

BAXTER INTERNATIONAL INC
Form 11-K
June 29, 2018

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the year ended December 31, 2017

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

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Index

December 31, 2017 and 2016

| | Page(s) |
|---|---------|
| <u>Report of Independent Registered Public Accounting Firm</u> | 1 |
| Financial Statements | |
| <u>Statements of Net Assets Available for Benefits as of December 31, 2017 and 2016</u> | 3 |
| <u>Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 20167 and 2016</u> | 4 |
| <u>Notes to Financial Statements</u> | 5-13 |
| Supplemental Information | |
| <u>Schedule H, Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2017</u> | 14-36 |

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

Opinion on the Financial Statements

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, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting in accordance with the standards of the PCAOB. As part of our

audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion in accordance with the standards of the PCAOB.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2017 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

We have served as the Plan’s auditor since 2010.

Oak Brook, Illinois

June 29, 2018

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Statements of Net Assets Available for Benefits

December 31, 2017 and 2016 (in thousands)

| | 2017 | 2016 |
|---|-------------|-------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$94,428 | \$24,924 |
| Common stock (including securities on loan of \$236 in 2017 and zero in 2016) | 392,305 | 394,810 |
| U.S. government and government agency issues (including securities on loan of \$5,023 in 2017 and \$6,424 in 2016) | 33,782 | 27,610 |
| Corporate and other obligations (including securities on loan of \$1,934 in 2017 and \$774 in 2016) | 21,064 | 23,469 |
| Common-collective trusts | 1,289,580 | 1,062,237 |
| Self-managed fund | 60,930 | 51,236 |
| Collateral held on loaned securities | 7,343 | 7,335 |
| Total investments at fair value | 1,899,432 | 1,591,621 |
| Synthetic guaranteed investment contracts at contract value | 548,882 | 596,279 |
| Total investments | 2,448,314 | 2,187,900 |
| Receivables | | |
| Notes receivables from participants | 35,829 | 36,065 |
| Sponsor contribution | 18,507 | 17,823 |
| Accrued interest and dividends | 845 | 2,220 |
| Due from brokers for securities sold | 5,726 | 9,975 |
| Total receivables | 60,907 | 66,083 |
| Total assets | 2,509,221 | 2,253,983 |
| Liabilities | | |
| Accounts payable | 9,527 | 10,043 |
| Due to brokers for securities purchased | 9,205 | 17,785 |
| Collateral to be paid on loaned securities | 7,343 | 7,335 |
| Total liabilities | 26,075 | 35,163 |
| Net assets available for benefits | \$2,483,146 | \$2,218,820 |

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

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2017 and 2016 (in thousands)

| | 2017 | 2016 |
|---|-------------|-------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Net appreciation in fair value of investments | \$331,531 | \$122,001 |
| Interest | 17,327 | 18,558 |
| Dividends | 3,755 | 5,437 |
| Net investment income | 352,613 | 145,996 |
| Participant loan interest | 3,173 | 3,135 |
| Contributions | | |
| Sponsor | 44,626 | 51,456 |
| Participant | 76,599 | 77,009 |
| Total contributions | 121,225 | 128,465 |
| Total additions | 477,011 | 277,596 |
| Deductions from net assets attributed to | | |
| Benefits paid | 207,514 | 172,956 |
| Plan expenses | 5,171 | 5,558 |
| Total deductions | 212,685 | 178,514 |
| Net increase | 264,326 | 99,082 |
| Net assets available for benefits | | |
| Beginning of year | 2,218,820 | 2,119,738 |
| End of year | \$2,483,146 | \$2,218,820 |

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

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

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 a year in 2017 and 2016, respectively. Participants who have attained the age of 50 by the end of the year may contribute up to an additional \$6,000 per year in "catch-up" contributions in 2017 and 2016, respectively. Newly hired employees are deemed to have elected to contribute 4% of compensation (increased by 1% per year to a total of 10%) 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.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

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 Baxter's 2015 spin-off of its biopharmaceutical business. These shares were placed in the Baxalta Common Stock Fund, which were subsequently converted into American Depository Shares of Shire plc (Shire) upon Shire's acquisition of Baxalta in 2016. These shares are maintained in the Shire Common Stock Fund. 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. As of December 31, 2017, investments in shares of Cardinal, Edwards Lifesciences and Shire were liquidated and balances in these funds consisted of cash balances only. Refer to Note 10 for more information. 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 June 3, 2016, a wholly-owned subsidiary of Shire merged with and into Baxalta, with Baxalta as the surviving company (the Merger). In connection with the closing of the Merger, each Baxalta stockholder received a combination of cash and Shire American Depository Shares. 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).

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Valuation of Investments and Collateral

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

Cash and cash equivalents These largely consist of a short-term investment fund and a money market fund, the fair value of which is based on the net asset value. The investment objectives for these funds are to provide safety for principal, daily liquidity and a competitive yield by investing in high quality instruments.

Common stock Value based on closing prices on the valuation date in an active market on national securities exchanges.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

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.

Common-collective trusts Value based on net asset values reported by the fund managers as of the Plan's financial statement dates and recent transaction prices. Each fund provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement.

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 6 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.

Self-managed fund Value based on the fair value of the underlying securities in the fund. Fund contains holdings of cash and cash equivalents, common stock, corporate and other obligations and holdings with registered investment companies. Registered investment companies are valued based upon the closing price from a national security exchange on the valuation date.

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.

Fully Benefit-responsive 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. 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.

These Plan investments are presented at contract value on the Statements of 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.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

Events that lead to market value withdrawals that exceed 15 percent of the contract value of the GIC's 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 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, the Plan's record keeping and trustee fees, and certain legal and communication expenses 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, common-collective trusts, synthetic guaranteed investment contracts and short-term investments. Investment securities are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits. Individual participants' accounts bear the risk of loss resulting from fluctuations in investment values.

Investments in U.S. government and government agency issues and corporate and other obligations 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.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

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

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

5. Fair Value Measurements

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

- Level 1 - Quoted prices in active markets that the Plan has the ability to access for identical assets or liabilities;
- Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuations in which all significant inputs are observable in the market;

and

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

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

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, 2017 | Basis of Fair Value Measurement | | |
|--|------------------------------------|---|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 94,428 | | \$ 94,428 | \$ — |
| Common stock | 392,305 | 392,305 | — | — |
| U.S. government and government agency issues | 33,782 | — | 33,782 | — |
| Corporate and other obligations | 21,064 | — | 21,064 | — |
| Self-managed fund | 60,930 | 51,654 | 9,276 | — |
| Common-collective trusts (A) | 1,289,580 | — | — | — |
| Collateral held on loaned securities | 7,343 | — | 7,343 | — |
| Total assets | \$ 1,899,432 | \$ 443,959 | \$ 165,893 | \$ — |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 7,343 | \$ — | \$ 7,343 | \$ — |

| (in thousands) | Balance at December 31, 2016 | Basis of Fair Value Measurement | | |
|----------------|------------------------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| | | | | |

(Level 1)

| Assets | | | | |
|--|---------------------|------------------|------------------|-------------|
| Cash and cash equivalents | \$ 24,924 | \$— | \$ 24,924 | \$ — |
| Common stock: | 394,810 | 394,810 | — | — |
| U.S. government and government agency issues | 27,610 | — | 27,610 | — |
| Corporate and other obligations | 23,469 | — | 23,469 | — |
| Self-managed fund | 51,236 | 41,513 | 9,723 | — |
| Common-collective trusts (A) | 1,062,237 | — | — | — |
| Collateral held on loaned securities | 7,335 | — | 7,335 | — |
| Total assets | \$ 1,591,621 | \$436,323 | \$ 93,061 | \$ — |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 7,335 | \$— | \$ 7,335 | \$ — |

(A) The common-collective trusts, which are measured at fair value using the net asset per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the above tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the statements of net assets available for benefits. This category includes index funds and target date retirement funds for which the underlying investments may vary. These funds provide for daily redemptions by the Plan at reported net asset values per share and there are currently no redemption restrictions or unfunded commitments on these investments.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

Transfers between hierarchy measurement levels are recognized by the Plan as of the beginning of the reporting period. The Plan did not have any transfers between Levels 1 and 2 during 2017 and 2016.

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. 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 Borrowers bear 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 any of the Borrowers, 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, 2017 and 2016, the Plan had securities on loan with a fair value of \$7.2 million, with cash collateral received of \$7.3 million, 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, 2017 and 2016, and the net asset value of this fund was approximately \$1.00 per unit. As of December 31, 2017 and 2016 the cash collateral received is reflected at its fair value of \$7.3 million in the 2017 and 2016 Statements of Net Assets Available for Benefits, respectively.

Non-cash collateral of \$2.4 million and \$4.3 million received for securities on loan at December 31, 2017 and December 31, 2016, 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 2017 and 2016 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 \$29 thousand and \$38 thousand for 2017 and 2016, respectively. Securities lending income is classified as interest income in the Statements of Changes in Net Assets Available for Benefits.

7. 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.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

8. Tax Status of the Plan

The Internal Revenue Service (IRS) has determined and informed the Plan sponsor by a letter dated February 6, 2017 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (the IRC). The Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements. U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017 and 2016, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.

9. 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, 2017 and 2016, the Plan held shares of registered investment companies of SSgA, and participation units in common-collective trusts 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 common-collective trusts, fixed income securities, or bonds managed by AllianceBernstein, Northern Trust Corporation, 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; shares of common stock of Edward Lifesciences Corporation, Cardinal, and shares of common stock and bonds of Shire, entities the Company has either previously spun off or acquired operations that the Company previously spun off. The Plan held shares of common stock of Baxter, the Plan Sponsor. At December 31, 2017 and 2016, the Plan, inclusive of shares within the Plan's self-managed fund, held 2,226,706 and 2,396,964 shares of common stock of Baxter, valued at \$143,934,306 and \$106,281,457, respectively. Approximately \$1 million of dividend income was received in 2017 and 2016 related to shares of Baxter common stock held by the Plan. Additionally, at December 31, 2017 and 2016, the Plan held notes receivable from participants of \$35,829,168 and \$36,064,666, respectively. 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.

10. Subsequent Event

Effective January 1, 2018, the Baxter Plan eliminated the Cardinal Common Stock Fund, the Edwards Lifesciences Common Stock Fund, and the Shire Stock Fund (collectively the "Funds"). Any dollars that were

invested in these Funds automatically liquidated on January 1, 2018 and were reinvested in the Plan's qualified default investment alternative. Actual common shares held in these funds were liquidated as of December 31, 2017 and the balances in these funds as of that date consisted of cash balances only.

Additionally, effective January 1, 2018, participant balances in the Baxter Common Stock Fund are limited to no more than 25 percent of the participant's total Plan account balance, subject to certain grandfathering exceptions for those participants whose balances exceed 25 percent as of the effective date.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2017 and 2016

Plan participants were given advance notice of the fund changes noted above and were allowed to reinvest their funds prior to the effective date.

In January 2018, the Company announced changes to its U.S. pension plans. The Company spun off the assets and liabilities of the qualified defined benefit pension plan attributable to current employees into a new plan and will freeze the pay and service amounts used to calculate pension benefits for active participants in the U.S. pension plans as of December 31, 2022. In connection with this announcement, the Company amended the Plan to provide five years of transition contributions to active participants in the U.S. pension plans that were still employed by the Company as of December 31, 2017 and who remain employed at the end of each of the five transition contribution years. These additional benefits will begin accruing on January 1, 2023. Eligible participants will receive transition benefit contributions under the Plan of (a) 20% of an employee's eligible annual compensation (to \$60,000), and (b) 3% of eligible annual compensation over \$60,000 for each of the five years beginning January 1, 2023. Payment of these transition contributions is subject to satisfaction of related eligibility requirements as of each payment date.

SUPPLEMENTAL SCHEDULE

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------|---------------------|---------------|
| Cash & Cash Equivalents: | | | |
| Freddie Mac Discount Nt Discount Not | 0.01% 21 Feb 2018 | - | \$2,787,224 |
| Freddie Mac Discount Nt Discount Not | 0.01% 22 Feb 2018 | - | 1,024,249 |
| Cash Mgmt Bill | 0.01% 2 Jan 2018 | - | 1,810,003 |
| US Dollar | Cash | - | (442,985) |
| CAD Dollar | Cash | - | 4,543 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 2,437,653 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 1,956,748 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 16,085 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 2,612,696 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 85,919 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 756,280 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 20,219,865 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 2,842,706 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 4,137,288 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 22,447,130 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 803,955 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 1,071 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 30,927,140 |
| Cash & Cash Equivalents | | - | 94,427,570 |
| Common Stock: | | | |
| Abbvie Inc Common Stock | Common Stock | - | 2,086,285 |
| Activision Blizzard Inc Common Stock | Common Stock | - | 2,891,535 |
| Adidas Ag Sponsored | Common Stock | - | 618,739 |
| Adobe Systems Inc Common Stock | Common Stock | - | 6,250,851 |
| Albemarle Corp Common Stock | Common Stock | - | 2,932,754 |
| Alexion Pharmaceuticals Inc Common Stock | Common Stock | - | 1,932,717 |
| Alibaba Group Holdings Sp | Common Stock | - | 9,454,351 |
| Allergan Plc Common Stock | Common Stock | - | 1,690,360 |
| Alphabet Inc Cl A Common Stock | Common Stock | - | 6,156,518 |
| Alphabet Inc Cl A Common Stock | Common Stock | - | 358,481 |
| Alphabet Inc Cl C Common Stock | Common Stock | - | 6,187,859 |
| Amazon.Com Inc Common Stock | Common Stock | - | 10,969,262 |
| Antero Resources Corp Common Stock | Common Stock | - | 546,318 |
| Aon Plc Common Stock | Common Stock | - | 356,880 |
| Apple Inc Common Stock | Common Stock | - | 13,094,216 |
| Applied Materials Inc Common Stock | Common Stock | - | 368,101 |
| Bank of America Corp Common Stock | Common Stock | - | 704,669 |
| *Baxter International Inc Common Stock | Common Stock | - | 143,451,625 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|--|--------------|---|-----------|
| Berkshire Hathaway Inc Cl B Common Stock | Common Stock | - | 439,930 |
| Biomarin Pharmaceutical Inc Common Stock | Common Stock | - | 2,692,727 |
| Boeing Co/The Common Stock | Common Stock | - | 6,231,940 |
| Booking Holidngs Inc Common Stock | Common Stock | - | 2,864,275 |
| Bp Plc Spons | Common Stock | - | 402,147 |
| Bristol Myers Squibb Co Common Stock | Common Stock | - | 4,845,222 |
| Broadcom Ltd Common Stock | Common Stock | - | 4,092,513 |

