shares in Baxalta Incorporated (Baxalta), in connection with the spin (as discussed below). These shares were placed into the Baxalta Common Stock Fund in connection with Baxter's 2015 spin-off of its BioScience business. See Note 12 for a discussion of the conversion of the Baxalta Common Stock Fund into the Shire Common Stock Fund in June 2016, in connection with the merger of a wholly-owned subsidiary of Shire plc (Shire) with and into Baxalta, with Baxalta as the surviving company (the Merger). Participants are not able to make contributions or transfer existing account balances to the Cardinal Health Common Stock Fund, Edwards Lifesciences Common Stock Fund or the Shire Common Stock Fund (f/k/a the Baxalta Common Stock Fund), but may make transfers out of these funds at any time. Starting in 2013, participants are no longer able to make contributions to the Composite Fund and General Equity Fund, but may make transfers out of these funds at any time.

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

**2. Summary of Significant Accounting Policies****Basis of Accounting**

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

**New Accounting Standards**

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

## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents**

**Baxter International Inc. and Subsidiaries**

**Incentive Investment Plan**

**Notes to Financial Statements**

**December 31, 2015 and 2014**

**Valuation of Investments and Collateral**

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

Cash and cash equivalents	These largely consist of a short-term investment fund and a money market fund, the fair value of which is based on the net asset value. The investment objectives for these funds are to provide safety for principal, daily liquidity and a competitive yield by investing in high quality instruments.
Common stock	Value based on closing prices on the valuation date in an active market on national securities exchanges.
U.S. government and government agency issues	Value based on reputable pricing vendors that typically use pricing matrices or models.
Corporate and other obligations	Value based on reputable pricing vendors that typically use pricing matrices or models.
Commingled funds	Value based on net asset values reported by the fund managers as of the Plan's financial statement dates and recent transaction prices. The investment objectives of certain funds are to track the performances of the S&P 500, Europe, Australasia and the Far East (EAFE), or Russell 2000 indexes. In addition, these funds include target date retirement funds, whose objective is to provide investors, who have a specific date in mind for retirement with a portfolio of investments. The underlying investments for all funds vary, with some holding diversified portfolios of domestic stocks, government agency and corporate bonds, and others holding collective investment funds. Each fund provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement.
Registered investment companies	Value based upon the closing price from a national security exchange on the valuation date.
Synthetic guaranteed investment contracts	Value based on the fair value of the underlying securities in the contract on the valuation date plus the fair value of the wrapper contracts, which is calculated using a replacement cost approach. The underlying securities are valued based upon the methodologies described above. In addition, this investment includes an individual separate account with Metropolitan Life Insurance Company (MetLife). The value of this separate account is based upon the unit value provided by MetLife as of the Plan's financial statement date plus the fair value of the wrapper contracts, which is calculated using a replacement cost

**Table of Contents**

**Baxter International Inc. and Subsidiaries**

**Incentive Investment Plan**

**Notes to Financial Statements**

**December 31, 2015 and 2014**

	approach. The underlying securities primarily of the account, managed by a sub-advisor of the insurance company, consist of fixed income securities. See below for more information.
Collateral held on loaned securities	Value based upon the net asset value per unit of the short-term investment funds where the collateral is invested. Refer to Note 7 for more information on the securities lending program.
Collateral to be paid on loaned securities	Value based on the fair value of the underlying securities loaned on the valuation date, plus an incremental margin.

**Income Recognition**

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

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

**Synthetic Guaranteed Investment Contracts**

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

The fair value of the synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contracts. The fair value of the wrapper contracts is computed using a replacement cost approach that incorporates a comparison of the current fee rate on similar wrapper contracts to the fee being paid by the Plan. Using this approach, the fair values of the wrapper contracts were a loss of \$391 thousand and a loss of \$449 thousand at December 31, 2015 and 2014, respectively.

While Plan investments are presented at fair value in the Statements of Net Assets Available for Benefits, any material difference between the fair value of the Plan's direct and indirect interests in fully benefit-responsive investment contracts and their contract value is presented as an adjustment line in the Statements of Net Assets Available for Benefits, because contract value is the relevant measurement attribute for that portion of the Plan's net assets available for benefits. Contract value represents contributions, plus earnings, less participant withdrawals and administrative expenses. The wrapper contracts used by the Plan are fully benefit-responsive because the wrapper contract issuers are contractually obligated to make up any shortfall in the event that the underlying asset portfolio has been liquidated and is inadequate to cover participant withdrawals and transfers at contract value. There are currently no reserves against contract values for credit risk of the contract issuers or any other risk. The contract value for the synthetic GICs was \$594.2 million and \$671.1 million at December 31, 2015 and 2014, respectively.



