

INTERNATIONAL BUSINESS MACHINES CORP

Form 11-K

June 24, 2014

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 11-K

(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

For the transition period from to

Commission file number 1-2360

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

IBM 401(k) Plus Plan

Director of Compensation and Benefits

IBM

North Castle Drive, M/D 147

Armonk, New York 10504

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

INTERNATIONAL BUSINESS MACHINES CORPORATION

New Orchard Road

Armonk, New York 10504

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IBM 401(k) PLUS PLAN

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* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 are omitted because they are not applicable.

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SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

IBM 401(k) Plus Plan

Date: June 24, 2014

By:

/s/ James J. Kavanaugh
James J. Kavanaugh
Vice President and Controller
(Principal Accounting Officer)

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Report of Independent Registered Public Accounting Firm

To the Participants and Plan Administrator of the IBM 401(k) Plus Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the IBM 401(k) Plus Plan (the Plan) at December 31, 2013 and 2012, and the changes in net assets available for benefits for the year ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of loans or fixed income obligations in default or classified as uncollectible, of assets (held at end of year) and of assets (acquired and disposed of within year) are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
New York, NY
June 24, 2014

Table of Contents**IBM 401(k) PLUS PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

AT DECEMBER 31,

	2013	2012
	(Dollars in thousands)	
Assets:		
Investments, at fair value (Note 3)	\$ 46,791,660	\$ 41,986,768
Receivables:		
Employer contributions		35,662
Participant contributions		24,053
Notes receivable from participants	315,264	323,820
Income, sales proceeds and other receivables	1,044,073	1,292,054
Total receivables	1,359,337	1,675,589
Total assets	48,150,997	43,662,357
Liabilities:		
Payable for collateral deposits	8,643	14,335
Accrued expenses and other liabilities	1,563,603	2,044,352
Total liabilities	1,572,246	2,058,687
Net assets at fair value	46,578,751	41,603,670
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(293,477)	(708,476)
Net assets available for benefits	\$ 46,285,274	\$ 40,895,194

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

Table of Contents**IBM 401(k) PLUS PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEAR ENDED DECEMBER 31,**

	2013
	(Dollars in thousands)
Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments (Note 3)	\$ 5,067,415
Interest income from investments	643,283
Dividends	255,282
	5,965,980
Interest income on notes receivable from participants	13,242
Contributions:	
Participants	1,197,051
Employer	791,927
	1,988,978
Transfers from other benefit plans	94,928
Total additions	8,063,128
Deductions from net assets attributed to:	
Distributions to participants	2,620,019
Administrative expenses, net	53,029
Total deductions	2,673,048
Net increase in net assets during the year	5,390,080
Net assets available for benefits:	
Beginning of year	40,895,194
End of year	\$ 46,285,274

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

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IBM 401(k) PLUS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the IBM 401(k) Plus Plan (the Plan) provides only general information. Participants should refer to the Plan prospectus (Summary Plan Description) for a complete description of the Plan's provisions.

General

The Plan was established by resolution of International Business Machines Corporation's Retirement Plans Committee (the Committee) effective July 1, 1983 and Plan assets are held in trust for the benefit of its participants. The Plan offers all eligible active, full-time and part-time regular and long-term supplemental United States (U.S.) employees of International Business Machines Corporation (IBM) and certain of its domestic related companies and partnerships an opportunity to defer from one to eighty percent of their eligible compensation for before-tax 401(k) and/or Roth 401(k) contributions to any of thirty-three primary investment funds and about 165 mutual funds in a mutual fund window. The investment objectives of the primary funds are described in Note 6, Description of Investment Funds. In addition, participants are able to contribute up to ten percent of their eligible compensation on an after-tax basis. Roth 401(k) and after-tax contributions are not available for employees working in Puerto Rico. Annual contributions are subject to the legal limits permitted by Internal Revenue Service (IRS) regulations.

Participants are provided the choice to enroll in a disability protection program under which a portion of the participant's account is used to pay premiums to purchase term insurance (underwritten by Metropolitan Life Insurance Company), which will pay the amount of their before-tax 401(k) contributions, matching contributions, automatic contributions and/or Special Savings Awards into their accounts in the event the participant becomes disabled while insured.

At December 31, 2013 and 2012, the number of participants with an account balance in the Plan was 196,397 and 197,713, respectively.

The Plan is dual qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and Section 1081.01(a) of the Internal Revenue Code for a New Puerto Rico, as amended (the PRIRC). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Administration

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The Plan is administered by the Committee, which appointed certain officials of IBM to assist in administering the Plan. The Committee appointed State Street Bank and Trust Company (SSBT), as Trustee, to safeguard the assets of the funds and State Street Global Advisors (SSGA), the institutional investment management affiliate of SSBT, The Vanguard Group and other investment managers to direct investments in the various funds.

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Fidelity Investments Institutional Operations Company, Inc. (Fidelity) is the provider of record keeping and participant services, operator of the IBM Employee Services Center for the Plan in Raleigh, North Carolina as well as the provider of administrative services related to the mutual fund window. Communication services were provided by Fidelity as well as The Vanguard Group.

Contributions

Under the Plan, IBM provides employer contributions for eligible participants as shown in the table below:

IBM Pension Plan Eligibility at 12/31/2007	IBM Automatic Contribution	IBM Matching Contribution
Pension Credit Formula	4%	100% on 6% of eligible compensation
Personal Pension Account	2%	100% on 6% of eligible compensation
New Hires on or after 1/1/2005	1%	100% on 5% of eligible compensation
GBS Application Development Specialist Job Family Hires on or after 4/15/2013	1%	100% on 2% of eligible compensation

IBM employer contributions are based upon the IBM pension formula for which the employee was eligible on December 31, 2007, or on hire date on or after January 1, 2005. Any employees who terminate employment and are rehired on or after January 1, 2005 will be eligible to participate in the New Hires on or after 1/1/2005 contribution rates or the Global Business Services (GBS) Application Development Specialist Job Family Hires on or after 4/15/2013 as applicable.

A contribution equal to five percent of eligible compensation (referred to as a Special Savings Award) will be added to the accounts of participants who are non-exempt employees at each year-end (effective January 1, 2013, the determination will be made on December 15 and the Special Savings Award will be contributed to eligible participants on the last business day of the year) and who participated in the Pension Credit Formula as of December 31, 2007 and have been continuously employed by IBM since that date.

Newly hired employees are automatically enrolled at five percent of eligible salary and performance pay after approximately thirty days of employment with IBM, unless they elect otherwise. After completing one year of service with IBM, they are eligible for the IBM automatic contribution and the IBM matching contribution. GBS Application Development Specialist Job Family Hires are eligible for a matching contribution equal to two percent and automatic contributions equal to one percent, if they complete two years of service.