14

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Capital One Financial Corp Common Stock | Common Stock | - | 550,065 |
| Caterpillar Inc Common Stock | Common Stock | - | 1,261,216 |
| CBS Corp Class B Non Voting Common Stock | Common Stock | - | 439,392 |
| Celgene Corp Common Stock | Common Stock | - | 3,434,311 |
| Charter Communications Inc A Common Stock | Common Stock | - | 3,367,929 |
| Chubb Ltd Common Stock | Common Stock | - | 468,464 |
| Citigroup Inc Common Stock | Common Stock | - | 638,563 |
| Concho Resources Inc Common Stock | Common Stock | - | 2,141,012 |
| Corning Inc Common Stock | Common Stock | - | 1,431,018 |
| Costco Wholesale Corp Common Stock | Common Stock | - | 3,916,319 |
| Crown Castle Intl Corp Reit | Common Stock | - | 1,394,816 |
| Delta Air Lines Inc Common Stock | Common Stock | - | 439,146 |
| Eog resources Inc Common Stock | Common Stock | - | 1,811,865 |
| Estee Lauder Companies Cl A Common Stock | Common Stock | - | 3,764,286 |
| Exelon Corp Common Stock | Common Stock | - | 322,655 |
| Facebook Inc Common Stock | Common Stock | - | 9,766,698 |
| First Data Corp Class A Common Stock | Common Stock | - | 535,690 |
| Flex Ltd Common Stock | Common Stock | - | 511,066 |
| Fluor Corp Common Stock | Common Stock | - | 471,265 |
| Freeport McMoran Inc Common Stock | Common Stock | - | 265,571 |
| Goldman Sachs Group Inc Common Stock | Common Stock | - | 3,978,259 |
| Goodyear Tire + Rubber Co Common Stock | Common Stock | - | 392,009 |
| Home Depot Inc Common Stock | Common Stock | - | 4,883,388 |
| Illumina Inc Common Stock | Common Stock | - | 2,440,534 |
| Inditex Unspn | Common Stock | - | 1,411,472 |
| Intel Corp Common Stock | Common Stock | - | 389,301 |
| International Paper Co Common Stock | Common Stock | - | 517,226 |
| Jpmorgan Chage + Co Common Stock | Common Stock | - | 4,745,486 |
| Kering Unspn | Common Stock | - | 2,928,798 |
| Keysight Technologies In Common Stock | Common Stock | - | 375,464 |
| Marriott International Cl A Common Stock | Common Stock | - | 5,988,640 |
| Marsh + McLennan Cos Common Stock | Common Stock | - | 289,019 |
| Mastercard Inc A Common Stock | Common Stock | - | 7,544,212 |
| McDonald's Corp Common Stock | Common Stock | - | 5,153,142 |
| Merck + Co. Inc. Common Stock | Common Stock | - | 469,015 |
| Metlife Inc Common Stock | Common Stock | - | 416,435 |
| Micro Focus Intl Spn | Common Stock | - | 371,092 |
| Micron Technology Inc Common Stock | Common Stock | - | 277,842 |
| Microsoft Corp Common Stock | Common Stock | - | 8,992,535 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|--|--------------|---|-----------|
| Microsoft Corp Common Stock | Common Stock | - | 392,352 |
| Monster Beverage Corp Common Stock | Common Stock | - | 2,843,031 |
| Morgan Stanley Common Stock | Common Stock | - | 2,410,350 |
| Netflix Inc Common Stock | Common Stock | - | 7,828,845 |
| Nvidia Corp Common Stock | Common Stock | - | 4,520,722 |
| Occidental Petroleum Corp Common Stock | Common Stock | - | 515,874 |
| Oracle Corp Common Stock | Common Stock | - | 480,361 |
| Parker Hannifin Corp Common Stock | Common Stock | - | 4,520,041 |

15

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Paypal Holdings Inc Common Stock | Common Stock | - | 3,614,239 |
| Pentair Plc Common Stock | Common Stock | - | 487,617 |
| Pfizer Inc Common Stock | Common Stock | - | 510,902 |
| Red Hat Inc Common Stock | Common Stock | - | 3,483,752 |
| S+P Global Inc Common Stock | Common Stock | - | 2,643,965 |
| Sabre Corp Common Stock | Common Stock | - | 264,898 |
| Salesforce.Com Inc Common Stock | Common Stock | - | 6,092,436 |
| Splunk Inc Common Stock | Common Stock | - | 2,153,721 |
| Tencet Holdings Ltd | Common Stock | - | 8,519,592 |
| Tesla Inc Common Stock | Common Stock | - | 3,835,264 |
| Thermo Fisher Scientific Inc Common Stock | Common Stock | - | 468,245 |
| Total SA Spon | Common Stock | - | 605,264 |
| Unitedhealth Group Inc Common Stock | Common Stock | - | 2,942,043 |
| Vertex Pharmaceuticals Inc Common Stock | Common Stock | - | 2,377,865 |
| Visa Inc Class A Shares Common Stock | Common Stock | - | 7,136,411 |
| Vodafone Group Plc Sp | Common Stock | - | 467,273 |
| Walmart Inc Common Stock | Common Stock | - | 496,776 |
| Workday Inc Class A Common Stock | Common Stock | - | 2,577,956 |
| Common Stock | | - | 392,305,284 |
| **U.S. Government and Government Agency Issues: | | | |
| Abu Dhabi Govt Int L Sr Unsecured | 2.5% 11 Oct 2022 | - | 217,503 |
| Fed Hm Ln Pc Pool C48827 FG | 6% 01 March 2031 | - | 839 |
| Fed Hm Ln Pc Pool G12334 FG | 5% 01 Sep 2021 | - | 18,424 |
| Fed Hm Ln Pc Pool Q29797 Fg | 3.5% 01 Nov 2044 | - | 74,892 |
| Fed Hm Ln Pc Pool Q35223 FG | 4% 01 Aug 2045 | - | 48,607 |
| Fed Hm Ln Pc Pool Q39583 Fg | 4.5% 11 Mar 2046 | - | 22,713 |
| Fed Hm Ln Pc Pool Q45166 Fg | 3.5% 01 Dec 2046 | - | 541,301 |
| Fed Hm Ln PC Pool Q46343 FG | 4% 01 Feb 2047 | - | 545,309 |
| Fed Hm Ln Pc Pool Q46522 Fg | 3.5% 01 Mar 2047 | - | 34,817 |
| Fed Hm Ln PC Pool Q47881 FG | 4% 01 May 2047 | - | 25,142 |
| Fed Hm Ln PC Pool Q48185 FG | 4% 01 May 2047 | - | 72,473 |
| Fed Hm Ln PC Pool Q48734 FG | 4% 01 Jun 2047 | - | 86,725 |
| Fed Hm Ln PC Pool Q48748 FG | 4% 01 Jun 2047 | - | 69,524 |
| Fed Hm Ln Pc Pool Q50232 Fg | 3.5% 01 Aug 2047 | - | 54,991 |
| Fed Hm Ln Pc Pool Q50240 Fg | 4.5% 01 Aug 2047 | - | 46,863 |
| Fed Hm Ln Pc Pool Q51179 Fg | 3.5% 01 Oct 2047 | - | 126,537 |
| Fed Hm Ln Pc Pool Q51697 Fg | 3.5% 01 Nov 2047 | - | 80,923 |
| Fed Hm Ln Pc Pool Q51803 Fg | 3.5% 01 Nov 2047 | - | 55,822 |
| Fed Hm Ln Pc Pool Q52122 Fg | 3.5% 01 Nov 2047 | - | 60,951 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|-----------------------------|------|--------------|---|--------|
| Fed Hm Ln Pc Pool Q52334 Fg | 3.5% | 01 Nov 2047 | - | 45,585 |
| Fed Hm Ln Pc Pool Q52872 Fg | 3.5% | 01 Dec 2047 | - | 66,037 |
| Fed Hm Ln Pc Pool V82504 FG | 3% | 01 July 2046 | - | 98,058 |
| Fnma Pool 256398 Fn | 6% | 01 Sep 2021 | - | 4,866 |
| Fnma Pool 725690 Fn | 6% | 01 Aug 2034 | - | 46,966 |
| Fnma Pool 748115 Fn | 6% | 01 Oct 2033 | - | 16,738 |
| Fnma Pool 815316 Fn | 5.5% | 01 May 2035 | - | 73,910 |
| Fnma Pool 885504 Fn | 6% | 01 Jun 2021 | - | 10,852 |

16

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---------------------|---------------------------|---------------------|---------------|
| Fnma Pool 902793 Fn | 6.5% 01 Nov 2036 | - | 18,852 |
| Fnma Pool Ah4008 Fn | 4% 01 Mar 2041 | - | 206,582 |
| Fnma Pool Al8704 Fn | 4% 01 May 2046 | - | 89,328 |
| Fnma Pool Ap6604 Fn | 3% 01 Sep 2042 | - | 489,667 |
| Fnma Pool Aq9715 Fn | 3% 01 Jan 2043 | - | 63,964 |
| Fnma Pool As3867 Fn | 4% 01 Nov 2044 | - | 303,722 |
| Fnma Pool As6582 Fn | 3.5% 01 Feb 2046 | - | 60,171 |
| Fnma Pool As7409 Fn | 4.5% 01 Jun 2046 | - | 129,261 |
| Fnma Pool As7738 Fn | 3% 01 Aug 2046 | - | 70,157 |
| Fnma Pool As8073 Fn | 2.5% 01 Oct 2046 | - | 89,435 |
| Fnma Pool As8686 Fn | 3% 01 Jan 2047 | - | 62,191 |
| Fnma Pool As9949 Fn | 3.5% 01 Apr 2046 | - | 150,152 |
| Fnma Pool Au4359 Fn | 4.5% 01 Sep 2043 | - | 110,850 |
| Fnma Pool Aw0206 Fn | 4.5% 01 Feb 2044 | - | 61,389 |
| Fnma Pool Ax5231 Fn | 4.5% 01 Nov 2044 | - | 34,144 |
| Fnma Pool Ay6582 Fn | 3.5% 01 Feb 2045 | - | 78,516 |
| Fnma Pool Bc1170 Fn | 4.5% 01 Jun 2046 | - | 49,549 |
| Fnma Pool Bc2614 Fn | 3% 01 Oct 2046 | - | 59,746 |
| Fnma Pool Bc3473 Fn | 3.5% 01 Jan 2046 | - | 53,984 |
| Fnma Pool Bc7230 Fn | 3.5% 01 Apr 2046 | - | 48,028 |
| Fnma Pool Bc8972 Fn | 3% 01 Jul 2046 | - | 463,152 |
| Fnma Pool Bc9081 Fn | 3% 01 Dec 2046 | - | 66,628 |
| Fnma Pool Bd1410 Fn | 3.5% 01 Jun 2046 | - | 47,236 |
| Fnma Pool Bd2217 Fn | 4.5% 01 Jul 2046 | - | 14,901 |
| Fnma Pool Bd3032 Fn | 3.5% 01 Sep 2046 | - | 41,364 |
| Fnma Pool Bd6459 Fn | 3.5% 01 Sep 2046 | - | 64,589 |
| Fnma Pool Bd8318 Fn | 3.5% 01 Dec 2046 | - | 57,944 |
| Fnma Pool Bd9324 Fn | 3.5% 01 Oct 2046 | - | 37,310 |
| Fnma Pool Bd9442 Fn | 3.5% 01 Nov 2046 | - | 37,757 |
| Fnma Pool Be0215 Fn | 3.5% 01 Jan 2047 | - | 37,677 |
| Fnma Pool Be1670 Fn | 4% 01 Oct 2046 | - | 60,994 |
| Fnma Pool Be2944 Fn | 4% 01 Dec 2046 | - | 472,216 |
| Fnma Pool Be4442 Fn | 3% 01 Nov 2046 | - | 33,877 |
| Fnma Pool Be4446 Fn | 3.5% 01 Nov 2046 | - | 43,347 |
| Fnma Pool Be6469 Fn | 3% 01 Dec 2046 | - | 72,718 |
| Fnma Pool Be7159 Fn | 4% 01 Feb 2047 | - | 68,033 |
| Fnma Pool Be7912 Fn | 3% 01 Feb 2047 | - | 72,934 |
| Fnma Pool Be8213 Fn | 3.5% 01 Apr 2047 | - | 95,322 |
| Fnma Pool Be9612 Fn | 3.5% 01 Jun 2047 | - | 40,284 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|---------------------|------------------|---|---------|
| Fnma Pool Bf0175 Fn | 2.5% 01 Jan 2057 | - | 153,739 |
| Fnma Pool Bh0156 Fn | 3.5% 01 Mar 2047 | - | 68,511 |
| Fnma Pool Bh4266 Fn | 4% 01 Jun 2047 | - | 105,313 |
| Fnma Pool Bh5863 Fn | 4.5% 01 May 2047 | - | 83,532 |
| Fnma Pool Bh6738 Fn | 3.5% 01 Aug 2047 | - | 52,621 |
| Fnma Pool Bh7892 Fn | 4% 01 Nov 2047 | - | 41,549 |
| Fnma Pool Bh9314 Fn | 3.5% 01 Sep 2047 | - | 55,341 |
| Fnma Pool Bj0428 Fn | 4% 01 Oct 2047 | - | 45,858 |