## Table of Contents

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

### **Incentive Investment Plan**

### **Notes to Financial Statements**

### **December 31, 2015 and 2014**

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

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

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

### Notes Receivables from Participants

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

### Payment of Benefits and Fees

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

### Use of Estimates

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

### Other

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

### Risks and Uncertainties

The Plan provides for various investment options which invest in any combination of registered investment companies, U.S. government and government agency issues, corporate and other obligations, common stock, commingled funds, synthetic guaranteed investment contracts and short-term investments. Investment securities are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the

## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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.

## **Table of Contents**

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

### **Incentive Investment Plan**

### **Notes to Financial Statements**

### **December 31, 2015 and 2014**

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

### **3. Eligibility Requirements**

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

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

### **4. Administration of the Plan**

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

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

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

### **5. Fair Value Measurements**

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



## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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.

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

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

(in thousands)	Balance at December 31, 2015	Basis of Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
Cash and cash equivalents	\$ 46,353	\$	\$ 46,353	\$
Common stock:				
Healthcare	236,252	236,252		
Consumer products	72,615	72,615		
Information technology	81,102	81,102		
Financial services	13,437	13,437		
Industrial services and materials	11,958	11,958		
Energy	4,437	4,437		
Other	22,333	22,333		
<b>Total common stock</b>	<b>442,134</b>	<b>442,134</b>		
U.S. government and government agency issues	28,483		28,483	
Corporate and other obligations	29,445		29,445	
Commingled funds:				
State Street S&P 500 Index Non-Lending Series Fund	272,441		272,441	
State Street International Index Non-Lending Series Fund	79,540		79,540	
State Street Russell Small Cap Index Non-Lending Series Fund	102,918		102,918	
Target date retirement funds	431,877		431,877	
Other	33,254		33,254	
<b>Total commingled funds</b>	<b>920,030</b>		<b>920,030</b>	
Registered investment companies	15,979	15,979		
Synthetic guaranteed investment contracts:				
Corporate and other obligations	190,291		190,291	
U.S. government and government agency issues	254,312		254,312	
Individual separate account	145,276		145,276	

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

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

	Balance at December 31, 2014	Basis of Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>(in thousands)</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 46,562	\$	\$ 46,562	\$
Common stock:				
Healthcare	268,535	268,535		
Consumer products	69,345	69,345		
Information technology	77,618	77,618		
Financial services	23,737	23,737		
Industrial services and materials	26,505	26,505		
Energy	11,429	11,429		
Other	29,860	29,860		
Total common stock	507,029	507,029		
U.S. government and government agency issues	34,634		34,634	
Corporate and other obligations	39,425		39,425	
Commingled funds:				
SSgA S&P 500 Fund	335,741		335,741	
SSgA EAFE Equity Fund	104,083		104,083	
SSgA Small Cap Fund	138,789		138,789	
Target date retirement funds	536,660		536,660	
Other	32,361		32,361	
Total commingled funds	1,147,634		1,147,634	
Registered investment companies	16,921	16,921		
Synthetic guaranteed investment contracts:				
Corporate and other obligations	213,638		213,638	
U.S. government and government agency issues	307,750		307,750	
Individual separate account	167,683		167,683	
Cash and cash equivalents	24,312		24,312	
Wrapper contracts	(449)			(449)
Total synthetic guaranteed investment contracts	712,934		713,383	(449)

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

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

Transfers between hierarchy measurement levels are recognized by the Plan as of the beginning of the reporting period. The fair value of commingled funds is valued based upon the net asset value of the underlying securities and is classified as Level 2. The Plan did not have any transfers between Levels 1 and 2 during 2015 and 2014.