Effective January 1, 2013, matching and automatic contributions are made once annually at the end of the year. In order to receive such IBM employer contributions each year, a participant must be employed on December 15 of the plan year. However, if a participant separates from service prior to December 15, and has completed certain service and/or age requirements, then the participant will be eligible to receive such matching and automatic contributions following separation from service.

Eligible compensation under the Plan includes regular salary, commissions, overtime, shift premium and similar additional compensation payments for nonscheduled workdays, recurring payments under an employee variable compensation plan, regular IBM Short-Term Disability

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Income Plan payments, holiday pay and vacation pay, and payments made under any executive incentive compensation plan. Non-recurring compensation, such as awards, deal team payments and significant signing bonuses are not eligible compensation and cannot be deferred under the Plan.

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Participants are able to choose to have their contributions invested entirely in one of, or in any combination of, the following funds or in the mutual fund window funds, in multiples of one percent. If participants do not make an investment election, then contributions will be invested in the default Target Date fund that most closely corresponds to the year in which they will reach age 60.

These funds and their investment objectives are more fully described in Note 6, Description of Investment Funds.

Life Cycle Funds (14)

Target Date 2005 Fund

Target Date 2010 Fund

Target Date 2015 Fund

Target Date 2020 Fund

Target Date 2025 Fund

Target Date 2030 Fund

Target Date 2035 Fund

Target Date 2040 Fund

Target Date 2045 Fund

Target Date 2050 Fund

Income Plus Life Strategy Fund

Conservative Life Strategy Fund

Moderate Life Strategy Fund

Aggressive Life Strategy Fund

Core Funds (8)

Interest Income Fund

Inflation Protected Bond Fund

Total Bond Market Fund

High Yield and Emerging Markets Bond Fund

Total Stock Market Index Fund

Total International Stock Market Index Fund

Real Estate Investment Trust (REIT) Index Fund

International Real Estate Index Fund

Expanded Choice Funds (11)

Long-Term Corporate Bond Fund

Large Company Index Fund

Large-Cap Value Index Fund

Large-Cap Growth Index Fund

Small/Mid-Cap Stock Index Fund

Small-Cap Value Index Fund

Small-Cap Growth Index Fund

European Stock Index Fund

Pacific Stock Index Fund

Emerging Markets Stock Index Fund

IBM Stock Fund

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The Plan participants also have access to the mutual fund window investment options.

Participants may change their deferral percentage and investment selection for future contributions at any time. The changes will take effect for the next eligible pay cycle if the request is completed before the applicable cutoff date. Also, participants may transfer part or all of existing account balances among funds in the Plan once daily, subject to the Plan restrictions on trading.

The Committee is committed to preserving the integrity of the Plan as a long-term savings vehicle for its employees. Frequent, short-term trading that is intended to take advantage of pricing lags in funds can harm long-term investors, or increase trading expenses in general. Therefore, the Plan has implemented frequent trading transaction restrictions and reserves the right to take other appropriate action to curb short-term transactions (buying/selling).

Participant Accounts

The Plan record keeper maintains an account in the name of each participant to which each participant's contributions and share of the net earnings, losses and expenses, if any, of the various investment funds are recorded. The earnings on the assets held in each of the funds and all proceeds from the sale of such assets are held and reinvested in the respective funds.

Participants may transfer rollover contributions of before-tax and Roth 401(k) amounts from other qualified savings plans or Individual Retirement Accounts into their Plan account. Rollovers must be made in cash within the time limits specified by the IRS; stock or in-kind rollovers are not accepted. These rollovers are limited to active employees on the payroll of IBM (or affiliated companies) who have existing accounts in the Plan. Retirees are not eligible for such rollovers, except that a retiree or separated employee who has an existing account in the Plan may roll over a lump-sum distribution from an IBM-sponsored qualified retirement plan, including the IBM Personal Pension Plan. After-tax amounts may also be directly rolled over into the Plan from another qualified savings plan.

On each valuation date, the unit/share value of each fund is determined by dividing the current investment value of the assets in that fund on that date by the number of units/shares in the fund. The participant's investment value of assets equals the market value of assets for all funds except the Interest Income Fund for which the participant's investment value of assets equals the contract value of assets. In determining the unit/share value, new contributions that are to be allocated as of the valuation date are excluded from the calculation. On the next day, the cash related to new contributions is transferred into the fund and the number of additional units to be credited to a participant's account for each fund, due to new contributions, is equal to the amount of the participant's new contributions to the fund divided by the prior night's unit value.

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Contributions (with the exception of after-tax contributions and Roth 401(k) contributions) made to the Plan, as well as interest, dividends, or other earnings of the Plan are generally not included in the taxable income of the participant until withdrawal, at which time all earnings and contributions withdrawn generally are taxed as ordinary income to the participant. Additionally, withdrawals by the participant before attaining age 59 1/2 generally are subject to a penalty tax of 10 percent. After-tax contributions made to the Plan are not tax deferred, but are taxable income prior to the participant making the contribution. Any interest, dividends or other earnings on the after-tax contributions are generally not included in the taxable income of the participant until withdrawal, at which time all earnings withdrawn are generally taxed as ordinary income to the participant. Any distribution of earnings on after-tax contributions that are withdrawn by the participant before attaining age 59 1/2 generally are subject to a penalty tax of 10 percent. Roth 401(k) contributions are not tax deferred, but are taxable income prior to the participant making the contribution. Interest, dividends or other earnings on Roth 401(k) contributions may not be taxable at withdrawal provided the participant has met the applicable rules.

Consistent with provisions established by the IRS, the Plan's 2013 limit on employee salary and performance pay deferrals was \$17,500. (The limit for 2014 is \$17,500.) Participants who were age 50 or older during 2013 could take advantage of a higher 401(k) contribution limit of \$23,000. (The limit for 2014 is \$23,000.) The 2013 maximum annual deferral amount for employees residing in Puerto Rico was limited by local government regulations to \$17,500. (The Puerto Rico limit for 2014 is \$17,500.) Puerto Rico participants who were age 50 or older in 2013 could take advantage of a higher contribution limit of \$19,000. (The limit for 2014 is \$19,000.)

Vesting

Participants in the Plan are at all times fully vested in their account balance, including employee contributions, employer contributions and earnings thereon, if any.