17

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Fnma Pool Bj0466 Fn | 4% | 01 Nov 2047 | - 72,959 |
| Fnma Pool Ma0734 Fn | 4.5% | 01 May 2031 | - 116,136 |
| Fnma Pool Ma2781 Fn | 2.5% | 01 Oct 2046 | - 962,678 |
| Fnma Pool Ma2854 Fn | 2.5% | 01 Dec 2046 | - 155,057 |
| Fnma Tba 30 Yr 4.5 Single Family Mortgage | 4.5% | 13 Feb 2048 | - 1,220,119 |
| Freddie Mac Notes | 6.25% | 15 July 2032 | - 55,349 |
| Gnma Ii Pool 710082 | 4.7% | 20 Jul 2061 | - 22,536 |
| Gnma Ii Pool 710089 | 4.7% | 20 Oct 2061 | - 19,260 |
| Gnma Ii Pool 751415 | 4.58% | 20 Aug 2061 | - 16,104 |
| Gnma Ii Pool 756731 | 4.68% | 20 Mar 2062 | - 12,464 |
| Gnma Ii Pool 766519 | 4.66% | 20 May 2062 | - 33,672 |
| Gnma Ii Pool 766522 | 4.52% | 20 Nov 2062 | - 49,859 |
| Gnma Ii Pool 766544 | 4.49% | 20 Dec 2062 | - 49,812 |
| Gnma Ii Pool 766549 | 4.62% | 20 Jul 2062 | - 64,659 |
| Gnma Ii Pool 767659 | 4.64% | 20 Sep 2063 | - 134,406 |
| Gnma Ii Pool 771800 | 4.63% | 20 Jan 2064 | - 58,509 |
| Gnma Ii Pool 798510 | 4.63% | 20 Jan 2064 | - 109,693 |
| Gnma Ii Pool Aa1698 | 4.39% | 20 Feb 2063 | - 82,309 |
| Gnma Ii Pool Aa7548 | 4.63% | 20 Apr 2064 | - 193,165 |
| Gnma Ii Pool Ab8466 | 3.18% | 20 Sep 2063 | - 256,605 |
| Gnma Ii Pool Ac0988 | 4.42% | 20 Jul 2063 | - 35,914 |
| Gnma Ii Pool Ac9906 | 4.23% | 20 May 2063 | - 31,768 |
| Gnma Ii Pool Ac9910 | 4.5% | 20 July 2063 | - 35,871 |
| Gnma Ii Pool Ah1430 | 4.57% | 20 Apr 2065 | - 67,261 |
| Gnma Ii Pool An4723 | 4.47% | 20 May 2065 | - 185,450 |
| Kuwait Intl Bond Sr Unsecured 144A | 3.5% | 20 Mar 2027 | - 415,750 |
| Mex Bonos Desarr Fix Rt Bonds | 6.5% | 10 Jun 2021 | - 438,246 |
| Mex Bonos Desarr Fix Rt Bonds | 5.75% | 05 Mar 2026 | - 797,721 |
| Oman Gov Interntl Bond Sr Unsecured 144A | 3.88% | 08 Mar 2022 | - 198,465 |
| Republica Orient Uruguay Sr Unsecured 144A | 8.5% | 15 Mar 2028 | - 77,238 |
| Saudi International Bond Sr Unsecured 144A | 3.25% | 26 Oct 2026 | - 275,627 |
| Saudi International Bond Sr Unsecured 144A | 4.5% | 26 Oct 2046 | - 196,887 |
| Tenn Valley Authority Sr Unsecured | 4.88% | 15 Jan 2048 | - 109,181 |
| Tenn Valley Authority Sr Unsecured | 5.25% | 15 Sep 2039 | - 153,013 |
| Tenn Valley Authority Sr Unsecured | 6.25% | 15 Sep 2060 | - 68,390 |
| Tenn Valley Authority Sr Unsecured | 4.25% | 15 Sep 2065 | - 244,898 |
| Tsy Infl Ix N | 1% | 15 Feb 2046 | - 1,645,484 |
| Tsy Infl Ix N/B | 0.75% | 15 Feb 2045 | - 1,661,509 |
| Tsy Infl Ix N/B | 0.88% | 15 Feb 2047 | - 649,400 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|-----------------|-------------------|---|-----------|
| Tsy Infl Ix N/B | 0.25% 15 Jan 2025 | - | 224,000 |
| Tsy Infl Ix N/B | 0.13% 15 Apr 2018 | - | 2,843,871 |
| Tsy Infl Ix N/B | 0.13% 15 Jul 2024 | - | 1,179,772 |
| Us Treasury N/B | 3.75% 15 Nov 2043 | - | 699,320 |
| Us Treasury N/B | 3.63% 15 Feb 2044 | - | 276,715 |
| Us Treasury N/B | 2.75% 15 Nov 2047 | - | 167,964 |
| Us Treasury N/B | 2.25% 31 Dec 2024 | - | 1,353,905 |
| Us Treasury N/B | 1.38% 31 Oct 2020 | - | 43,672 |

18

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment Cost ⁽¹⁾ | Current Value |
|---|---|---------------|
| Us Treasury N/B | 2.13% 31 Dec 2022 | - 1,340,872 |
| Us Treasury N/B | 1% 31 Dec 2017 | - 853,243 |
| Us Treasury N/B | 0.88% 31 Mar 2018 | - 34,481 |
| Us Treasury N/B | 0.63% 30 Jun 2018 | - 687,627 |
| Us Treasury N/B | 0.75% 31 Jul 2018 | - 382,806 |
| Us Treasury N/B | 0.75% 30 Sep 2018 | - 1,522,959 |
| Us Treasury N/B | 0.75% 31 Oct 2018 | - 83,154 |
| Us Treasury N/B | 1% 30 Jun 2019 | - 1,052,046 |
| Us Treasury N/B | 0.75% 28 Feb 2018 | - 2,631,233 |
| Us Treasury N/B | 2.25% 15 Feb 2027 | - 219,029 |
| U.S. Government and Government Agency Issues | | - 33,781,898 |
| **Corporate and Other Obligations: | | |
| Acwa Power Mgmt Invst Sr Secured 144A | 5.95% 15 Dec 2039 | - 201,957 |
| Ally Financial Inc Sr Unsecured | 3.75% 18 Nov 2019 | - 134,843 |
| Amazon.Com Inc Sr Unsecured 144A | 4.25% 22 Aug 2057 | - 247,495 |
| Amc Networks Inc Company Guar | 4.75% 01 Aug 2025 | - 63,555 |
| Americredit Automobile Receiva Amcar 2015 4 B | 2.11% 08 Jan 2021 | - 93,659 |
| Americredit Automobile Receiva Amcar 2015 4 C | 2.88% 07 Jul 2021 | - 64,671 |
| Americredit Automobile Receiva Amcar 2016 2 A | 1.6% 09 Nov 2020 | - 19,696 |
| Americredit Automobile Receiva Amcar 2016 2 B | 2.21% 10 may 2021 | - 14,786 |
| Americredit Automobile Receiva Amcar 2017 1 A | 1.87% 18 Aug 2021 | - 34,414 |
| Americredit Automobile Receiva Amcar 2017 2 A | 1.98% 20 Dec 2021 | - 24,563 |
| Amerigas Part/Fin Corp Sr Unsecured | 5.5% 20 May 2025 | - 14,944 |
| At+T Inc Sr Unsecured | 4.35% 15 Jun 2045 | - 4,550 |
| At+T Inc Sr Unsecured | 4.75% 15 May 2046 | - 14,471 |
| At+T Inc Sr Unsecured | 4.5% 09 Mar 2048 | - 52,682 |
| At+T Inc Sr Unsecured | 5.25% 01 Mar 2037 | - 78,244 |
| At+T Inc Sr Unsecured | 5.45% 01 Mar 2047 | - 94,882 |
| At+T Inc Sr Unsecured | 5.7% 01 Mar 2057 | - 97,503 |
| Avis Budget Rental Car Funding Aesop 2016 1A A 144A | 2.99% 20 Jun 2022 | - 109,179 |
| Avis Budget Rental Car Funding Aesop 2017 1A A 144A | 3.07% 20 Sep 2023 | - 149,060 |
| Banco Santander Chile Sr Unsecured 144A | 3.88% 20 Sep 2022 | - 205,033 |
| Bank Of America Corp Sr Unsecured | 5.63% 01 Jul 2020 | - 335,782 |
| Bank Of America Corp Sr Unsecured | 5% 13 may 2021 | - 143,533 |
| Barclays Plc Sr Unsecured | 2.875% 08 Jun 2020 | - 455,127 |
| Bharti Airtel Internatio Company Guar 144A | 5.35% 20 May 2024 | - 212,598 |
| Biogen Inc Sr Unsecured | 2.9% 15 Sep 2020 | - 59,991 |
| Braskem America Finance Company Guar 144A | 7.13% 22 Jul 2041 | - 386,549 |
| Cardtronics Inc / Usa Company Guar 144A | 5.5% 01 May 2025 | - 17,805 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|--|-------------------|---|---------|
| Cbre Services Inc Company Guar | 5% 15 Mar 2023 | - | 65,932 |
| Chs/Community Health Sys Sr Secured | 6.25% 31 Mar 2023 | - | 53,266 |
| Citigroup Inc Sr Unsecured | 2.65% 26 Oct 2020 | - | 158,354 |
| Citigroup Inc Sr Unsecured | 2.05% 07 Dec 2018 | - | 103,464 |
| Citigroup Inc Subordinated | 4.05% 30 Jul 2022 | - | 169,398 |
| Cnh Industrial Cap Llc Company Guar | 4.38% 05 Apr 2022 | - | 81,751 |
| Colony American Finance Ltd Cafi 2015 1 A 144A | 2.9% 15 Oct 2047 | - | 143,505 |
| Comm Mortgage Trust Comm 2013 Gam A2 144A | 3.37% 10 Feb 2028 | - | 99,508 |

19

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Comm Mortgage Trust Comm 2016 Sava A 144A | 3.15% | 15 Oct 2034 | - 136,593 |
| Comm Mortgage Trust Comm 2016 Sava C 144A | 4.43% | 15 Oct 2034 | - 98,882 |
| Contl Airlines 2007 1 Pass Thru Ce | 5.98% | 19 Oct 2023 | - 231,964 |
| Contl Airlines 2012 2 A Pass Thru Ce | 4% | 29 Apr 2026 | - 139,384 |
| Cps Auto Trust Cps 2015 C C 144A | 3.42% | 16 Aug 2021 | - 148,613 |
| Cumberland Farms Sr Unsecured 144A | 6.75% | 01 May 2025 | - 20,912 |
| Discovery Communications Company Guar | 5% | 20 Sep 2037 | - 76,651 |
| Discovery Communications Company Guar | 5.2% | 20 Sep 2047 | - 77,215 |
| Drive Auto Receivables Trust Drive 2016 Ba B 144A | 2.56% | 15 Jun 2020 | - 15,782 |
| Drive Auto Receivables Trust Drive 2017 1 B | 2.36% | 15 Mar 2021 | - 29,619 |
| Drive Auto Receivables Trust Drive 2017 Aa B 144A | 2.51% | 15 Jan 2021 | - 29,675 |
| Drive Auto Receivables Trust Drive 2017 Aa C 144A | 2.98% | 18 Jan 2022 | - 34,756 |
| El Puerto De Liverpool Company Guar 144A | 3.88% | 06 Oct 2026 | - 274,098 |
| Embarq Corp Sr Unsecured | 8% | 01 Jun 2036 | - 134,299 |
| Embraer Netherlands Fina Company Guar | 5.05% | 15 Jun 2025 | - 115,015 |
| Enel Americas Sa Sr Unsecured | 4% | 25 Oct 2026 | - 30,059 |
| Enel Generacion Chile Sa Sr Unsecured | 4.25% | 15 Apr 2024 | - 46,376 |
| Energy Transfer Partners Company Guar | 6.05% | 01 Jun 2041 | - 295,929 |
| Energy Transfer Partners Company Guar | 5.2% | 01 Feb 2022 | - 42,125 |
| Ensco Plc Sr Unsecured | 4.5% | 01 Oct 2024 | - 49,715 |
| Ensco Plc Sr Unsecured | 5.75% | 01 Oct 2044 | - 54,055 |
| Equifax Inc Sr Unsecured | 7% | 01 Jul 2037 | - 187,918 |
| Ew Scripps Co Company Guar 144A | 5.125% | 15 May 2025 | - 19,630 |
| Exeter Automobile Receivables Eart 2016 1A A 144A | 2.35% | 15 Jul 2020 | - 7,572 |
| Exeter Automobile Receivables Eart 2017 1A A 144A | 1.96% | 15 Mar 2021 | - 22,725 |
| Fanniemae Aces Fna 2015 M15 A2 | 2.92% | 25 Oct 2025 | - 138,953 |
| Fanniemae Aces Fna 2015 M17 A2 | 2.94% | 25 Nov 2025 | - 59,959 |
| Fanniemae Aces Fna 2016 M4 A2 | 2.58% | 25 Mar 2026 | - 91,888 |
| Fanniemae Aces Fna 2017 M3 A2 | 2.49% | 25 Dec 2026 | - 71,880 |
| Fhlmc Multifamily Structured P Fhms K050 A2 | 3.33% | 25 Aug 2025 | - 66,688 |
| Fhlmc Multifamily Structured P Fhms K051 A2 | 3.31% | 25 Sep 2025 | - 51,194 |
| Fhlmc Multifamily Structured P Fhms K052 A2 | 3.15% | 25 Nov 2025 | - 76,006 |
| Fhlmc Multifamily Structured P Fhms K053 A2 | 3.0% | 25 Dec 2025 | - 50,104 |
| Fhlmc Multifamily Structured P Fhms K057 A2 | 2.57% | 25 Jul 2026 | - 101,871 |
| Fhlmc Multifamily Structured P Fhms K058 A2 | 2.65% | 25 Aug 2026 | - 19,496 |
| Fhlmc Multifamily Structured P Fhms K061 A2 | 3.35% | 25 Nov 2026 | - 61,539 |
| Fhlmc Multifamily Structured P Fhms K062 A2 | 3.41% | 25 Dec 2026 | - 46,358 |
| Fhlmc Multifamily Structured P Fhms K063 A2 | 3.43% | 25 Jan 2027 | - 51,572 |
| Fhlmc Multifamily Structured P Fhms K725 A2 | 3.0% | 25 Jan 2024 | - 70,577 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|---|-------------------|---|---------|
| Fhlmc Multifamily Structured P Fhms K727 A2 | 2.95% 25 Jul 2024 | - | 110,455 |
| Fhlmc Multifamily Structured P Fhms Kplb A | 2.77% 25 May 2025 | - | 68,836 |
| Ford Motor Credit Co Llc Sr Unsecured | 5.75% 01 Feb 2021 | - | 321,278 |
| Ford Motor Credit Co Llc Sr Unsecured | 5% 15 May 2018 | - | 388,615 |
| Freeport Mcmoran Inc Company Guar | 2.38% 15 Mar 2018 | - | 73,888 |
| Freeport Mcmoran Inc Company Guar | 6.88% 15 Feb 2023 | - | 220,413 |
| Frontier Communications Sr Unsecured | 7.88% 15 Jan 2027 | - | 43,328 |
| Gamestop Corp Company Guar 144A | 5.5% 01 Oct 2019 | - | 140,341 |