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

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

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

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

**6. Investments**

Investments representing five percent or more of the Plan's net assets available for benefits at December 31, 2015 and 2014 are summarized as follows:

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

\* Does not meet 5% threshold

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

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

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

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



## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

### 7. Securities Lending Transactions

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

The Trustee requires the Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan in an amount that is at least equal to the fair value of the securities loaned. The Plan bears the risk of loss with respect to any unfavorable change in fair value of the invested cash collateral. However, the Borrower bears the risk of loss related to the decrease in the fair value of the non-cash collateral and, therefore, would have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower,

## **Table of Contents**

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

### **Incentive Investment Plan**

### **Notes to Financial Statements**

### **December 31, 2015 and 2014**

the Trustee shall indemnify the Plan by purchasing replacement securities equal to the number of unreturned loaned securities, to the extent that such replacement securities are available on the open market and if to the extent that such proceeds are insufficient or the collateral is unavailable, the purchase of replacement securities shall be made at Trustee expense or, if replacement securities are not able to be purchased, the Trustee shall credit the Plan for the market value of the unreturned securities. In each case, the Trustee would apply the proceeds from the collateral for such a loan to make the Plan whole. The fair value of the investment of cash collateral received pursuant to securities lending transactions is reflected on the Statements of Net Assets Available for Benefits as an asset and the obligation to return the amount received is reflected as a liability.

As of December 31, 2015 and 2014, the Plan had securities on loan with a fair value of \$12.1 million and \$12.6 million, respectively, with cash collateral received of \$12.3 million and \$12.9 million, respectively, which was invested in the State Street Quality D Short-Term Investment Fund. Investments underlying this fund primarily consisted of cash and cash equivalents and asset-backed securities as of both December 31, 2015 and 2014, and the net asset value of this fund was approximately \$1.00 per unit. As of December 31, 2015 and 2014 the cash collateral received is reflected at its fair value of \$12.3 million and \$12.9 million in the 2015 and 2014 Statements of Net Assets Available for Benefits, respectively.

Non-cash collateral of \$1.5 million and \$0.5 million received for securities on loan at December 31, 2015 and December 31, 2014, respectively, consisted of U.S. government and government agency issues, equity securities, and corporate and other obligations held by the Trustee on behalf of the Plan. Non-cash collateral is not included with the collateral balance on the 2015 and 2014 Statements of Net Assets Available for Benefits because it may not be sold or repledged. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Plan and the Trustee in its capacity as a security agent. Securities lending income allocated to the Plan amounted to \$24 thousand for both 2015 and 2014. Securities lending income is classified as interest income in the Statements of Changes in Net Assets Available for Benefits.

### **8. Plan Termination**

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

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

The Internal Revenue Service (IRS) has determined and informed the Plan sponsor by a letter dated September 16, 2013 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (the IRC). The Plan has been amended since the date of the determination letter. The Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements. A Form 5300 Application for Determination for Employee Benefit Plan was filed with the IRS on January 21, 2016 to request an updated favorable determination letter for the Plan. U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by

## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

taxing jurisdictions; however there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

## **Table of Contents**

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

### **Incentive Investment Plan**

### **Notes to Financial Statements**

### **December 31, 2015 and 2014**

#### **10. Parties-in-Interest Transactions**

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

At December 31, 2015 and 2014, the Plan held shares of common stock of State Street Corporation, shares of registered investment companies of SSgA, and participation units in commingled funds and short-term investment funds of State Street Bank and Trust Company, the Plan Custodian and Charles Schwab, the brokerage provider; loans with participants; shares of common stock, shares of registered investment companies, units of commingled funds, fixed income securities, or bonds managed by AllianceBernstein, Northern Trust Corporation, Pacific Investment Management Company, Loomis Sayles, and Vanguard, investment managers for the Plan; shares of common stock, bonds, individual separate accounts or interest rate wrapper contracts of Prudential, Transamerica, and Metlife, issuers of the Plan's fully benefit-responsive contracts; shares of registered investment companies in various affiliates of Voya Institutional Plan Services, LLC, the recordkeeper; and shares of common stock of Edward Lifesciences Corporation and Cardinal, entities the Company has previously spun off. The Plan held bonds and shares of common stock of Baxter, the Plan Sponsor, and Baxalta, the spin-off company. At December 31, 2015 and 2014, the Plan held 2,228,977 and 2,530,593 shares of common stock of Baxter valued at \$85,035,458 and \$185,467,155, respectively. At December 31, 2015, the Plan held 2,111,473 shares of common stock of Baxalta valued at \$82,410,788. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

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

#### **11. Plan Merger**

During 2013, Baxter acquired 100 percent of the voting equity interests in Indap Holding AB, the holding company for Gambro AB (Gambro). The Gambro Renal Products, Inc. 401(k) Plan was merged into the Plan effective September 2015. As a result of this merger, total assets of approximately \$45.9 million were transferred into the Plan.