Distributions

Participants who have attained age 59 1/2 may request a distribution of all or part of the value in their account. A maximum of four ad-hoc distributions are allowed each year and the minimum amount of any such distribution shall be the lesser of the participant's account balance or \$500. Effective January 1, 2014 participants who have attained age 59 1/2 may request ad-hoc withdrawals (\$500 minimum), as needed from their account.

In addition, participants who (1) retire under the prior IBM Retirement Plan provisions of the IBM Personal Pension Plan, or (2) become eligible for benefits under the IBM Long-Term Disability Plan or the IBM Medical Disability Income Plan, or (3) separate from IBM and have attained age 55, may also elect to receive the balance of their account in annual installments over a period not to exceed twenty years. Effective January 1, 2014, in addition to the existing annual installment option, monthly and quarterly and specific dollar amount installments may be requested, and there will be no limit on the time period over which installments may be taken, subject to required minimum distribution requirements for participants who have reached age 70 1/2.

Withdrawals for financial hardship are permitted provided they are for an immediate and significant financial need, and the distribution is necessary to satisfy that need. Employees are required to fully use the Plan loan program, described below, before requesting a hardship withdrawal. Only an employee's contributions are eligible for hardship withdrawal; earnings on before-tax 401(k) and Roth 401(k), and IBM

contributions (match, automatic, transition credits and Special Savings Award) are not

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eligible for withdrawal. Employees must submit evidence of hardship to the record keeper who will determine whether the situation qualifies for a hardship withdrawal based on guidance from the Plan administrator. A hardship withdrawal is taxed as ordinary income to the employee and may be subject to the 10 percent additional tax on early distributions.

If the participant dies and is married at the time of death, the participant's spouse must be the beneficiary of the participant's Plan account, unless the participant's spouse has previously given written, notarized consent to designate another person as beneficiary. If the participant marries or remarries, any prior beneficiary designation is canceled and the spouse automatically becomes the beneficiary. If the participant is single, the beneficiary may be anyone previously designated by the participant under the Plan. In the absence of an effective designation under the Plan at the time of death, the proceeds normally will be paid in the following order: the participant's spouse, the participant's children in equal shares, or to surviving parents equally. If no spouse, child, or parent is living, payments will be made to the executors or administrators of the participant's estate.

After the death of a participant, an account will be established for the participant's beneficiary. If the beneficiary is a spouse or domestic partner, the beneficiary's account may be maintained in the Plan, subject to IRS required minimum distributions. If the beneficiary is neither a spouse nor a domestic partner, the account will be paid to the beneficiary in a lump sum. Beneficiaries may roll over distributions from the Plan.

Participant Loans

Participants may borrow up to one-half of the value of their account balance, not to exceed \$50,000, within a twelve month period. Loans will be granted in \$1 increments subject to a minimum loan amount of \$500. Participants are limited to two simultaneous outstanding Plan loans. Repayment of a loan is made through semi-monthly payroll deductions. Loans originated under the Plan have a repayment term of one to four years for a general purpose loan or one to ten years for a primary residence loan. There are a limited number of outstanding loans originated under acquired company plans that were merged into the Plan having repayment terms greater than 10 years and up to a maximum term of 30 years. The loans originated under the Plan bear a fixed rate of interest, set quarterly, for the term of the loan, determined by the plan administrator to be 1.25 points above the prime rate. The interest is credited to the participant's account as the semi-monthly repayments of principal and interest are made. Interest rates on outstanding loans at December 31, 2013 and 2012 ranged from 3.25 percent to 11.00 percent.

Participants may prepay the entire remaining loan principal at any time. Employees on an approved leave of absence may elect to make scheduled loan payments directly to the Plan. Participants may continue to contribute to the Plan while having an outstanding loan. A loan default is a taxable event to the participant and will be reported as such in the year of the loan default.

Participants who retire or separate from IBM and have outstanding Plan loans may make loan repayments via coupon payments or ACH deductions to continue monthly loan repayments according to their original amortization schedule.

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Termination of Service

If the value of a participant's account is \$1,000 or less, it will be distributed to the participant in a lump-sum payment following the termination of the participant's employment with IBM. If the account balance is greater than \$1,000 at the time of separation, the participant may defer distribution of the account until age 70 ½.

Termination of the Plan

IBM reserves the right to terminate this Plan at any time by action of the Board of Directors of IBM. In that event, each participant or beneficiary receiving or entitled to receive payments under the Plan would receive the balance of the account at such time and in accordance with applicable law and regulations. In the event of a full or partial termination of the Plan, or upon complete discontinuance of contributions under the Plan, the rights of all affected participants in the value of their accounts would be non-forfeitable.

Risks and Uncertainties

The Plan provides for various investment options in the form of mutual funds, commingled funds or separately-managed funds. These funds invest in equities, fixed income securities, synthetic guaranteed investment contracts (synthetic GICs), a separate account investment contract (separate account GIC) and derivative contracts. Investment securities are exposed to various risks, such as interest rate movements, credit quality changes and overall market volatility. 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 reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits. The Plan is potentially exposed to credit loss in the event of non-performance by the companies with whom the Plan entered into the synthetic GICs and a separate account GIC. However, the Committee does not anticipate non-performance by these companies at this time.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are prepared under the accrual basis of accounting, except distributions, which are recorded when paid. Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. Within the financial tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes.

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Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Contracts

Investment contracts held by a defined contribution plan are reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made to investment contracts plus interest at the contract rates less withdrawals and administrative expenses. The statements of net assets available for benefits present the fair value of the investments in the Interest Income Fund as well as the adjustment from fair value to contract value for the fully benefit responsive investment contracts within the Interest Income Fund. The statement of changes in net assets available for benefits presents these investments on a contract value basis.

Valuation of Investments

The Plan's investments are stated at fair value. Accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Under this guidance, the Plan is required to classify certain assets and liabilities based on the following fair value hierarchy:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;

- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 Unobservable inputs for the asset or liability.

The guidance requires the use of observable market data if such data is available without undue cost and effort.

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Assets are classified within the fair value hierarchy according to the lowest level input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. A security that is categorized as Level 3 is valued using the last available market price or a price from an alternate pricing source. The valuation methodology is applied consistently from period to period.

Investments in mutual funds and commingled funds are valued at the net asset values per share using available inputs to measure fair value by such companies or funds as of the valuation date. Generally, mutual funds have a quoted market price in an active market and are classified as Level 1 and commingled funds which may include 103-12 investments, common collective trusts and pooled separate accounts are classified as Level 2 based upon observable data.

Common stocks and financial derivative instruments, such as futures contracts or options contracts that are traded on a national securities exchange are stated at the last reported sale or settlement price on the day of valuation. Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the close of the New York Stock Exchange. These securities are valued using pricing service providers that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments.