20

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| General Motors Co Sr Unsecured | 5% 01 Apr 2035 | - | 287,466 |
| General Motors Co Sr Unsecured | 5.2% 01 Apr 2045 | - | 10,423 |
| Goldman Sachs Group Inc Sr Unsecured | 6.15% 01 Apr 2018 | - | 194,374 |
| Goldman Sachs Group Inc Sr Unsecured | 5.25% 27 Jul 2021 | - | 192,431 |
| Goldman Sachs Group Inc Subordinated | 6.75% 01 Oct 2037 | - | 26,409 |
| Gp Portfolio Trust Gppt 2014 Gpp D 144A | 4.48% 15 Feb 2027 | - | 177,978 |
| Grupo Televisa Sab Sr Unsecured | 7.25% 14 May 2043 | - | 76,401 |
| Gs Mortgage Securities Trust Gsms 2011 Gc5 C 144A | 5.4% 10 Aug 2044 | - | 62,469 |
| Hologic Inc Company Guar 144A | 4.38% 15 Oct 2025 | - | 15,018 |
| Hp Enterprise Co Sr Unsecured | 3.6% 15 Oct 2020 | - | 135,961 |
| Hp Enterprise Co Sr Unsecured | 6.2% 15 Oct 2035 | - | 166,097 |
| Hyundai Capital America Sr Unsecured 144A | 3% 30 Oct 2020 | - | 196,964 |
| Infraestructura Energeti Sr Unsecured 144A | 4.88% 14 Jan 2048 | - | 189,637 |
| Intl Lease Finance Corp Sr Unsecured | 6.25% 15 May 2019 | - | 423,801 |
| Intl Lease Finance Corp Sr Unsecured | 5.88% 01 Apr 2019 | - | 71,866 |
| Istar Inc Sr Unsecured | 5% 01 Jul 2019 | - | 89,221 |
| Istar Inc Sr Unsecured | 6.5% 01 Jul 2021 | - | 46,108 |
| Jp Morgan Chase Commercial Mor Jpmcc 2014 Fl5 B 144A | 2.83% 15 Jul 2031 | - | 58,687 |
| Jp Morgan Chase Commercial Mor Jpmcc 2014 Fl5 C 144A | 3.58% 15 Jul 2031 | - | 97,971 |
| Jpmorgan Chase + Co Sr Unsecured | 4.63% 10 May 2021 | - | 100,050 |
| Jpmorgan Chase + Co Sr Unsecured | 4.5% 24 Jan 2022 | - | 258,599 |
| Jpmorgan Chase + Co Sr Unsecured | 2.55% 29 Oct 2020 | - | 29,679 |
| Jpmorgan Chase + Co Sr Unsecured | 2.7% 18 May 2023 | - | 58,796 |
| Kinder Morgan Ener Part Company Guar | 4.3% 01 May 2024 | - | 133,511 |
| Kinder Morgan Ener Part Company Guar | 3.5% 01 Sep 2023 | - | 88,834 |
| Kinder Morgan Ener Part Company Guar | 4.15% 01 Feb 2024 | - | 117,647 |
| Kindred Healthcare Inc Company Guar | 8% 15 Jan 2020 | - | 117,560 |
| Kla Tencor Corp Sr Unsecured | 3.38% 01 Nov 2019 | - | 70,187 |
| Koppers Inc Company Guar 144A | 6% 15 Feb 2025 | - | 36,596 |
| Lloyds Banking Group Plc Sr Unsecured | 3.1% 06 Jul 2021 | - | 199,272 |
| Mattel Inc Company Guar 144A | 6.75% 31 Dec 2025 | - | 74,976 |
| Methanex Corp Sr Unsecured | 3.25% 15 Dec 2019 | - | 158,530 |
| Mexichem Sab De Cv Company Guar 144A | 6.75% 19 Sep 2042 | - | 249,561 |
| Mill City Mortgage Trust Mcmlt 2015 2 A1 144A | 3% 25 Sep 2057 | - | 53,603 |
| Mill City Mortgage Trust Mcmlt 2016 1 A1 144A | 2.5% 25 Apr 2057 | - | 69,588 |
| Molex Electronics Tech Sr Unsecured 144A | 2.88% 15 Apr 2020 | - | 69,064 |
| Molex Electronics Tech Sr Unsecured 144A | 3.9% 15 Apr 2025 | - | 75,434 |
| Morgan Stanley Sr Unsecured | 5.5% 26 Jan 2020 | - | 172,475 |
| Morgan Stanley Sr Unsecured | 2.65% 27 Jan 2020 | - | 222,944 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|---|--------------------|---|---------|
| Morgan Stanley Sr Unsecured | 2.8% 16 Jun 2020 | - | 39,812 |
| Morgan Stanley Sr Unsecured | 3.7% 23 Oct 2024 | - | 208,953 |
| Myriad Intl Holdings Bv Company Guar 144A | 6% 18 Jul 2020 | - | 264,743 |
| Myriad Intl Holdings Bv Company Guar 144A | 4.85% 06 Jul 2027 | - | 204,564 |
| Nabors Industries Inc Company Guar | 5.1% 15 Sep 2023 | - | 230,573 |
| Nabors Industries Inc Company Guar | 5.5% 15 Jan 2023 | - | 47,841 |
| National Rural Util Coop Subordinated 04/43 Var | 4.75% 30 Apr 2043 | - | 154,923 |
| Navient Corp Sr Unsecured | 4.875% 17 Jun 2019 | - | 115,354 |

21

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment Cost ⁽¹⁾ | Current Value |
|--|---|---------------|
| Navient Corp Sr Unsecured | 6.125% 25 Mar 2024 | - 24,968 |
| Newfield Exploration Co Sr Unsecured | 5.75% 30 Jan 2022 | - 168,478 |
| Ooredoo Intl Finance Company Guar 144A | 3.25% 21 Feb 2023 | - 195,009 |
| Owens Corning Company Guar | 4.2% 01 Dec 2024 | - 103,343 |
| Perkinelmer Inc Sr Unsecured | 5% 15 Nov 2021 | - 116,982 |
| Pertamina Persero Pt Sr Unsecured 144A | 5.625% 20 May 2043 | - 219,969 |
| Petrobras Global Finance Company Guar | 5.625% 20 May 2043 | - 96,964 |
| Petrobras Global Finance Company Guar | 6.85% 31 Dec 2099 | - 218,366 |
| Post Holdings Inc Company Guar 144A | 5.625% 15 Jan 2028 | - 118,996 |
| Qep Resources Inc Sr Unsecured | 5.25% 01 May 2023 | - 169,678 |
| Quicken Loans Inc Company Guar 144A | 5.75% 01 May 2025 | - 137,827 |
| Radian Group Inc Sr Unsecured | 4.5% 01 Oct 2024 | - 60,634 |
| Range Resources Corp Company Guar | 4.875% 15 May 2025 | - 95,188 |
| Rowan Companies Inc Company Guar | 7.375% 15 Jun 2025 | - 195,716 |
| Rpm International Inc Sr Unsecured | 6.125% 15 Oct 2019 | - 139,685 |
| Saci Falabella Sr Unsecured 144A | 3.75% 30 Apr 2023 | - 202,033 |
| Santander Drive Auto Receivabl Sdart 2016 2 C | 2.66% 15 Nov 2021 | - 237,493 |
| Santander Drive Auto Receivabl Sdart 2017 2 B | 2.21% 15 Oct 2021 | - 14,788 |
| Sm Energy Co Sr Unsecured | 6.5% 01 Jan 2023 | - 176,074 |
| Sm Energy Co Sr Unsecured | 5.625% 01 Jun 2025 | - 90,897 |
| Sm Energy Co Sr Unsecured | 6.75% 15 Sep 2026 | - 10,160 |
| Southern Copper Corp Sr Unsecured | 5.875% 23 Apr 2045 | - 190,627 |
| Springleaf Finance Corp Company Guar | 5.25% 15 Dec 2019 | - 253,692 |
| Sprint Capital Corp Company Guar | 6.875% 15 Nov 2028 | - 168,737 |
| Starwood Property Trust Sr Unsecured 144A | 4.75% 15 Mar 2025 | - 122,376 |
| Telefonica Emisiones Sau Company Guar | 5.134% 27 Apr 2020 | - 156,633 |
| Telefonica Emisiones Sau Company Guar | 5.462% 16 Feb 2021 | - 160,051 |
| Thai Oil Pcl Sr Unsecured 144A | 4.875% 23 Jan 2043 | - 215,738 |
| Time Warner Cable Llc Sr Secured | 0.05875 15 Nov 2040 | - 37,459 |
| Time Warner Cable Llc Sr Secured | 5.5% 01 Sep 2041 | - 164,499 |
| Time Warner Cable Llc Sr Secured | 4.5% 15 Sep 2042 | - 83,292 |
| Towd Point Mortgage Trust Tpmnt 2015 2 1A12 144A | 2.75% 25 Nov 2060 | - 61,204 |
| Towd Point Mortgage Trust Tpmnt 2016 2 A1A 144A | 2.75% 25 Aug 2055 | - 94,092 |
| Transelec Sa Sr Unsecured 144A | 4.625% 26 Jul 2023 | - 209,856 |
| Universal Health Svcs Sr Secured 144A | 3.75% 01 Aug 2019 | - 50,122 |
| Universal Health Svcs Sr Secured 144A | 4.75% 01 Aug 2022 | - 105,515 |
| Valeant Pharmaceuticals Company Guar 144A | 6.375% 15 Oct 2020 | - 134,497 |
| Venator Fin Sarl/Venator Company Guar 144A | 5.75% 15 Jul 2025 | - 36,423 |
| Verizon Communications Sr Unsecured | 2.45% 01 Nov 2022 | - 125,697 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|---|--------|-------------|---|------------|
| Verizon Communications Sr Unsecured | 2.946% | 15 Mar 2022 | - | 14,886 |
| Votorantim Cimentos Sa Company Guar 144A | 7.25% | 05 Apr 2041 | - | 213,311 |
| Wf Rbs Commercial Mortgage Tru Wfrbs 2011 C4 D 144A | 5.25% | 15 Jun 2044 | - | 48,456 |
| Whirlpool Corp Sr Unsecured | 4.7% | 01 Jun 2022 | - | 243,310 |
| Whiting Petroleum Corp Sr Unsecured 144A | 6.625% | 15 Jan 2026 | - | 115,706 |
| World Financial Network Credit Wfnmt 2012 A A | 3.14% | 17 Jan 2023 | - | 269,583 |
| Corporate and Other Obligations | | | - | 21,063,510 |

Synthetic Guaranteed Investment Contracts:

22

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|----------------------------|---------------------|---------------|
| Cash and Cash Equivalents: | | | |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 1,143,150 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 2,688,262 |
| *State Street Bank & Trust Co | Short-term Investment Fund | - | 3,267,823 |
| Australian Dollar | Cash | - | 21 |
| U.S. Dollar | Cash | - | (55) |
| Cash and Cash Equivalents | | | |
| U.S. Government and Government Agency Issues: | | | |
| Fed Hm Ln Pc Pool 11 1L1358 | 3.5% 01 May 2036 | - | 441,106 |
| Fed Hm Ln Pool G01843 FG | 6% 01 Jun 2035 | - | 204,561 |
| Fed Hm Ln Pool G03205 FG | 5.5% 01 Jul 2035 | - | 37,307 |
| Fed Hm Ln Pool G08749 FG | 4% 01 Feb 2047 | - | 405,199 |
| Fed Hm Ln Pool G12743 FG | 5.5% 01 Aug 2022 | - | 30,809 |
| Fed Hm Ln Pool G60732 FG | 4% 01 Feb 2046 | - | 738,263 |
| Fed Hm Ln Pool G60886 FG | 4% 01 Jul 2044 | - | 573,698 |
| Fed Hm Ln Pool J16933 FG | 3% 01 Oct 2026 | - | 14,905 |
| Fed Hm Ln Pool Q03572 FG | 4% 01 Sep 2041 | - | 1,098,725 |
| Fed Hm Ln Pool Q11095 FG | 3.5% 01 Sep 2042 | - | 1,579,514 |
| Fed Hm Ln Pool Q39715 FG | 3.5% 01 Apr 2046 | - | 177,824 |
| Fed Hm Ln Pool Q43369 FG | 3.5% 01 Oct 2046 | - | 346,730 |
| Fed Hm Ln Pool Q46343 FG | 4% 01 Feb 2047 | - | 372,981 |
| Fed Hm Ln Pool Q51345 FG | 3.5% 01 Oct 2047 | - | 153,004 |
| Fed Hm Ln Pool U92432 FG | 4% 01 Feb 2044 | - | 243,749 |
| Fed Hm Ln Pool V82290 FG | 4% 01 Apr 2046 | - | 371,129 |
| Fed Home Ln Discount nt Discount Not | 0.01% 05 Jan 2018 | - | 5,288,529 |
| Fed Home Ln Discount nt Discount Not | 0.01% 14 Feb 2018 | - | 4,164,308 |
| Fed Home Ln Discount nt Discount Not | 0.01% 16 Feb 2018 | - | 6,236,640 |
| Fed Home Ln Discount nt Discount Not | 0.01% 21 Feb 2018 | - | 5,764,710 |
| Fed Home Ln Discount nt Discount Not | 0.01% 09 Mar 2018 | - | 1,925,207 |
| Fnma Pool 254693 Fn | 5.5% 01 Apr 2033 | - | 69,973 |
| Fnma Pool 725222 Fn | 5.5% 01 Feb 2034 | - | 84,750 |
| Fnma Pool 725423 Fn | 5.5% 01 May 2034 | - | 65,481 |
| Fnma Pool 725424 Fn | 5.5% 01 Apr 2034 | - | 29,047 |
| Fnma Pool 725690 Fn | 6% 01 Aug 2034 | - | 27,544 |
| Fnma Pool 725946 Fn | 5.5% 01 Nov 2034 | - | 74,790 |
| Fnma Pool 743132 Fn | 5% 01 Oct 2018 | - | 16,045 |
| Fnma Pool 914789 Fn | 3.45% 01 Apr 20137 | - | 437,395 |
| Fnma Pool 931745 Fn | 5% 01 Aug 2024 | - | 567,538 |
| Fnma Pool 986148 Fn | 5.5% 01 Jan 2038 | - | 558,756 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|---------------------|------------------|---|-----------|
| Fnma Pool AB5519 Fn | 3.5% 01 Jul 2042 | - | 1,146,915 |
| Fnma Pool AB5688 Fn | 3.5% 01 Jul 2037 | - | 362,945 |
| Fnma Pool AB6282 Fn | 3.5% 01 Sep 2042 | - | 1,713,276 |
| Fnma Pool AB7016 Fn | 4% 01 Nov 2042 | - | 1,084,973 |
| Fnma Pool AB9096 Fn | 4% 01 Apr 2043 | - | 707,295 |
| Fnma Pool AE9758 Fn | 4% 01 Dec 2040 | - | 340,921 |
| Fnma Pool AI0139 Fn | 3.4% 01 Feb 2039 | - | 233,358 |
| Fnma Pool AI9848 Fn | 3% 01 Mar 2047 | - | 1,511,521 |