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

#### **12. Subsequent Event**

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

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



**Table of Contents**

**SUPPLEMENTAL SCHEDULE**

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

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

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

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

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

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

## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

**Synthetic Guaranteed Investment Contracts:**

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

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

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

## Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

**Separate Investment Contract**

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

**Benefit Resource Interest Rate Wrapper Contracts**

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

**Registered Investment Companies:**

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





**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

Identity of Issue	Description of Investment	Cost <sup>(1)</sup>	Current Value
Dfa Emerg Mkts Core Eqty Port Instl	Registered Investment Company		24,618
Dfa Emerging Mkts Port Instl	Registered Investment Company		4,233
Dfa Global Real Estate Sec Port	Registered Investment Company		51,832
Dfa Intl Core Eqty Port Instl	Registered Investment Company		81,615
Dfa Intl Small Cap Value Port Instl	Registered Investment Company		17,299
Dfa Intl Small Co Port Instl	Registered Investment Company		13,163
Dfa Us Core Eqty 2 Port Instl	Registered Investment Company		55,750
Dfa Us Micro Cap Port Instl	Registered Investment Company		20,779
Dfa Us Small Cap Value Port Instl	Registered Investment Company		12,223
Direxion	Registered Investment Company		0
Direxion Daily Ftse	Registered Investment Company		121,500
Direxion Dly Jr Gold Min	Registered Investment Company		29,740
Direxion Shs Etf Tr	Registered Investment Company		29,008
Dodge & Cox Income Fd	Registered Investment Company		29,714
Dodge & Cox Intl Stock Fd	Registered Investment Company		22,184
Dodge & Cox Stock Fund	Registered Investment Company		145,608
Doubleline Core Fixed Incm Fd Cl I	Registered Investment Company		60,017
Doubleline Fds Tr	Registered Investment Company		30,976
Doubleline Total Return Bd Fd Cl N	Registered Investment Company		16,422
Doubleline Total Returnbd Fd Cl I	Registered Investment Company		63,414
Driehaus Emerging Mkts Growth Fd	Registered Investment Company		787
Driehaus Intl Small Cap Growth	Registered Investment Company		13,754
Drxn Dly S&P Ol Gs Exp	Registered Investment Company		166
Eagle Small Cap Growth Fd Cl I	Registered Investment Company		10,544
Eaton Vance Sr Fl Rt Tr	Registered Investment Company		34,803
Eaton Vance Tax Mgd Sml Cap Fd Cl A	Registered Investment Company		15,846
Edgewood Growth Retail	Registered Investment Company		13,045
Etf's Physical Silver	Registered Investment Company		9,343
Etf's Physical Swiss Gold	Registered Investment Company		4,140
Eventide Gilead Cl N	Registered Investment Company		883
Fairholme Fund	Registered Investment Company		16,879
Fam Value Fund Inv	Registered Investment Company		137,041
Fidelity Adv Biotech Fd Cl I	Registered Investment Company		26,540
Fidelity Adv Diversified Intl Cl A	Registered Investment Company		18,710
Fidelity Adv New Insights Fd Cl I	Registered Investment Company		34,485
Fidelity Advr New Insights Cl A	Registered Investment Company		38,674
Fidelity Cap Apprec Fund	Registered Investment Company		32,425
Fidelity Cap Tr Focused Stk Fd	Registered Investment Company		2,478
Fidelity Capital & Income Fund	Registered Investment Company		56,033
Fidelity Contra Fund	Registered Investment Company		191,359
Fidelity Discovery Growth Fund	Registered Investment Company		2,775
Fidelity Diversified Intl Fund	Registered Investment Company		71,599

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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



**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

**Table of Contents****Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2015**

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

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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

\* Party-in-interest

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

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

**Table of Contents**

SIGNATURE

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

BAXTER INTERNATIONAL INC. AND SUBSIDIARIES  
INCENTIVE INVESTMENT PLAN

Date: June 28, 2016

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