Fixed income investments are valued on the basis of valuations furnished by Trustee-approved independent pricing services. These services determine valuations for normal institutional-size trading units of such securities using models or matrix pricing, which incorporates yield and/or price with respect to bonds that are considered comparable in characteristics such as rating, interest rate and maturity date and quotations from bond dealers to determine current value. If these valuations are deemed to be either not reliable or not readily available, the fair value will be determined in good faith by the Trustee.

Over-the-counter derivatives are typically valued using proprietary pricing models that use as their basis readily observable market parameters that is, parameters that are actively quoted and can be validated to external sources, including industry pricing services. Depending on the types and contractual terms of derivatives, fair value can be modeled using a series of techniques, such as the Black-Scholes option pricing model, simulation models or a combination of various models, which are consistently applied. Where derivative products have been established for some time, the Plan uses models that are widely accepted in the financial services industry. These models reflect the contractual terms of the derivatives, including the period to maturity, and market-based parameters such as interest rates, volatility, and the credit quality of the counterparty. Further, many of these models do not contain a high level of subjectivity, as the methodologies used in the models do not require significant judgment, and inputs to the model are readily observable from actively quoted markets, as is the case for plain vanilla interest rate swaps, option contracts and credit default swaps.

Interest bearing cash securities are valued at amortized cost, which includes cost and accrued interest and approximates fair value.

The methods described above 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 fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Security Transactions and Related Investment Income

Security transactions are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net change in the fair value of its investments, which consists of realized gains and losses and the unrealized appreciation and depreciation on those investments.

Administrative Expenses and Investment Management Fees

Participants pay for administrative expenses of the Plan which are included in each fund's expense ratio. These costs include (a) investment management, custody and benefit responsive investment contract fees which are charged to the applicable funds and (b) operational expenses required for administration of the Plan including trustee and recordkeeping which are charged against the funds' assets on a pro rata basis throughout the year. Operational expenses related to balances in the Mutual Fund Window are deducted from participant account balances. Brokerage fees, and commissions are included in the cost of investments and in determining net proceeds on sales of investments. Investment management, custody and administrative fees for commingled trusts and mutual funds are charged based on a percentage of net asset value and are paid from the assets of the respective funds.

Standards Implemented

In December 2011 and January 2013, the Financial Accounting Standards Board (FASB) issued additional disclosure requirements and amended guidance for offsetting and related arrangements. These additional requirements became effective for the year ended December 31, 2013 and did not have a material impact on the Plan's Financial Statements.

Table of Contents**NOTE 3 INVESTMENTS**

The following schedules summarize the fair value of investments within the fair value hierarchy, Level 3 gains and losses, fair value of investments that calculate net asset value, investments that represent 5 percent or more of the Plan's net assets and the related net change in the fair value of investments by type of investment.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value at December 31, 2013 and 2012.

Investments at Fair Value as of December 31, 2013

(Dollars in Thousands)	Level 1	Level 2	Level 3	Total
Equity:				
Equity commingled*/mutual funds	\$ 3,494,914	\$ 13,884,615	\$	\$ 17,379,529
IBM Corporation common stock	2,209,214			2,209,214
International equity securities	366,811	3,168,796	24	3,535,632
US large-cap equity securities	886,340			886,340
US mid-cap equity securities	2,901,805			2,901,805
US small-cap equity securities	1,244,469		12	1,244,481
Fixed income:				
Government securities rated A or higher		8,676,257		8,676,257
Government securities rated below A		305,417	1,314	306,731
Corporate bonds rated A or higher		1,157,594		1,157,594
Corporate bonds rated below A		2,093,707	590	2,094,296
Mortgage and asset-backed securities		743,435	499	743,935
Fixed income commingled*/mutual funds	1,175,897	569,130		1,745,027
Investment contracts		633,210		633,210
Cash and cash equivalents	37,847	1,502,634		1,540,481
Derivatives	5,872	9,027		14,898
Other commingled*/mutual funds	604,047	1,118,184		1,722,231
Total investments at fair value	12,927,216	33,862,005	2,440	46,791,660

*Commingled funds may include 103-12 investments, common collective trusts, and pooled separate accounts.

There were no transfers between Levels 1 and 2.

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(Dollars in Thousands)	Level 1	Level 2	Level 3	Total
Equity:				
Equity commingled*/mutual funds	\$ 2,588,283	\$ 11,228,774	\$	\$ 13,817,058
IBM Corporation common stock	2,504,527			2,504,527
International equity securities	386,482	2,921,483		3,307,965
US large-cap equity securities	729,182			729,182
US mid-cap equity securities	2,040,336			2,040,336
US small-cap equity securities	1,206,692			1,206,692
Fixed income:				
Government securities rated A or higher		10,156,571	528	10,157,099
Government securities rated below A		360,651		360,651
Corporate bonds rated A or higher		1,093,707		1,093,707
Corporate bonds rated below A		2,063,104	577	2,063,471
Mortgage and asset-backed securities		795,282	6,564	801,846
Fixed income commingled*/mutual funds	1,526,599	575,287		2,101,887
Investment contracts		16,899		16,899
Cash and cash equivalents	35,592	976,599		1,012,401
Derivatives	4,597	(5,493)		(896)
Other commingled*/mutual funds	458,880	315,064		773,944
Total investments at fair value	\$ 11,481,171	\$ 30,497,927	\$ 7,670	\$ 41,986,768

*Commingled funds may include 103-12 investments, common collective trusts, and pooled separate accounts

There were no transfers between Levels 1 and 2.

Table of Contents**Level 3 Gains and Losses**

The following table presents the changes in the fair value of the plan's Level 3 investments for the year ended December 31, 2013:

(Dollars in Thousands)	International Companies	US, Small, Mid Cap Companies	Government Securities Rated A or Higher	Government Securities Rated Below A	Corporate Bonds Rated Below A	Mortgage and Asset-Backed Securities	Total
Balance at January 1, 2013	\$	\$	\$ 528	\$	\$ 577	\$ 6,564	\$ 7,670
Unrealized gains/(losses) on assets held at end of year*	24	12		3	12	387	438
Realized gains/(losses)*			22			(384)	(363)
Purchases				1,311			1,311
Sales			(550)			(982)	(1,532)
Transfers into Level 3 **	0					64	64
Transfers out of Level 3 ***						(5,149)	(5,149)
Balance at December 31, 2013	\$ 24	\$ 12	\$ 0	\$ 1,314	\$ 590	\$ 499	\$ 2,440

*Reported in the net change in fair value of investments in the Statement of Changes in Net Assets Available for Benefits.