23

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Fnma Pool AO4163 Fn | 3.5% 01 Jun 2042 | - | 1,113,022 |
| Fnma Pool AO8169 Fn | 3.5% 01 Sep 2042 | - | 747,916 |
| Fnma Pool AQ6238 Fn | 3.5% 01 Dec 2042 | - | 338,312 |
| Fnma Pool AR4445 Fn | 3% 01 Mar 2043 | - | 334,089 |
| Fnma Pool AR9225 Fn | 3% 01 Mar 2043 | - | 1,325,615 |
| Fnma Pool AS3867 Fn | 4% 01 Nov 2044 | - | 340,158 |
| Fnma Pool AS3955 Fn | 4% 01 Dec 2044 | - | 2,618,861 |
| Fnma Pool AS6922 Fn | 3.5% 01 Apr 2046 | - | 2,629,302 |
| Fnma Pool AS7023 Fn | 4% 01 Apr 2046 | - | 1,370,269 |
| Fnma Pool AS8028 Fn | 2.5% 01 Sep 2031 | - | 1,090,043 |
| Fnma Pool AS8483 Fn | 3% 01 Dec 2046 | - | 3,920,629 |
| Fnma Pool AU1628 Fn | 3% 01 Jul 2043 | - | 1,266,437 |
| Fnma Pool AU6109 Fn | 4% 01 Sep 2043 | - | 320,108 |
| Fnma Pool AU6743 Fn | 4% 01 Oct 2043 | - | 715,307 |
| Fnma Pool BC5980 Fn | 3.5% 01 Apr 2046 | - | 230,808 |
| Fnma Pool BD2440 Fn | 3.5% 01 Jan 2047 | - | 1,007,597 |
| Fnma Pool BD6399 Fn | 3.5% 01 Sep 2046 | - | 399,587 |
| Fnma Pool BD7074 Fn | 3% 01 Mar 2047 | - | 1,470,764 |
| Fnma Pool BD7595 Fn | 4% 01 Sep 2046 | - | 242,911 |
| Fnma Pool BD9698 Fn | 3.5% 01 Dec 2046 | - | 350,856 |
| Fnma Pool BE0183 Fn | 3.5% 01 Dec 2046 | - | 348,428 |
| Fnma Pool BE2929 Fn | 3.5% 01 Dec 2046 | - | 675,923 |
| Fnma Pool BE4503 Fn | 3.5% 01 Dec 2046 | - | 405,794 |
| Fnma Pool MA1217 Fn | 4% 01 Oct 2042 | - | 688,931 |
| Fnma Pool MA1404 Fn | 3.5% 01 Apr 2043 | - | 719,109 |
| Fnma Pool MA2994 Fn | 3.5% 01 May 2047 | - | 1,465,117 |
| Fnma Tba 30 Yr 3.5 Single Family Mortgage | 3.5% 18 Jan 2048 | - | 2,117,855 |
| Fnma Tba 30 Yr 4 Single Family Mortgage | 4% 18 Jan 2048 | - | 2,164,134 |
| Fnma Tba 30 Yr 4.5 Single Family Mortgage | 4.5% 18 Jan 2048 | - | 4,214,011 |
| Fnma Tba 30 Yr 4.5 Single Family Mortgage | 4.5% 13 Mar 2048 | - | (1,681,148) |
| Futures Cash Collateral Usd Held At Broker | | - | 127,076 |
| Gnma Ii TBA 30Yr 3.5 Jumbos | 3.5% 24 Jan 2048 | - | 1,197,026 |
| New Jersey St Econ Dev Auth Re Njsdev | 4.447% 15 Jun 2020 | - | 705,221 |
| North Carolina State Education Ncsea 2011 2 A2 | 2.17% 25 Jul 2025 | - | 729,835 |
| Ontario (Province Of) Sr Unsecured | 4% 07 Oct 2019 | - | 1,900,630 |
| Republic of Indonesia Sr Unsecured 144A | 3.85% 18 Jul 2027 | - | 232,005 |
| Republic Of Poland Sr Unsecured | 6.375% 15 Jul 2019 | - | 40,812 |
| Republica Orient Uruguay Sr Unsecured | 4.375% 27 Oct 2027 | - | 448,374 |
| Slm Student Loan Trust Slma 2012 7 A2 | 1.61% 25 Sep 2019 | - | 52,704 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|------------------------------------|---------------------|---|------------|
| Tsy Infl Ix N/B | 0.125% 15 Apr 2019 | - | 2,213,681 |
| Tsy Infl Ix N/B | 0.25% 15 Jan 2025 | - | 1,622,472 |
| Tsy Infl Ix N/B | 0.125% 15 Apr 2020 | - | 738,608 |
| Tsy Infl Ix N/B | 0.125% 15 Apr 2021 | - | 10,141,144 |
| Tsy Infl IX Ts | 0.375% 15 Jul 2025 | - | 2,247,127 |
| United Mexican States Sr Unsecured | 4.125% 21 Jan 2026 | - | 244,843 |
| Us Treasury Frn | 1.5103% 31 Jul 2019 | - | 3,852,566 |
| Us Treasury N/B | 1.88% 31 Jul 2022 | - | 5,165,286 |

24

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------|---------------------------|---------------------|---------------|
| Us Treasury N/B | 2.25% 15 Aug 2027 | - | 4,711,846 |
| Us Treasury N/B | 1.63% 31 Aug 2022 | - | 4,332,320 |
| Us Treasury N/B | 1.38% 15 Sep 2020 | - | 2,239,225 |
| Us Treasury N/B | 1.63% 15 Oct 2020 | - | 2,241,931 |
| Us Treasury N/B | 2% 31 Oct 2022 | - | 7,471,100 |
| Us Treasury N/B | 2% 30 Nov 2022 | - | 2,179,404 |
| Us Treasury N/B | 1.75% 31 May 2022 | - | 5,509,161 |
| Us Treasury N/B | 5.5% 15 Aug 2028 | - | 2,011,058 |
| Us Treasury N/B | 5.25% 15 Feb 2029 | - | 1,748,019 |
| Us Treasury N/B | 5.375% 15 Feb 2031 | - | 818,527 |
| Us Treasury N/B | 1.5% 31 Oct 2020 | - | 11,959,648 |
| Us Treasury N/B | 1.375% 31 Oct 2020 | - | 1,820,740 |
| Us Treasury N/B | 1% 31 Dec 2017 | - | 1,179,121 |
| Us Treasury N/B | 1.25% 31 Mar 2021 | - | 7,143,123 |
| Us Treasury N/B | 0.875% 31 Mar 2018 | - | 605,648 |
| Us Treasury N/B | 1.625% 15 May 2026 | - | 372,975 |
| Us Treasury N/B | 1.125% 30 Jun 2021 | - | 1,267,002 |
| Us Treasury N/B | 1.25% 30 Apr 2019 | - | 1,600,438 |
| Us Treasury N/B | 1.125% 30 Sep 2021 | - | 2,629,745 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|--|-----------------------|---|-------------|
| Us Treasury N/B | 1.75% 30 Nov 2021 | - | 2,303,811 |
| Us Treasury N/B | 0.75% 31 Dec 2017 | - | 2,271,614 |
| Us Treasury N/B | 1.125% 31 Jan 2019 | - | 4,418,830 |
| Us Treasury N/B | 1.125% 28 Feb 2019 | - | 3,346,056 |
| Us Treasury N/B | 1.75% 31 May 2022 | - | 1,552,969 |
| Us Treasury N/B | 1.75% 30 Jun 2022 | - | 1,252,310 |
| Us Treasury N/B | 1.625% 31 Aug 2022 | - | 3,459,285 |
| Us Treasury N/B | 1.875% 30 Sep 2022 | - | 13,119,120 |
| Us Treasury N/B | 1.375% 30 Sep 2019 | - | 7,452,604 |
| Us Treasury N/B | 1.625% 15 Oct 2020 | - | 16,213,451 |
| Us Treasury N/B | 1.75% 15 Nov 2020 | - | 4,115,190 |
| Us Treasury N/B | 1.5% 31 Oct 2019 | - | 11,676,692 |
| Us Treasury N/B | 0.75% 31 Oct 2018 | - | 4,209,850 |
| Us Treasury N/B | 1% 30 Nov 2019 | - | 4,425,910 |
| U.S. Government and Government Agency Issues | | - | 245,470,301 |
| Corporate and Other Obligations: | | | |
| 21St Century Fox America Company Guar | 4.5% 15 Feb 2021 | - | 391,675 |
| Abbott Laboratories Sr Unsecured | 2.9% 30 Nov 2021 | - | 632,899 |
| Abbvie Inc Sr Unsecured | 2.5% 14 May 2020 | - | 77,241 |
| Abbvie Inc Sr Unsecured | 3.2% 14 May 2026 | - | 393,478 |
| Abn Amro Bank Nv Sr Unsecured 144A | 2.5% 30 Oct 2018 | - | 531,200 |
| Aig Global Funding Sr Secured 144A | 1.95% 18 Oct 2019 | - | 443,716 |
| Alexandria Real Estate E Company Guar | 4.6% 01 Apr 2022 | - | 378,181 |
| Alfa S.A. Sr Unsecured 144A | 5.25% 25 Mar 2024 | - | 239,205 |
| Alibaba Group Holding Sr Unsecured | 2.5% 28 Nov 2019 | - | 390,968 |
| Alibaba Group Holding Sr Unsecured | 2.8% 06 Jun 2023 | - | 215,957 |
| Ally Auto Receivables Trust Allya 2015 2 A3 | | - | 151,443 |

1.49% 15

Nov 2019

1.63% 15

Ally Master Owner Trust Amot 2015 3 A

May 2020

-

615,606

25

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Altria Group Inc Company Guar | 2.63% | 14 Jan 2020 | - 455,314 |
| Amazon.Com Inc Sr Unsecured 144A | 2.4% | 22 Feb 2023 | - 342,920 |
| American Electric Power Sr Unsecured | 3.2% | 13 Nov 2027 | - 296,269 |
| American Express Co Sr Unsecured | 2.2% | 30 Oct 2020 | - 763,721 |
| American Express Credit Sr Unsecured | 2.6% | 14 Sep 2020 | - 778,351 |
| American Financial Group Sr Unsecured | 3.5% | 15 Aug 2026 | - 367,269 |
| American Honda Finance Sr Unsecured | 2% | 14 Feb 2020 | - 383,047 |
| American Intl Group Sr Unsecured | 6.4% | 15 Dec 2020 | - 907,034 |
| American Tower Corp Sr Unsecured | 3.6% | 15 Jan 2028 | - 521,504 |
| American Tower Corp Sr Unsecured | 3% | 15 Jun 2023 | - 681,619 |
| Americredit Automobile Receiva Amcar 2015 2 A3 | 1.27% | 08 Jan 2020 | - 112,694 |
| Americredit Automobile Receiva Amcar 2016 4 A2A | 1.34% | 08 Apr 2020 | - 270,373 |
| Americredit Automobile Receiva Amcar 2017 1 A3 | 1.87% | 18 Aug 2021 | - 91,149 |
| Amgen Inc Sr Unsecured | 2.2% | 22 May 2019 | - 67,392 |
| Amgen Inc Sr Unsecured | 2.65% | 11 May 2022 | - 839,963 |
| Amgen Inc Unsecured | 3.2% | 02 Nov 2027 | - 533,553 |
| Anheuser Busch Cos Llc Company Guar | 5% | 01 Mar 2019 | - 29,782 |
| Anheuser Busch Inbev Fin Company Guar | 3.65% | 01 Feb 2026 | - 744,996 |
| Apple Inc Sr Unsecured | 2.25% | 23 Feb 2021 | - 115,371 |
| Aptiv Plc Company Guar | 3.15% | 19 nov 2020 | - 73,306 |
| At+t Inc Sr Unsecured | 4.45% | 01 Apr 2024 | - 243,349 |
| At+t Inc Sr Unsecured | 3.9% | 14 Aug 2027 | - 1,191,845 |
| At+T Inc Sr Unsecured | 3.2% | 01 Mar 2022 | - 374,580 |
| Athene Global Funding Secured 144A | 3% | 01 Jul 2022 | - 457,298 |
| Athene Global Funding Secured 144A | 2.75% | 20 Apr 2020 | - 486,332 |
| Aust + Nz Banking Grp Ny Sr Unsecured | 2.63% | 09 Nov 2022 | - 401,630 |
| Autonation Inc Company Guar | 3.5% | 15 Nov 2024 | - 533,156 |
| Avalonbay Communities Sr Unsecured | 3.2% | 15 Jan 2028 | - 167,800 |
| Baker Hughes Llc/Co Obl Sr Unsecured 144A | 2.77% | 15 Dec 2022 | - 648,905 |
| Banc Of America Commercial Mor Bacm 2017 Bnk3 A2 | 3.12% | 15 Feb 2050 | - 620,788 |
| Banco Santander Sa Sr Unsecured | 3.5% | 11 Apr 2022 | - 196,292 |
| Bank Of America Corp Sr Unsecured | 2.37% | 21 Jul 2021 | - 754,277 |
| Bank Of America Corp Sr Unsecured | 3.82% | 20 Jan 2028 | - 393,274 |
| Bank Of America Corp Sr Unsecured | 2.88% | 24 Apr 2023 | - 385,585 |
| Bank Of America Corp Sr Unsecured | 2.503% | 21 Oct 2022 | - 557,100 |
| Bank Of America Corp Sr Unsecured | 2.151% | 09 Nov 2020 | - 450,326 |
| Bank Of America Corp Sr Unsecured | 2.39917% | 15 Jan 2019 | - 960,832 |
| Bank Of America Corp Subordinated | 4.2% | 26 Aug 2024 | - 247,326 |
| Bank Of America Credit Card Tr Bacct 2014 A1 A | 1.86% | 15 Jun 2021 | - 501,923 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|--|-------|-------------|---|-----------|
| Bank Of Montreal Sr Unsecured | 2.1% | 12 Dec 2019 | - | 302,362 |
| Bank Of Ny Mellon Corp Sr Unsecured | 2.66% | 16 May 2023 | - | 779,247 |
| Bank Of The West Auto Trust Bwsta 2015 1 A3 144A | 1.31% | 15 Oct 2019 | - | 135,874 |
| Bank Of The West Auto Trust Bwsta 2017 1A3 144A | 2.11% | 15 Jan 2023 | - | 239,354 |
| Barclays Commercial Mortgage S Bbcms 2017 C1 A2 | 3.19% | 15 Feb 2050 | - | 520,278 |
| Barclays Dryrock Issuance Trus Drock 2014 3 A | 2.41% | 15 Jul 2022 | - | 1,015,239 |
| Barclays Dryrock Issuance Trus Drock 2015 1 A | 2.2% | 15 Dec 2022 | - | 626,108 |
| Barclays Dryrock Issuance Trus Drock 2015 4 A | 1.72% | 16 Aug 2021 | - | 312,369 |