**Transferred from Level 2 to Level 3 because observable market data was not available for the securities.

***Transferred from Level 3 to Level 2 because observable market data became available for the securities.

The Plan's policy is to recognize transfers in and transfers out at the beginning of the period.

Table of Contents**Fair Value of Investments that Calculate Net Asset Value**

The following table summarizes investments measured at fair value based on net asset value per share at December 31, 2013 and 2012, respectively:

Investments at fair value:	2013	2012
	(Dollars in thousands)	
Equity funds (a)	\$ 13,884,615	\$ 11,228,774
Fixed income funds (b)	569,130	575,287
Other funds (c)	1,118,184	315,064

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- (a) The equity funds are invested to gain exposure to broad public indices, including U.S. and international market securities.
- (b) The fixed income funds are part of the underlying holdings within the Interest Income Fund and include investments in public and private bonds.
- (c) The other funds consist of a balanced exposure fund (new in 2013) and a commodities fund that are only available to participants as part of the Life Cycle funds. The balanced exposure fund invests in stocks, bonds and commodities with the objective of balancing risk across different economic environments or risk factors.

Generally, under ordinary market conditions, investments in the funds included in the table above provide daily market liquidity to Plan participants and the Plan, facilitating daily participant transactions (issuances and redemptions). Investment in some of these funds may be subject to redemption restrictions at the fund's discretion in limited situations including, but not limited to, a major market event, closure of a market on which any significant portion of the assets of the fund are invested, a situation deemed to be an emergency by the fund, and a situation in which price or value of the assets cannot be promptly and accurately ascertained. At December 31, 2013 and 2012, no funds were subject to redemption restrictions.

Table of Contents**Investments Five Percent or More of Plan's Net Assets**

The investments that represent 5 percent or more of the Plan's net assets available for benefits at December 31, 2013 and/or 2012 are as follows:

Investments	2013	2012
	(Dollars in thousands)	
Large Company Index Fund (Vanguard Employee Benefit Index Fund)	\$ 5,305,752	\$ 4,195,821
Total Stock Market Index Fund (Vanguard Total Stock Market Index Trust)	4,402,837	4,011,363
IBM Common Stock	2,209,214	2,504,527

Net Change in Fair Value of Investments

The following table represents the Net Change in Fair Value of Investments (including gains and losses on investments bought and sold, as well as held during the year):

	2013
	(Dollars in thousands)
Investments at fair value:	
Commingled / Mutual Funds	\$ 3,997,053
Equity Securities	1,383,989
Fixed Income Securities	(313,627)
Total	\$ 5,067,415

NOTE 4 DERIVATIVES

In accordance with the investment strategy of the separately-managed funds and the Interest Income Fund, investment managers execute transactions in various derivative instruments. These derivative instruments include swaps, options, bond and equity futures and forward contracts. The use of derivatives is permitted principally to gain or reduce exposure or execute an investment strategy more efficiently. The investment managers use these derivative instruments to manage duration and interest rate volatility and exposure to credit, currency, equity, and cash.

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Within the fixed income funds, the investment managers either sell or purchase credit protection through credit default swaps. The investment managers also enter into interest rate swap transactions where a series of fixed versus floating rate amounts are exchanged.

Derivatives may be executed on exchange traded investment instruments or via over the counter (OTC) transactions. When an OTC contract is executed, there is exposure to credit loss in the event of non-performance by the counterparties to these transactions. IBM manages this exposure through the credit criteria included in the investment guidelines and monitors and reports market and counterparty credit risks associated with these instruments. The Plan's investment managers negotiate and enter into collateral and netting agreements with counterparties on the Plan's behalf. In the event of a counterparty default, these agreements reduce the potential loss to the Plan. These arrangements define the nature of the collateral (cash or U.S. Treasury securities) and the established thresholds for when additional collateral is required by either party. For OTC transactions, the Plan has posted collateral of \$11 million and \$23 million and received collateral of \$8 million and \$11 million at December 31, 2013 and 2012, respectively. In addition, for exchange traded transactions, the Plan has posted \$3 million and \$9 million of collateral as of December 31, 2013 and 2012, respectively and received no collateral at December 31, 2013 and 2012. Derivative collateral received is recorded in Investments, at fair value and Payable for collateral deposits in the Statements of Net Assets Available For Benefits. Derivative collateral posted is recorded in Investments, at fair value in the Statements of Net Assets Available For Benefits. In the Statements of Net Assets Available For Benefits, the Plan does not offset derivative assets against liabilities where the Plan has a legal right of setoff under a master netting agreement nor does it offset Investments, at fair value or Payable for collateral deposits recognized upon payment or receipt of cash collateral against the fair value of the related derivative instruments. Derivative liabilities are recorded in Investments, at fair value in the Statements of Net Assets Available For Benefits.

Market risk arises from the potential for changes in value of financial instruments resulting from fluctuations in interest and foreign exchange rates and in prices of debt and equity securities. The notional (or contractual) amounts used to express the volume of these transactions do not necessarily represent the amounts potentially subject to market risk.

Derivative financial instruments are carried at fair value. The net fair value of derivative financial instruments was an asset of \$15 million and a liability of \$1 million as of December 31, 2013 and 2012, respectively.

The Plan has authorized Investment Managers to use specific derivative instruments in the implementation of their investment strategy for financial instruments that are managed by the Plan. The following section discloses how these derivatives may be used, their fair value and financial position at year-end, and the risks associated with each. Exchange traded derivatives, including futures and options, are regulated by the exchange and approved broker dealers. OTC derivatives include foreign currency forward contracts, options, and swaps. These transactions will be contracted between two counterparties and governed by separate agreements. A description of these instruments and the risks are below.

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Futures Contracts

Futures contracts are standardized agreements to buy or sell a specific amount of a financial instrument on a future date for a specified price. Futures are valued based upon their quoted daily price. The primary risks associated with futures are the accuracy of the correlation between the value of bonds or equities and the price of the futures contracts. Futures contracts may be used to equitize cash and manage exposure to changes in interest rates. Upon entering into a futures contract, the investment manager is required to deposit collateral or initial margin and subsequent margin payments are moved daily depending on the value of the contract. Futures contracts may be subject to risk of loss in excess of the daily variation margin. They are classified as either interest rate or equity contracts on the derivative instrument tables that follow.