26

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Barclays Plc Sr Unsecured | 3.68% | 10 Jan 2023 | - 317,451 |
| Barrick Na Finance Llc Company Guar | 4.4% | 30 May 2021 | - 81,509 |
| *Baxalta Inc Company Guar | 3.6% | 23 Jun 2022 | - 359,320 |
| Bb Ubs Trust Bbubs 2012 Tft A 144A | 2.89% | 05 Jun 2030 | - 549,040 |
| Bb+T Corporation Sr Unsecured | 2.15% | 01 Feb 2021 | - 514,859 |
| Becton Dickinson And Co Sr Unsecured | 2.68% | 15 Dec 2019 | - 246,337 |
| Biogen Inc Sr Unsecured | 3.63% | 15 Sep 2022 | - 205,493 |
| Bmw Floorplan Master Owner Tru Bmwft 2015 1A A 144A | 1.98% | 15 Jul 2020 | - 466,847 |
| Boeing Co Sr Unsecured | 2.125% | 01 Mar 2022 | - 1,025,960 |
| Boston Properties Lp Sr Unsecured | 4.125% | 15 May 2022 | - 352,104 |
| Bp Capital Markets Plc Company Guar | 3.28% | 19 Sep 2027 | - 545,652 |
| Branch Banking + Trust Sr Unsecured | 2.625% | 15 Jan 2022 | - 867,929 |
| Brighthouse Financial In Sr Unsecured 144A | 3.7% | 22 Jun 2027 | - 265,058 |
| Brixmor Operating Part Sr Unsecured | 3.65% | 15 Jun 2024 | - 402,159 |
| Broadcom Crp / Caymn Fi Company Guar 144A | 3.88% | 15 Jan 2027 | - 167,653 |
| Broadcom Crp / Caymn Fi Company Guar 144A | 3.63% | 15 Jan 2024 | - 76,571 |
| Buckeye Partners Lp Sr Unsecured | 3.95% | 01 Dec 2026 | - 47,305 |
| Buckeye Partners Lp Sr Unsecured | 4.13% | 01 Dec 2027 | - 304,577 |
| Bx Trust Bx 2017 Imc A 144A | 2.3% | 15 Oct 2032 | - 274,756 |
| Capital One Financial Co Sr Unsecured | 2.5% | 12 May 2020 | - 538,352 |
| Capital One Financial Co Sr Unsecured | 3.3% | 30 Oct 2024 | - 746,847 |
| Capital One Financial Co Sr Unsecured | 3.3% | 30 Oct 2024 | - 368,636 |
| Capital One Financial Co Sr Unsecured | 3.05% | 09 Mar 2022 | - 799,667 |
| Capital One Multi Asset Execut Comet 2015 A5 A5 | 1.6% | 17 May 2021 | - 543,304 |
| Capital One Multi Asset Execut Comet 2016 A5 A5 | 1.66% | 17 Jun 2024 | - 1,079,078 |
| Capital One Multi Asset Execut Comet A5 A5 | 2% | 17 Jan 2023 | - 650,498 |
| Capital One Na Sr Unsecured | 2.4% | 05 Sep 2019 | - 398,920 |
| Carmax Auto Owner Trust Carmx 2015 4 A3 | 1.56% | 16 Nov 2020 | - 314,408 |
| Carmax Auto Owner Trust Carmx 2017 2 A3 | 1.93% | 15 Mar 2022 | - 574,361 |
| Carmax Auto Owner Trust Carmx 2017 2 A4 | 2.25% | 15 Sep 2022 | - 1,015,982 |
| Carmax Auto Owner Trust Carmx 2017 4 A3 | 2.11% | 17 Oct 2022 | - 143,673 |
| Carmax Auto Owner Trust Carmx 2017 4 A4 | 2.33% | 15 May 2023 | - 286,953 |
| Caterpillar Finl Service Sr Unsecured | 2.55% | 29 Nov 2022 | - 743,588 |
| Caterpillar Finl Service Sr Unsecured | 2.4% | 06 Jun 2022 | - 272,653 |
| Celgene Corp Sr Unsecured | 3.88% | 15 Aug 2025 | - 353,694 |
| Centerpoint Energy Resou Sr Unsecured | 4.5% | 15 Jan 2021 | - 100,672 |
| Cfcrc Commercial Mortgage Trus Cfcrc 2016 C4 A4 | 3.28% | 10 May 2058 | - 752,342 |
| Charles Schwab Corp Sr Unsecured | 3.2% | 25 Jan 2028 | - 525,413 |
| Charter Comm Opt Llc/Cap Sr Secured | 4.91% | 23 Jul 2025 | - 276,309 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|--|-------|-------------|---|-----------|
| Charter Comm Opt Llc/Cap Sr Secured | 4.91% | 23 Jul 2025 | - | 368,412 |
| Chase Issuance Trust Chait 2014 A2 A2 | 2.77% | 15 Mar 2023 | - | 468,804 |
| Chase Issuance Trust Chait 2016 A3 A3 | 2.03% | 15 Jun 2023 | - | 1,207,081 |
| Chase Issuance Trust Chait 2016 A4 A4 | 1.49% | 15 Jul 2022 | - | 1,191,929 |
| Chrysler Capital Auto Receivab Ccart 2015 Ba A3 144A | 1.91% | 16 Mar 2020 | - | 144,216 |
| Chrysler Capital Auto Receivab Ccart 2016 Aa A3 144A | 1.77% | 15 Oct 2020 | - | 307,383 |
| Chubb Ina Holdings Inc Company Guar | 2.7% | 13 Mar 2023 | - | 4,781 |
| Church + Dwight Co Inc Sr Unsecured | 2.45% | 01 Aug 2022 | - | 80,815 |

27

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Citibank Credit Card Issuance Cccit 2014 A1 A1 | 2.88% | 23 Jan 2023 | - 896,547 |
| Citigroup Commercial Mortgage Cgcm 2015 Gc27 A5 | 3.14% | 10 Feb 2048 | - 440,736 |
| Citigroup Commercial Mortgage Cgcm 2016 C1 A4 | 3.21% | 10 May 2049 | - 639,758 |
| Citigroup Inc Sr Unsecured | 2.9% | 08 Dec 2021 | - 208,310 |
| Citigroup Inc Sr Unsecured | 2.75% | 25 Apr 2022 | - 384,240 |
| Citigroup Inc Sr Unsecured | 3.67% | 24 Jul 2028 | - 268,552 |
| Citigroup Inc Sr Unsecured | 2.65% | 26 Oct 2020 | - 511,858 |
| Citigroup Inc Subordinated | 3.88% | 26 Mar 2025 | - 660,158 |
| Citizens Bank Na/Ri Sr Unsecured | 2.25% | 02 Mar 2020 | - 680,155 |
| Citizens Financial Group Sr Unsecured | 2.375% | 28 Jul 2021 | - 755,209 |
| Citrix Systems Inc Sr Unsecured | 4.5% | 01 Dec 2027 | - 547,058 |
| Cnh Equipment Trust Cnh 2015 A A4 | 1.85% | 15 Apr 2021 | - 318,762 |
| Cnh Equipment Trust Cnh 2017 B A3 | 1.86% | 15 Sepn 2022 | - 272,213 |
| Codelco Inc Sr Unsecured 144A | 3.63% | 01 Aug 2027 | - 380,621 |
| Comerica Bank Sr Unsecured | 2.5% | 02 Jun 2020 | - 249,933 |
| Comm Mortgage Trust Comm 2013 Sfs A1 144A | 1.87% | 12 Apr 2035 | - 142,403 |
| Comm Mortgage Trust Comm 2014 Ubs3 A4 | 3.82% | 10 Jun 2047 | - 297,911 |
| Comm Mortgage Trust Comm 2014 Ubs3 A5 | 3.82% | 10 Jun 2047 | - 540,280 |
| Comm Mortgage Trust Comm 2014 Ubs5 A4 | 3.84% | 10 Sep 2047 | - 511,034 |
| Comm Mortgage Trust Comm 2014 Ubs6 A5 | 3.64% | 10 Dec 2047 | - 805,167 |
| Comm Mortgage Trust Comm 2015 Cr27 Asb | 3.4% | 10 Oct 2048 | - 832,516 |
| Comm Mortgage Trust Comm 2015 Dc1 A5 | 3.35% | 10 Feb 2048 | - 151,892 |
| Comm Mortgage Trust Comm 2015 Pc1 A5 | 3.9% | 10 Jul 2050 | - 631,741 |
| Comm Mortgage Trust Comm 2016 Dc2 A5 | 3.77% | 10 Feb 2049 | - 700,617 |
| Comm Mortgage Trust Comms Comm 2014 UBS2 A5 | 3.96% | 10 Mar 2047 | - 142,138 |
| Compass Bank Sr Unsecured | 2.88% | 29 Jun 2022 | - 376,231 |
| Conagra Brands Inc Sr Unsecured | 1.86% | 09 Oct 2020 | - 771,263 |
| Concho Resources Inc Company Guar | 3.75% | 01 Oct 2027 | - 214,525 |
| Concho Resources Inc Company Guar | 3.75% | 01 Oct 2027 | - 185,272 |
| Consumers Energy Co 1St Mortgage | 6.125% | 15 Mar 2019 | - 276,752 |
| Cooperatieve Rabobank Ua Company Guar | 4.38% | 04 Aug 2025 | - 411,509 |
| Cox Communications Inc Sr Unsecured 144A | 3.15% | 15 Aug 2024 | - 530,879 |
| Cox Communications Inc Sr Unsecured 144A | 2.95% | 30 Jun 2023 | - 120,505 |
| Cred Suis Gp Fun Ltd Company Guar | 2.75% | 26 Mar 2020 | - 531,466 |
| Cred Suis Gp Fun Ltd Company Guar | 3.8% | 15 Sep 2022 | - 913,474 |
| Credit Agricole London Sr Unsecured 144A | 3.38% | 10 Jan 2022 | - 327,484 |
| Credit Based Asset Servicing A Cbass 2003 Cb1 Af | 3.95% | 25 Jan 2033 | - 62,493 |
| Credit Suisse Mortgage Trust Csmc 2014 Usa A2 144 A | 3.95% | 15 Sep 2037 | - 665,512 |
| Csail Commercial Mortgage Trus Csail 2015 C2 A4 | 3.5% | 15 Jun 2057 | - 116,209 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|--|--------|-------------|---|---------|
| Csail Commercial Mortgage Trus Csail 2015 C3 A4 | 3.72% | 15 Aug 2048 | - | 461,268 |
| Csail Commercial Mortgage Trus Csail 2015 C4 A4 | 3.81% | 15 Nov 2048 | - | 402,511 |
| Csail Commercial Mortgage Trus Csail 2015 C4 Asb | 3.62% | 15 Nov 2048 | - | 249,448 |
| Cvs Health Corp Sr Unsecured | 3.88% | 20 Jul 2025 | - | 285,494 |
| Cvs Health Corp Sr Unsecured | 2.125% | 01 Jun 2021 | - | 347,563 |
| D.R. Horton Inc Company Guar | 2.55% | 01 Dec 2020 | - | 528,610 |
| Daimler Finance Na Llc Company Guar 144A | 2.2% | 05 May 2020 | - | 665,172 |
| Dbubs Mortgage Trust Dbubs 2011 Lc2A A4 144A | 4.54% | 10 Jul 2044 | - | 760,304 |

28

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Dell Equipment Finance Trust Deft 2017 2 A3 144A | 2.19% | 24 Oct 2022 | - 354,949 |
| Delta Air Lines 2009 1A Passs Thru Ce | 7.75% | 17 Jun 2021 | - 239,421 |
| Delta Air Lines Inc Sr Unsecured | 2.6% | 04 Dec 2020 | - 729,238 |
| Deutsche Bank Ny Sr Unsecured | 3.3% | 16 Nov 2022 | - 416,574 |
| Discover Bank Subordinated | 7% | 15 Apr 2020 | - 419,664 |
| Discover Card Execution Note T Dcent 2015 A1 A1 | 1.83% | 17 Aug 2020 | - 421,794 |
| Discovery Communications Company Guar | 3.95% | 20 Mar 2028 | - 196,268 |
| Dominion Energy Inc Sr Unsecured | 2% | 15 Aug 2021 | - 1,039,360 |
| Drive Auto Receivables Trust Drive 2016 Ca A3 144A | 1.67% | 15 Nov 2019 | - 68,179 |
| Drive Auto Receivables Trust Drive 2017 Ba A3 144A | 1.74% | 17 Jun 2019 | - 307,962 |
| E.I. Du Pont De Nemours Sr Unsecured | 2.2% | 01 May 2020 | - 341,403 |
| Ebay Inc Sr Unsecured | 3.8% | 09 Mar 2022 | - 109,913 |
| Edison International Sr Unsecured | 2.13% | 15 Apr 2020 | - 758,518 |
| Enbridge Inc Sr Unsecured | 3.5% | 10 Jun 2024 | - 136,264 |
| Energy Transfer Partners Company Guar | 4.9% | 01 Feb 2024 | - 173,043 |
| Energy Transfer Partners Company Guar | 2.5% | 15 Jun 2018 | - 462,712 |
| Energy Transfer Partners Company Guar | 6.7% | 01 Jul 2018 | - 484,032 |
| Energy Transfer Partners Company Guar | 4.15% | 01 Oct 2020 | - 919,424 |
| Entergy Corp Sr Unsecured | 4% | 15 Jul 2022 | - 318,536 |
| Entergy Texas Inc 1St Mortgage | 3.45% | 01 Dec 2027 | - 390,161 |
| Enterprise Fleet Financing Llc Eff 2017 3 A2 144A | 2.13% | 22 May 2023 | - 297,861 |
| Enterprise Products Oper Company Guar | 5.2% | 01 Sep 2020 | - 262,246 |
| Enterprise Products Oper Company Guar | 3.35% | 15 Mar 2023 | - 338,624 |
| Enterprise Products Oper Company Guar | 3.7% | 15 Feb 2026 | - 389,309 |
| Eqc Corp Sr Unsecured | 3.9% | 01 Oct 2027 | - 177,026 |
| Eqc Corp Sr Unsecured | 3% | 01 Oct 2022 | - 333,302 |
| Eversource Energy Sr Unsecured | 2.75% | 15 Mar 2022 | - 385,716 |
| Exelon Corp Sr Unsecured | 2.85% | 15 Jun 2020 | - 582,914 |
| Exelon Generation Co Llc Sr Unsecured | 4.25% | 15 Jun 2022 | - 424,222 |
| Exelon Generation Co Llc Sr Unsecured | 2.95% | 15 Jan 2020 | - 738,980 |
| Expedia Inc Company Guar 144A | 3.8% | 15 Feb 2028 | - 739,443 |
| Expedia Inc Company Guar 144A | 3.8% | 15 Feb 2028 | - 252,062 |
| Express Scripts Holding Company Guar | 3% | 15 Jul 2023 | - 152,937 |
| Fanniemaes Aces Fna 2015 M17 FA | 2.17% | 25 Nov 2022 | - 340,459 |
| Fhlmc Multifamily Structured P Fhms K011 A1 | 2.92% | 25 Aug 2020 | - 160,401 |
| Fhlmc Multifamily Structured P Fhms K021 A1 | 1.6% | 25 Jan 2022 | - 500,898 |
| Fhlmc Multifamily Structured P Fhms K035 A1 | 2.62% | 25 Mar 2023 | - 377,841 |
| Fhlmc Multifamily Structured P Fhms Kp03 A2 | 1.78% | 25 Jul 2019 | - 189,539 |
| Fifth Third Bancorp Sr Unsecured | 3.5% | 15 Mar 2022 | - 187,286 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|--|-------|-------------|---|---------|
| Fifth Third Bank Sr Unsecured | 1.63% | 27 Sep 2019 | - | 803,963 |
| Ford Credit Auto Owner Trust Fordo 2016 A A4 | 1.6% | 15 Jun 2024 | - | 262,651 |
| Ford Credit Auto Owner Trust Fordo 2016 B A2A | 1.08% | 15 Mar 2019 | - | 102,180 |
| Ford Credit Auto Owner Trust Fordo 2016 C A3 | 1.22% | 15 Mar 2021 | - | 537,767 |
| Ford Credit Auto Owner Trust Fordo 2017 C A3 | 2.01% | 15 Mar 2022 | - | 878,149 |
| Ford Credit Auto Owner Trust/F Fordr 2014 1 A 144A | 2.26% | 15 Nov 2025 | - | 337,577 |
| Ford Credit Auto Owner Trust/F Fordr 2016 1 A 144A | 2.31% | 15 Aug 2027 | - | 311,791 |
| Ford Credit Floorplan Master O Fordf 2016 1 A1 | 1.76% | 15 Feb 2021 | - | 328,085 |