Options Contracts

Options include equity options, index options, options on swaps (swaptions), and options on futures. Options are contracts that give the owner the right, but not the obligation, to buy or sell an asset at a specified price (strike price) on a future date. Options may be purchased or written to help manage exposure to the securities markets. Investment managers may write (sell) call and put options and the premiums received from writing options which expire are treated as realized gains. Premiums received from a position which is exercised/closed are offset against the amount paid for the underlying security to calculate the gain or loss. An option writer (seller) has no control over whether the underlying instrument may be sold (call) or purchased (put) and bears the market risk of an unfavorable change in the price of the underlying instrument. Investment managers may also purchase put and call options. Purchasing call options is intended to increase exposure to the underlying instrument, while purchasing put options would tend to decrease exposure to the underlying issue. Premiums paid for purchasing options which expire are realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Options may be traded on an exchange or OTC. For OTC options, the Plan could be exposed to risk if the counterparties are unable to meet the terms of the contracts. This risk is mitigated by the posting of collateral by the counterparty and monitored against the contract terms. Options are classified as interest rate or foreign exchange contracts on the derivative instruments tables that follow.

Foreign Currency Forwards

A foreign currency forward is a contract between two parties to exchange money denominated in one currency into another currency at a set price on a specified future date. Foreign currency forwards are used to hedge the currency exposure, as a part of an investment strategy, or in connection with settling transactions. Foreign currency contracts may involve market risk in excess of the unrealized gain or loss. Forward transactions are typically not collateralized. The Plan could be exposed to risk if the counterparties are unable to meet the terms of the contracts.

Swap Agreements

Swap agreements are privately negotiated contracts to exchange investment cash flows at a future date based on the underlying value of the assets. Swap agreements involve elements of credit, market, and documentation risk. The Plan could be exposed to risk if the counterparties are unable to meet the terms of the contracts. This risk is mitigated by the posting of collateral by the counterparty and monitored against the contract terms. Swap agreements may be centrally cleared or traded OTC. For OTC swap agreements, the Plan could be exposed to risk if the counterparties are unable to meet the terms of the contracts. This risk is mitigated by the posting of collateral by the counterparty and monitored against the contract terms. Swap agreements are classified as interest rate or credit contracts on the derivative instruments tables that follow.

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Interest Rate Swaps

An Interest rate swap is an agreement in which two parties exchange cash flows based upon a notional principal amount and pay or receive fixed or floating rate amounts of interest. One party exchanges a stream of fixed interest payments for another party's stream of floating interest payments. Investment managers may enter into interest rate swap agreements to help hedge against interest rate risk and to maintain its ability to generate income at prevailing market rates. Interest rate swaps expose users to interest rate risk and credit risk. The notional value of an interest rate swap is not at risk.

Credit Default Swaps

Credit default swaps are agreements where one party (the buyer of protection) makes payments to another party (seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event. Investment managers may use credit default swaps to provide a measure of protection against defaults of the issuers or to gain or reduce exposure to a particular credit exposure. The typical term of an agreement is five years. If an investment manager is a buyer of protection and a credit event occurs, the portfolio will either receive from the seller of protection an amount equal to the notional amount of the swap or receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation. If an investment manager is a seller of protection and a credit event occurs, the portfolio will either pay to the buyer of protection an amount equal to the notional amount of the swap or pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation. The maximum potential amount of future payments that the Plan as a seller could be required to make is \$113 million. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller upon the occurrence of a defined credit event.

Total Return Swaps

A Total Return Swap allows one party to derive the economic benefit of owning an asset without putting that asset on its balance sheet, and allows the other party, which does retain the asset on its balance sheet, to buy protection against loss in value. Investment managers may enter into Total Return Swaps to gain/reduce exposure on the Referenced Asset.

The following tables provide a quantitative summary of the derivative activity as of December 31, 2013 and 2012 and for the year ended December 31, 2013.

Table of Contents**Fair Values of Derivative Instruments on Statements of Net Assets Available for Benefits**

(Dollars in Thousands)

At December 31, 2013:	Notional/ contractual amount	Assets *	Liabilities *
Interest rate contracts	\$ 2,197,844	\$ 21,339	\$ 14,533
Foreign exchange contracts	432,486	3,184	3,094
Credit contracts	272,820	8,053	5,269
Equity contracts	128,311	5,218	
Carrying value of derivatives on the statement of net assets available for benefits		\$ 37,794	\$ 22,896

At December 31, 2012: **	Notional/ contractual amount	Assets *	Liabilities *
Interest rate contracts	\$ 1,781,750	\$ 16,455	\$ 22,168
Foreign exchange contracts	517,838	3,961	5,275
Credit contracts	221,455	6,210	2,531
Equity contracts	135,061	2,496	44
Carrying value of derivatives on the statement of net assets available for benefits		\$ 29,121	\$ 30,017

* Reported in Investments, at fair value

** The classification of amounts related to the Assets and Liabilities at December 31, 2012 have been revised to conform with the requirements of relevant accounting guidance for such disclosures and the 2013 presentation. As a result of the revision, both Assets and Liabilities in the table above have been reduced by approximately \$780M. There is no impact to either the Statement of Net Assets Available For Benefits or to the Statement of Changes in Net Assets Available For Benefits for the periods presented as such revision relates only to the above disclosures. The impact on prior disclosures was not considered material.

The Effect of Derivative Instruments on the Statement of Changes in Net Assets Available for Benefits

(Dollars in Thousands)

For the year ended December 31, 2013 *

Interest rate contracts	\$	20,668
Foreign exchange contracts		(789)
Credit contracts		(1,950)
Equity contracts		25,273
Total net gain	\$	43,202

* Reported in Net change in fair value of investments

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The following table provides a quantitative summary of derivatives that are subject to a master netting agreement less the amounts subject to counter party netting, cash and securities collateral and the net amount.

(Dollars in thousands)	Gross amount*	Counter-party netting	Cash collateral	Securities collateral	Net amount
At December 31, 2013					
Asset derivatives	\$ 16,035	\$ 8,083	\$ 4,594	\$ 1,463	\$ 1,894
Liability derivatives	13,821	8,083	365	2,820	2,553
At December 31, 2012					
Asset derivatives	\$ 21,147	\$ 10,644	\$ 6,624	\$ 1,501	\$ 2,378
Liability derivatives	26,719	10,644	3,489	10,805	1,781

*Reported in Investments, at fair value on the Statements of Net Assets Available for Benefits

For futures and centrally cleared derivative assets of \$22M and \$8M and derivative liabilities of \$9M and \$3M at December 31, 2013 and 2012, respectively, the Plan does not have a legal right of setoff under a master netting agreement.

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NOTE 5 INVESTMENT CONTRACTS

The Plan entered into benefit-responsive synthetic investment contracts (synthetic GICs) and a separate account investment contract (separate account GIC and together with the synthetic GICs, Investment Contracts), through the Interest Income Fund (the Fund), with various third parties, i.e., insurance companies and banks. The fair value of the Investment Contracts was determined using a discounted cash flow model which considers recent rebids as determined by recognized dealers, a discount rate and the duration of the underlying portfolio.

A synthetic GIC provides for a fixed return on principal over a specified period of time, e.g., a quarterly crediting rate. These investment contracts, which are backed by underlying assets owned by the Plan, are issued by third parties. A separate account GIC also provides for a fixed return on principal and these investment contracts are funded by contributions which are held in a separate account at the third party established for the sole benefit of the Fund participants. Both types of Investment Contracts are meant to be fully benefit-responsive. Participants transact at contract value, which represents contributions plus interest earned based on a formula called the crediting rate. The crediting rate formula smooths and decreases differences over time between the market value of the covered assets and the contract value. The crediting rate is most impacted by the change in the annual effective yield to maturity of the underlying securities, but is also affected by changes in general level of interest rates, administrative expenses and cash flows into or out of the contract. The difference between the contract value and the market value of the covered assets is amortized over the Investment Contract's actual or benchmark duration, in accordance with the contract. A change in duration of the covered assets from reset period to reset period can affect the speed with which any difference is amortized. Crediting rates are reset quarterly or more often if deemed appropriate. Investment Contracts provide a guarantee that the crediting rate will not fall below zero percent.

An Investment Contract crediting rate, and hence the Fund's return, may be affected by many factors, including purchases and redemptions by participants. The precise impact on the Investment Contract depends on whether the market value of the covered assets is higher or lower than the contract value of those assets. If the market value of the covered assets is higher than the contract value, the crediting rate will ordinarily be higher than the yield of the covered assets. Under these circumstances, cash from new investors will tend to lower the crediting rate and the Fund's return, and redemptions by existing participants will tend to increase the crediting rate and the Fund's return. If the market value of the covered assets is less than the contract value, the crediting rate will ordinarily be lower than the yield of the covered assets. Under these circumstances, cash from new investors will tend to increase the crediting rate and the Fund's return, and redemptions by existing participants will tend to decrease the crediting rate and the Fund's return. If the Investment Contract experiences significant redemptions when the market value is below the contract value, the Investment Contract's crediting rate may be reduced significantly, to a level that may not be competitive with other investment options. If redemptions continued, the crediting rate could be reduced to zero. If the Investment Contract has insufficient covered assets to meet redemption requests, the Fund would require payments from the investment contract issuer to pay further participant redemptions.

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The Fund and the Investment Contracts purchased by the Fund are designed to pay all participant-initiated transactions at contract value. Participant-initiated transactions are those transactions allowed by the provisions of the Plan (typically this would include withdrawals for benefits, loans, or transfers to non-competing funds within the Plan). However, the Investment Contracts may limit the ability of the Fund to transact at contract value upon the occurrence of certain events. At this time, the occurrence of any of these events is not probable. These events include:

- The Plan's failure to qualify under Section 401(a) or Section 401(k) of the Internal Revenue Code.
- The establishment of a defined contribution plan that competes with the Plan for employee contributions.
- Any substantive modification of the Plan or the administration of the Plan that is not consented to by the investment contract issuer.
- Complete or partial termination of the Plan.
- Any change in law, regulation or administrative ruling applicable to the Plan that could have a material adverse effect on the Fund's cash flow.
- Merger or consolidation of the Plan with another plan, the transfer of plan assets to another plan, or the sale, spin-off or merger of a subsidiary or division of the plan sponsor.
- Any communication given to participants by the Plan sponsor or any other plan fiduciary that is designed to induce or influence participants not to invest in the Fund or to transfer assets out of the Fund.
- Exclusion of a group of previously eligible employees from eligibility in the Plan.
- Any significant retirement program, group termination, group layoff, facility closing or similar program.
- Any transfer of assets from the Fund directly to a competing option, if such transfers are prohibited.

- Bankruptcy of the plan sponsor or other plan sponsor events which cause a significant withdrawal from the Plan.

An investment contract issuer may terminate a contract at any time. In the event that the market value of the covered assets is below the contract value at the time of such termination, the Plan may elect to keep a contract in place to allow for the convergence of the market value and the contract value. An investment contract issuer may also terminate a contract if certain terms of the Investment Contract fail to be met.

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Investment Contracts generally impose conditions on both the Plan and the issuer. If an event of default occurs and is not cured, the non-defaulting party may terminate the contract. The following may cause the Plan to be in default: a breach of material obligation under the contract; a material misrepresentation; or a material amendment to the Plan agreement. The issuer may be in default if it breaches a material obligation under the investment contract; makes a material misrepresentation; is acquired or reorganized. If, in the event of default of an issuer, the Fund were unable to obtain a replacement investment contract, the Fund may experience losses if the market value of the Plan's assets no longer covered by the contract is below contract value. The Fund may seek to add additional issuers over time to diversify the Fund's exposure to such risk, but there is no assurance the Fund will be able to do so. The combination of the default of an issuer and an inability to obtain a replacement agreement could render the Fund unable to achieve its objective of maintaining contract value. The terms of an Investment Contract generally provide for settlement of payments only upon termination of the contract or total liquidation of the covered investments. Generally, payments will be made pro-rata, based on the percentage of investments covered by each issuer. Contract termination occurs whenever the contract value or market value of the covered investments reaches zero or upon certain events of default. If the contract terminates when the market value equals zero, the issuer will pay the excess of contract value over market value to the Plan to the extent necessary for the Plan to satisfy outstanding contract value withdrawal requests. Contract termination also may occur by either party upon election and notice as agreed to under the terms of the contract.

The following table provides the fair value and contract value for the Investment Contracts and the fair value of the underlying assets net of all receivables and payables.

Investment Contracts at December 31,	2013	2012
	(Dollars in thousands)	
Fair value:		
Investment Contracts	\$ 633,210	\$ 16,826
Underlying assets net of payables/receivables	8,864,949	9,993,644
Fair value of Investment Contracts and underlying assets	\$ 9,498,159	\$ 10,010,470
Adjustment from fair value to contract value	(293,477)	(708,476)
Contract value of Investment Contracts	\$ 9,204,682	\$ 9,301,994

The Investment Contracts owned by the Interest Income Fund produced the following returns:

	2013	Year Ended December 31,	2012
Earned by the Plan	-1.33%		4.82%
Credited to participants	3.04%		3.50%

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NOTE 6 - DESCRIPTION OF INVESTMENT FUNDS

The objectives of the thirty-three primary investment funds in which participants could invest in 2013 are described below:

Life Cycle Funds

The fourteen Life Cycle funds reflect a portfolio of diversified investments U.S. stocks, international stocks, real estate equity stocks, and fixed-income investments from the existing core funds noted below, plus a balanced exposure fund and a commodities fund (not available to participants as standalone offerings). These funds offer a convenient low-cost way to achieve diversification, professional investment management and periodic rebalancing. The funds are structured by the IBM Retirement Fund organization and managed by the underlying funds managers.