29

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Ford Credit Floorplan Master O Fordf 2017 1 A1 | 2.07% | 15 May 2022 | - 450,089 |
| Ford Credit Floorplan Master O Fordf 2017 2 A1 | 2.16% | 15 Sep 2022 | - 323,137 |
| Ford Motor Credit Co Llc Sr Unsecured | 5.88% | 02 Aug 2021 | - 798,020 |
| Ford Motor Credit Co Llc Sr Unsecured | 2.37878% | 12 Mar 2019 | - 759,405 |
| Fortis Inc Sr Unsecured | 2.1% | 04 Oct 2021 | - 399,315 |
| Fortune Brands Home + Se Sr Unsecured | 3% | 15 Jun 2020 | - 247,664 |
| General Electric Co Sr Unsecured | 1.86917% | 14 Jan 2019 | - 849,788 |
| General Motors Finl Co Company Guar | 3.5% | 07 Nov 2024 | - 537,925 |
| General Motors Finl Co Company Guar | 3.25% | 15 May 2018 | - 28,019 |
| General Motors Finl Co Company Guar | 4% | 15 Jan 2025 | - 57,361 |
| General Motors Finl Co Company Guar | 4.3% | 13 Jul 2025 | - 70,214 |
| General Motors Finl Co Company Guar | 3.1% | 15 Jan 2019 | - 362,887 |
| Gilead Sciences Inc Sr Unsecured | 3.65% | 01 Mar 2026 | - 158,769 |
| Gilead Sciences Inc Sr Unsecured | 2.55% | 01 Sep 2020 | - 1,019,657 |
| Glencore Funding Llc Company Guar 144A | 3% | 27 Oct 2022 | - 162,038 |
| Gm Financial Automobile Leasin Gmalt 2015 2 A3 | 1.68% | 20 Dec 2018 | - 234,559 |
| Gm Financial Automobile Leasin Gmalt 2015 3 A3 | 1.69% | 20 Mar 2019 | - 315,088 |
| Gm Financial Securitized Term Gmcar 2017 3A A3 144A | 1.97% | 16 May 2022 | - 416,212 |
| Gmf Floorplan Owner Revolving Gfort 2015 1 A1 144A | 1.65% | 15 May 2020 | - 299,991 |
| Gmf Floorplan Owner Revolving Gfort 2016 1 A1 144A | 1.96% | 17 May 2021 | - 394,429 |
| Goldman Sachs Group Inc Sr Unsecured | 7.5% | 15 Feb 2019 | - 406,902 |
| Goldman Sachs Group Inc Sr Unsecured | 6% | 15 Jun 2020 | - 158,190 |
| Goldman Sachs Group Inc Sr Unsecured | 5.75% | 24 Jan 2022 | - 346,873 |
| Goldman Sachs Group Inc Sr Unsecured | 4% | 03 Mar 2024 | - 349,406 |
| Goldman Sachs Group Inc Sr Unsecured | 2.35% | 15 Nov 2021 | - 138,401 |
| Goldman Sachs Group Inc Sr Unsecured | 2.51586% | 15 Nov 2018 | - 929,764 |
| Goldman Sachs Group Inc Sr Unsecured | 3.07725% | 29 Nov 2023 | - 906,673 |
| Goldman Sachs Group Inc Sr Unsecured | 2.876% | 31 Oct 2022 | - 719,842 |
| Goldman Sachs Group Inc Sr Unsecured | 2.88% | 31 Oct 2022 | - 767,832 |
| Gs Mortgage Securities Trust Gsms 2013 G1 A2 144A | 3.56% | 10 Apr 2031 | - 420,810 |
| Gs Mortgage Securities Trust Gsms 2014 Gc20 A3 | 3.68% | 10 Apr 2047 | - 692,394 |
| Harley Davidson Motorcycle Tru Hdmot 2015 2 A3 | 1.3% | 16 Mar 2020 | - 210,980 |
| Hartford Finl Svcs Grp Sr Unsecured | 5.5% | 30 Mar 2020 | - 245,189 |
| Healthcare Realty Trust Sr Unsecured | 3.75% | 15 Apr 2023 | - 78,325 |
| Healthcare Trust Of Amer Company Guar | 2.95% | 01 Jul 2022 | - 379,205 |
| Hess Corp Sr Unsecured | 4.3% | 01 Apr 2027 | - 278,857 |
| Honda Auto Receivables Owner T Harot 2016 4 A3 | 1.21% | 18 Dec 2020 | - 566,957 |
| Host Hotels + Resorts Lp Sr Unsecured | 3.75% | 15 Oct 2023 | - 12,738 |
| Hp Enterprise Co Sr Unsecured | 4.9% | 15 Oct 2025 | - 213,402 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|------------------------------------|-------------------|---|---------|
| Hp Enterprise Co Sr Unsecured | 3.6% 15 Oct 2020 | - | 398,018 |
| Hp Enterprise Co Sr Unsecured | 3.6% 15 Oct 2020 | - | 139,552 |
| Hp Enterprise Co Sr Unsecured 144A | 2.1% 04 Oct 2019 | - | 253,329 |
| Hp Inc Sr Unsecured | 4.3% 01 Jun 2021 | - | 898,168 |
| Hp Inc Sr Unsecured | 3.75% 01 Dec 2020 | - | 32,778 |
| Hp Inc Sr Unsecured | 4.65% 09 Dec 2021 | - | 101,287 |
| Hsbc Holdings Plc Sr Unsecured | 5.1% 05 Apr 2021 | - | 237,864 |
| Hsbc Holdings Plc Sr Unsecured | 2.65% 05 Jan 2022 | - | 908,351 |

30

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Hsbc Usa Inc Sr Unsecured | 2.38% 13 Nov 2019 | - | 443,286 |
| Hyundai Auto Lease Securizat Halst 2017 A A2A 144A | 1.56% 15 Jul 2019 | - | 465,629 |
| Ing Groep Nv Sr Unsecured | 3.15% 29 Mar 2022 | - | 564,954 |
| Israel Electric Corp Ltd Sr Secured 144A Regs | 5% 12 Nov 2024 | - | 261,028 |
| Jabil Inc Sr Unsecured | 8.25% 15 Mar 2018 | - | 87,794 |
| Jabil Inc Sr Unsecured | 5.63% 15 Dec 2020 | - | 308,227 |
| Jm Smucker Co Sr Unsecured | 3.38% 15 Dec 2027 | - | 399,989 |
| John Deere Owner Trust Jdot 2017 B3 | 1.82% 15 Oct 2021 | - | 219,734 |
| Jpmbb Commercial Mortgage Secu Jpmbb 2014 C18 A2 | 2.8785% 15 Feb 2047 | - | 425,391 |
| Jpmbb Commercial Mortgage Secu Jpmbb 2015 C32 Asb | 3.36% 15 Nov 2048 | - | 1,204,585 |
| Jpmorgan Chase + Co Sr Unsecured | 4.4% 22 Jul 2020 | - | 288,189 |
| Jpmorgan Chase + Co Sr Unsecured | 3.63% 13 May 2024 | - | 485,420 |
| Jpmorgan Chase + Co Sr Unsecured | 3.78% 01 Feb 2028 | - | 259,335 |
| Jpmorgan Chase + Co Sr Unsecured | 3.22% 01 Mar 2025 | - | 383,171 |
| Jpmorgan Chase + Co Sr Unsecured | 2.295% 15 Aug 2021 | - | 372,032 |
| Jpmorgan Chase Commercial Mor Jpmcc 2015 Sgp A 144A | 3.18% 15 Jul 2036 | - | 345,518 |
| Kellogg Co Sr Unsecured | 3.4% 15 Nov 2027 | - | 584,322 |
| Key Bank Na Sr Unsecured | 3.18% 15 Oct 2027 | - | 392,747 |
| Key Bank Na Sr Unsecured | 2.5% 22 Nov 2021 | - | 263,310 |
| Kinder Morgan Ener Part Company Guar | 4.15% 01 Feb 2024 | - | 239,586 |
| Kinder Morgan Ener Part Company Guar | 4.15% 01 Mar 2022 | - | 195,834 |
| Kinder Morgan Ener Part Company Guar | 3.95% 01 Sep 2022 | - | 372,515 |
| Kinder Morgan Ener Part Company Guar | 6.85% 15 Feb 2020 | - | 646,429 |
| Kla Tencor Corp Sr Unsecured | 4.65% 01 Nov 2024 | - | 345,588 |
| Kohl S Corporation Sr Unsecured | 4.25% 17 Jul 2025 | - | 317,861 |
| Kraft Heinz Foods Co Company Guar | 2.8% 02 Jul 2020 | - | 440,484 |
| Kraft Heinz Foods Co Company Guar | 2.8% 02 Jul 2020 | - | 484,049 |
| Kraft Heinz Foods Co Company Guar | 1.98% 10 Feb 2021 | - | 771,973 |
| Laboratory Corp Of Amer Sr Unsecured | 3.6% 01 Feb 2025 | - | 136,877 |
| Lam Research Corp Sr Unsecured | 2.8% 15 Jun 2021 | - | 125,917 |
| Life Technologies Corp Sr Unsecured | 6% 01 Mar 2020 | - | 561,459 |
| Lincoln National Corp Sr Unsecured | 8.75% 01 Jul 2019 | - | 33,631 |
| Lloyds Banking Group Plc Sr Unsecured | 3.75% 11 Jan 2027 | - | 395,887 |
| Lloyds Banking Group Plc Sr Unsecured | 3.1% 06 Jul 2020 | - | 578,495 |
| Lloyds Banking Group Plc Subordinated | 4.65% 24 Mar 2026 | - | 203,272 |
| Lstar Commercial Mortgage Trus Lnstr 2016 4 A2 144A | 2.58% 10 Mar 2049 | - | 243,056 |
| Lyondellbasell Ind Nv Sr Unsecured | 5% 15 Apr 2019 | - | 414,087 |
| Marathon Petroleum Corp Sr Unsecured | 5.13% 01 Mar 2021 | - | 158,056 |
| Medtronic Inc Company Guar | 3.15% 15 Mar 2022 | - | 458,437 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|---|--------|-------------|---|---------|
| Medtronic Inc Company Guar | 2.5% | 15 Mar 2020 | - | 866,579 |
| Met Life Glob Funding I Secured 144A | 2.65% | 08 Apr 2022 | - | 769,904 |
| Met Life Glob Funding I Sr Secured 144A | 1.75% | 19 Sep 2019 | - | 334,469 |
| Methanex Corp Sr Unsecured | 3.25% | 15 Dec 2019 | - | 101,519 |
| *Metlife Inc Sr Unsecured | 7.72% | 15 Feb 2019 | - | 120,682 |
| *Metlife Inc Sr Unsecured | 3.048% | 15 Dec 2022 | - | 423,561 |
| Mitsubishi Ufj Fin Grp Sr Unsecured | 3.85% | 01 Mar 2026 | - | 392,705 |
| Mizuho Bank Ltd Company Guar 144A | 2.45% | 16 Apr 2019 | - | 462,362 |

31

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|---|---------------------------|---------------------|---------------|
| Morgan Stanley Baml Trust Msbam 2014 C14 A3 | 3.67% 15 Feb 2047 | - | 900,146 |
| Morgan Stanley Baml Trust Msbam 2015 C22 A4 | 3.31% 15 Apr 2048 | - | 264,921 |
| Morgan Stanley Sr Unsecured | 5.5% 24 Jul 2020 | - | 285,871 |
| Morgan Stanley Sr Unsecured | 3.59% 22 Jul 2028 | - | 388,563 |
| Morgan Stanley Sr Unsecured | 3.88% 29 Apr 2024 | - | 256,268 |
| Morgan Stanley Sr Unsecured | 5.5% 28 Jul 2021 | - | 328,496 |
| Morgan Stanley Sr Unsecured | 5.63% 23 Sep 2019 | - | 525,432 |
| Morgan Stanley Sr Unsecured | 2.625% 17 Nov 2021 | - | 962,953 |
| Morgan Stanley Sr Unsecured | 2.54261% 20 Jan 2022 | - | 244,618 |
| Morgan Stanley Sr Unsecured | 2.21% 14 Feb 2020 | - | 773,108 |
| Mylan Nv Company Guar | 3.15% 15 Jun 2021 | - | 382,329 |
| Nabors Industries Inc Company Guar | 5.5% 15 Jan 2023 | - | 305,311 |
| National Rural Util Coop Sr Unsecured | 1.5% 01 Nov 2019 | - | 237,579 |
| Nevada Power Co Genl Ref Mor | 6.5% 01 Aug 2018 | - | 246,833 |
| Nisource Inc Sr Unsecured | 6.8% 15 Jan 2019 | - | 79,472 |
| Noble Energy Inc Sr Unsecured | 3.9% 15 Nov 2024 | - | 246,429 |
| Nordea Bank Ab Sr Unsecured 144A | 2.5% 17 Sep 2020 | - | 905,819 |
| Omega Hlthcare Investors Company Guar | 4.75% 15 Jan 2028 | - | 372,115 |
| Oracle Corp Sr Unsecured | 2.95% 15 Nov 2024 | - | 387,778 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|--|-----------------------|---|---------|
| Oracle Corp Sr Unsecured | 1.9% 15 Sep 2021 | - | 710,518 |
| Orix Corp Sr Unsecured | 2.9% 18 Jul 2022 | - | 167,856 |
| Orix Corp Sr Unsecured | 3.25% 04 Dec 2024 | - | 364,602 |
| Oscar Us Funding Trust Oscar 2017 2A A3 144A | 2.45% 10 Dec 2021 | - | 66,770 |
| Oscar Us Funding Trust Oscar 2017 2A A4 144A | 2.76% 10 Dec 2024 | - | 85,515 |
| Paccar Financial Corp Sr Unsecured | 1.2% 12 Aug 2019 | - | 137,467 |
| Paccar Financial Corp Sr Unsecured | 2.25% 25 Feb 2021 | - | 810,606 |
| Pacific Gas + Electric Sr Unsecured 144A | 3.3% 01 Dec 2027 | - | 519,682 |
| Petroleos Mexicanos Company Guar | 4.63% 21 Sep 2023 | - | 328,753 |
| Petroleos Mexicanos Company Guar 144A | 6.5% 13 Mar 2027 | - | 152,549 |
| Philip Morris Intl Inc Sr Unsecured | 5.65% 16 May 2018 | - | 24,407 |
| Pitney Bowes Inc Sr Unsecured | 4.13% 15 May 2022 | - | 154,760 |
| Pitney Bowes Inc Sr Unsecured | 4.7% 01 Apr 2023 | - | 335,589 |
| Plains All Amer Pipeline Sr Unsecured | 3.85% 15 Oct 2023 | - | 172,436 |
| Plains All Amer Pipeline Sr Unsecured | 3.6% 01 Nov 2024 | - | 302,775 |
| Pnc Bank Na Sr Unsecured | 2.4% 18 Oct 2019 | - | 419,327 |
| Pnc Bank Na Sr Unsecured | 3.1% 25 Oct 2027 | - | 264,307 |
| Pnc Financial Services Sr Unsecured | 3.3% 08 Mar 2022 | - | 420,023 |
| * Prudential Financial Inc Sr Unsecured | 4.5% 15 Nov 2020 | - | 288,876 |
| Quest Diagnostics Inc Company Guar | 4.75% 30 Jan 2020 | - | 336,961 |
| Realty Income Corp Sr Unsecured | 3.65% 15 Jan 2028 | - | 358,769 |
| Reliance Steel + Alum Sr Unsecured | 4.5% 15 Apr 2023 | - | 86,242 |
| Republic Services Inc Sr Unsecured | 3.38% 15 Nov 2027 | - | 252,134 |
| Reynolds American Inc Company Guar | 4% 12 Jun 2022 | - | 430,439 |
| Reynolds American Inc Company Guar | 8.125% 23 Jun 2019 | - | 609,075 |
| Royal Bank Of Canada Sr Unsecured | | - | 765,066 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | |
|-----------------------------|-------------|---|---------|
| | 2.15% 26 | | |
| | Oct 2020 | | |
| S+P Global Inc Company Guar | 3.3% 14 | | |
| | Aug 2020 | - | 191,188 |
| S+P Global Inc Company Guar | 4.4% 15 Feb | | |
| | 2026 | - | 300,363 |

32

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|---------------------------|---------------------|---------------|
| Santander Drive Auto Receivabl Sdart 2016 2 A3 | 1.56% | 15 May 2020 | - 187,636 |
| Santander Holdings Usa Sr Unsecured 144A | 4.4% | 13 Jul 2027 | - 383,898 |
| Santander Holdings Usa Srs Unsecured 144A | 3.7% | 28 Mar 2022 | - 384,782 |
| Santander Uk Group Hldgs Sr Unsecured | 2.88% | 05 Aug 2021 | - 494,498 |
| Santander Uk Group Hldgs Sr Unsecured | 2.88% | 05 Aug 2021 | - 319,743 |
| Schlumberger Hldgs Corp Sr Unsecured 144A | 3% | 21 Dec 2020 | - 394,881 |
| Scslc 2010 1 A2 | 2.37% | 25 Jul 2025 | - 731,641 |
| Seagate Hdd Cayman Company Guar 144A | 4.88% | 01 Mar 2024 | - 498,469 |
| Select Income Reit Sr Unsecured | 4.25% | 15 May 2024 | - 205,262 |
| Sempra Energy Sr Unsecured | 4.05% | 01 Dec 2023 | - 493,347 |
| *Shire Acq Inv Ireland Da Company Guar | 1.9% | 23 Sep 2019 | - 805,989 |
| Simon Property Group Lp Sr Unsecured | 3.38% | 01 Dec 2027 | - 270,762 |
| Sky Plc Company Guar 144A | 2.625% | 16 Sep 2019 | - 887,268 |
| Snap On Inc Sr Unsecured | 4.25% | 15 Jan 2018 | - 308,081 |
| Southern Cal Edison 1St Ref Mort | 5.5% | 15 Aug 2018 | - 393,527 |
| Southwest Airlines Co Sr Unsecured | 3.45% | 16 Nov 2027 | - 536,269 |
| Spectra Energy Partners Sr Unsecured | 3.5% | 15 Mar 2025 | - 449,469 |
| Spectra Energy Partners Sr Unsecured | 2.95% | 25 Sep 2018 | - 96,833 |
| Starwood Retail Property Trust Srpt 2014 Star A 144A | 2.7% | 15 Nov 2027 | - 449,078 |
| *State Street Corp Sr Unsecured | 3.7% | 20 Nov 2023 | - 197,642 |
| *State Street Corp Sr Unsecured | 2.65% | 15 May 2023 | - 433,272 |
| Stryker Corp Sr Unsecured | 2.625% | 15 Mar 2021 | - 598,187 |
| Sumitomo Mitsui Finl Grp Sr Unsecured | 2.78% | 12 Jul 2022 | - 382,820 |
| Suntrust Bank Sr Unsecured | 2.45% | 01 Aug 2022 | - 768,786 |
| Svenska Handelsbanken Ab Company Guar | 1.5% | 06 Sep 2019 | - 561,174 |
| Synchrony Credit Card Master N Gemnt 2012 7A | 1.76% | 15 Sep 2022 | - 1,380,604 |
| Synchrony Credit Card Master N Gemnt 2012 2 A | 2.22% | 15 Jan 2022 | - 538,758 |
| Synchrony Credit Card Master N Synct 2015 3 A | 1.74% | 15 Sep 2021 | - 389,353 |
| Synchrony Financial Sr Unsecured | 3.95% | 01 Dec 2027 | - 517,590 |
| Synchrony Financial Sr Unsecured | 3.95% | 01 Dec 2027 | - 369,022 |
| Telefonica Emisiones Sau Company Guar | 5.46% | 16 Feb 2021 | - 171,798 |
| Teva Pharmaceuticals Ne Company Guar | 3.15% | 01 Oct 2026 | - 212,191 |
| Thermo Fisher Scientific Sr Unsecured | 2.95% | 19 Sep 2026 | - 383,480 |
| Time Warner Cable Llc Sr Secured | 5% | 01 Feb 2020 | - 120,543 |
| Time Warner Inc Company Guar | 3.55% | 01 Jun 2024 | - 267,609 |
| Time Warner Inc Company Guar | 3.6% | 15 Jul 2025 | - 318,351 |
| Time Warner Inc Company Guar | 4.75% | 29 Mar 2021 | - 420,060 |
| Time Warner Inc Company Guar | 2.1% | 01 Jun 2019 | - 701,300 |
| Trust F/1401 Sr Unsecured 144A | 5.25% | 30 Jan 2026 | - 253,270 |

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

| | | | | |
|---|--------|-------------|---|---------|
| Tyson Foods Inc Company Guar | 2.65% | 15 Aug 2019 | - | 86,079 |
| Ubs Barclays Commercial Mortga Ubsbb 2013 C6 A4 | 3.24% | 10 Apr 2046 | - | 647,513 |
| Ubs Group Funding Switze Company Guar 144A | 4.13% | 24 Sep 2025 | - | 205,060 |
| United Technologies Corp Sr Unsecured | 1.95% | 01 Nov 2021 | - | 714,703 |
| Unitedhealth Group Inc Sr Unsecured | 2.125% | 15 Mar 2021 | - | 750,039 |
| Unum Group Sr Unsecured | 5.63% | 15 Sep 2020 | - | 393,766 |
| Us Bancorp Sr Unsecured | 2.625% | 24 Jan 2022 | - | 871,268 |
| Valero Energy Corp Sr Unsecured | 6.13% | 01 Feb 2020 | - | 272,643 |

33

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|-----------------------------|---------------------|---------------|
| Verizon Communications Sr Unsecured | 3.5% 01 Nov 2024 | - | 233,193 |
| Verizon Communications Sr Unsecured | 1.75% 15 Aug 2021 | - | 679,105 |
| Verizon Owner Trust Vzot 2017 3A A1A 144A | 2.06% 20 Apr 2022 | - | 699,055 |
| Visa Inc Sr Unsecured | 2.2% 14 Dec 2020 | - | 947,363 |
| Vmware Inc Sr Unsecured | 2.95% 21 Aug 2022 | - | 116,143 |
| Volvo Financial Equipment Llc Vfet 2015 1A A3 144A | 1.51% 17 Jun 2019 | - | 280,530 |
| Voya Financial Inc Company Guar | 3.13% 15 Jul 2024 | - | 248,011 |
| Waldorf Astoria Boca Raton Tru Wabr 2016 Boca A 144A | 2.83% 15 Jun 2029 | - | 505,154 |
| Waste Management Inc Company Guar | 4.6% 30 Jun 2020 | - | 403,747 |
| Waste Management Inc Company Guar | 4.75% 01 Mar 2021 | - | 427,900 |
| Wells Fargo + Company Sr Unsecured | 2.63% 22 Jul 2022 | - | 540,915 |
| Wells Fargo + Company Sr Unsecured | 3.07% 24 Jan 2023 | - | 301,599 |
| Wells Fargo + Company Sr Unsecured | 2.6% 22 Jul 2020 | - | 774,780 |
| Wells Fargo Commercial Mortgag Wfcm2017 Rc1 A2 | 3.12% 15 Jan 2060 | - | 1,172,895 |
| Welltower Inc Sr Unsecured | 4% 01 Jun 2025 | - | 405,095 |
| Welltower Inc Sr Unsecured | 5.25% 15 Jan 2022 | - | 428,854 |
| Western Union Co/The Sr Unsecured | 3.6% 15 Mar 2022 | - | 521,323 |
| Westpac Banking Corp Sr Unsecured | 2.75% 11 Jan 2023 | - | 518,717 |
| Wf Rbs Commercial Mortgage Tru Wfrbs 2013 C14 A5 | 3.34% 15 Jun 2046 | - | 258,534 |
| Wf Rbs Commercial Mortgage Tru Wfrbs 2013 C17 A2 | 2.921% 15 Dec 2046 | - | 536,990 |
| Wf Rbs Commercial Mortgage Tru Wfrbs 2014 C19 A3 | 3.66% 15 Mar 2047 | - | 617,069 |
| Wf Rbs Commercial Mortgage Tru Wfrbs 2014 C19 A5 | 4.10% 15 Mar 2047 | - | 353,242 |
| Wf Rbs Commercial Mortgage Tru Wfrbs 2014 C24 A5 | 3.61% 15 Nov 2047 | - | 752,990 |
| Wheels Spv Llc Whls 2016 1A A3 144A | 1.87% 20 May 2025 | - | 397,913 |
| Williams Partners Lp Sr Unsecured | 3.6% 15 Mar 2020 | - | 241,227 |
| Williams Partners Lp Sr Unsecured | 3.9% 15 Jan 2025 | - | 279,587 |
| Williams Partners Lp Sr Unsecured | 4% 15 Nov 2021 | - | 338,446 |
| World Financial Network Credit Wfnmt 2013 A A | 1.61% 15 Dec 2021 | - | 247,325 |
| World Financial Network Credit Wfnmt 2015 A A | 1.96% 15 Feb 2022 | - | 348,720 |
| World Financial Network Credit Wfnmt 2016 B A | 1.44% 02 Jun 2022 | - | 226,494 |
| World Financial Network Credit Wfnmt 2017 B A | 1.98% 15 Jun 2023 | - | 278,044 |
| World Financial Network Credit Wfnmt 2017 C A | 2.31% 15 Aug 2024 | - | 738,053 |
| Xerox Corporation Sr Unsecured | 3.63% 15 Mar 2023 | - | 516,441 |
| Yamana Gold Inc Company Guar | 4.95% 15 Jul 2024 | - | 162,120 |
| Zimmer Biomet Holdings Sr Unsecured | 2.7% 01 Apr 2020 | - | 394,837 |
| Corporate and Other Obligations | | - | 178,812,807 |
| Separate Investment Contract: | | | |
| *Metropolitan Life Insurance Company | Separate Investment Account | - | 131,481,307 |
| Benefit Resource Interest Rate Wrapper Contracts: | | | |

| | | |
|---|---|---------------|
| *Metropolitan Life Insurance Company | - | (82,807) |
| *Prudential Financial Inc | - | (69,802) |
| *Transamerica Inc | - | (146,234) |
| Benefit Resource Interest Rate Wrapper Contracts | - | (298,843) |
| Synthetic Guaranteed Investment Contracts at Fair Value | - | 562,564,774 |
| Adjustment to Contract Value | - | (13,682,506) |
| Synthetic Guaranteed Investment Contracts at Contract Value | - | 548,882,268 |

34

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, 2017

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|--|--|---------------------|-----------------|
| Common-collective Trusts: | | | |
| * Northern Trust Domestic Mid Cap | Common-collective Trusts | - | 45,958,866 |
| * SSgA Emerging Markets Equity | Common-collective Trusts | - | 27,333,168 |
| * State Street S&P 500 Index Non-Lending Series Fund | Common-collective Trusts | - | 358,004,390 |
| * State Street International Index Non-Lending Series Fund | Common-collective Trusts | - | 94,144,515 |
| * State Street Russell Small Cap Index Non-Lending Series Fund | Common-collective Trusts | - | 129,287,497 |
| * Vanguard Target Retirement Income | Common-collective Trusts | - | 26,243,773 |
| * Vanguard Target Retirement 2015 | Common-collective Trusts | - | 30,560,121 |
| * Vanguard Target Retirement 2020 | Common-collective Trusts | - | 71,203,506 |
| * Vanguard Target Retirement 2025 | Common-collective Trusts | - | 93,468,281 |
| * Vanguard Target Retirement 2030 | Common-collective Trusts | - | 97,834,745 |
| * Vanguard Target Retirement 2035 | Common-collective Trusts | - | 102,278,284 |
| * Vanguard Target Retirement 2040 | Common-collective Trusts | - | 85,196,296 |
| * Vanguard Target Retirement 2045 | Common-collective Trusts | - | 60,626,761 |
| * Vanguard Target Retirement 2050 | Common-collective Trusts | - | 66,997,884 |
| * Vanguard Target Retirement 2055 | Common-collective Trusts | - | 441,824 |
| Comingled Investments | | - | 1,289,579,910 |
| *** Self-managed Fund: | | | |
| Self-managed Fund | | - | 60,929,757 |
| * Participant Loans | Interest rates range from 4.25% to 7.00% | - | 35,829,168 |
| Collateral Held on Loaned Securities | | | |
| * SSgA Quality D Short-term Investment Fund | | - | 7,343,200 |
| Total Investments | | - | \$2,484,142,566 |

* Party-in-interest

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

*** Certain investments in this fund are with Parties-in-Interest

Cost information not required for participant-directed investments.

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 29, 2018 By: /s/ James K. Saccaro
James K. Saccaro
Member of the Administrative Committee

Exhibit No. Exhibit

23.1 Consent of Independent Registered Public Accounting Firm