Four Life Cycle Funds are Life Strategy Funds that have a preset mix of stock and fixed income investments in order to provide broad diversification at four given levels of exposure to equities. The preset mix of each Life Strategy Fund is not expected to change over time.

- **Income Plus Life Strategy Fund** - target allocation: 25% stocks*, 75% bonds; seeks returns that modestly outpace inflation on a fairly consistent basis.
- **Conservative Life Strategy Fund** - target allocation: 50% stocks*, 50% bonds; seeks returns that moderately outpace inflation over the long term.
- **Moderate Life Strategy Fund** - target allocation: 65% stocks*, 35% bonds; seeks relatively high returns at a moderate risk level.
- **Aggressive Life Strategy Fund** - target allocation: 90% stocks*, 10% bonds; seeks high returns over the long term.

* Exposure to the balanced exposure and commodities funds is considered part of the allocation to stocks.

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Ten Life Cycle Funds are Target Date Funds that offer portfolios with asset allocations designed for varying retirement dates or the year in which one expects to start drawing on their retirement assets. The portfolios are offered in five year increments from 2005 to 2050, with the 2030 through 2050 funds providing a significantly higher allocation to stocks. As a fund draws closer to its associated target date, the fund will automatically shift toward a more conservative risk level by reducing its allocation to stocks. Each fund's reduction to stocks continues through its target date for another 10 years, until the fund's allocation and risk profile matches that of the Income Plus Fund. Target Date funds assume a retirement age of 60.

- **Target Date 2005 Fund** - designed for investors who have retired or started to draw on their retirement assets on or around the year 2005; seeks returns that moderately outpace inflation over the long term. Target asset allocation between stocks and bonds is 29% stocks*, 71% bonds.
- **Target Date 2010 Fund** - seeks relatively high returns at a moderate risk level. Target asset allocation between stocks and bonds is 41% stocks*, 59% bonds.
- **Target Date 2015 Fund** - seeks relatively high returns at a moderate risk level. Target asset allocation between stocks and bonds is 54% stocks*, 46% bonds.
- **Target Date 2020 Fund** - seeks high returns over the long term. Target asset allocation between stocks and bonds is 65% stocks*, 35% bonds.
- **Target Date 2025 Fund** - seeks high returns over the long term. Target asset allocation between stocks and bonds is 77% stocks*, 23% bonds.
- **Target Date 2030 Fund** - seeks high returns over the long term. Target asset allocation between stocks and bonds is 87% stocks*, 13% bonds.
- **Target Date 2035 Fund** - seeks high returns over the long term. Target asset allocation between stocks and bonds is 90% stocks*, 10% bonds.
- **Target Date 2040 Fund** - seeks high returns over the long term. Target asset allocation between stocks and bonds is 90% stocks*, 10% bonds.
- **Target Date 2045 Fund** - seeks high returns over the long term. Target asset allocation between stocks and bonds is 90% stocks*, 10% bonds.
- **Target Date 2050 Fund** - seeks high returns over the long term. Target asset allocation between stocks and bonds is 90% stocks*, 10% bonds.

* Exposure to the balanced exposure and commodities funds is considered part of the allocation to stocks.

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Core Funds - eight funds that provide an opportunity to build a portfolio from a selection of broadly diversified U.S. and international stock funds and from funds that track the fixed-income markets.

- **Interest Income Fund** - seeks to provide income similar to an intermediate bond fund with low volatility and to preserve principal. The fund is managed by multiple investment managers.
- **Inflation Protected Bond Fund** - seeks over the long term to provide a rate of return similar to the Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index. The fund is managed by State Street Global Advisors.
- **Total Bond Market Fund** - seeks to provide a rate of return similar to its benchmark index (Barclays Aggregate Bond Index), which consists of more than 5,000 U.S. Treasury, federal agency, mortgage-backed, and corporate securities. The fund is managed by Neuberger Berman.
- **High Yield and Emerging Markets Bond Fund** - seeks to modestly exceed the returns of a customized composite benchmark of 40% U.S. high yield, 40% emerging market bonds issued in local currencies and 20% emerging market bonds issued in U.S. dollars. The fund invests in below investment grade U.S. corporate and emerging market bonds. The fund is managed by multiple investment managers.
- **Total Stock Market Index Fund** - seeks long-term growth of capital and income with a market rate of return for a diversified group of U.S. equities. It attempts to match the performance of the Dow Jones U.S. Total Stock Market Index. The fund is managed by The Vanguard Group.
- **Total International Stock Market Index Fund** - seeks long-term capital growth with a market rate of return for a diversified group of non-U.S. equities in such major markets as Europe and Asia plus the emerging markets of the world. It attempts to match the performance of the MSCI All Country World Ex-USA Investable Market Index. The fund is managed by State Street Global Advisors.
- **Real Estate Investment Trust (REIT) Index Fund** - seeks a total rate of return approximating the returns of the MSCI U.S. REIT index. Investment consists of U.S. publicly traded real estate equity securities. The fund is managed by BlackRock Institutional Trust Company.
- **International Real Estate Index Fund** - seeks to replicate the returns of the FTSE EPRA/NAREIT Developed ex US Rental Index. Investment consists of the international market for securities of companies principally engaged in the real estate industry that derive greater than or equal to 70% of their total revenue from rental revenue of investment properties. The fund is managed by BlackRock Institutional Trust Company.

Expanded Choice Funds eleven funds that provide an opportunity to build an investment portfolio with funds that are less broadly diversified, focusing instead on discrete sectors of the stock and bond markets.

- **Long-Term Corporate Bond Fund** - seeks to modestly outperform the return of the Barclays U.S. Long Credit Index. The fund invests in a diversified group of investment grade corporate and local U.S. and non-U.S. government fixed-rate debt issues with maturities of ten years or more. The fund is managed by Neuberger Berman.

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- **Large Company Index Fund** - seeks long-term growth of capital and income from dividends by holding all the stocks that make up the Standard & Poor's 500 Index. The fund is managed by The Vanguard Group.
- **Large-Cap Value Index Fund** - seeks long-term growth of capital and income from dividends. The fund holds all the stocks in the Russell 1000 Value Index in approximately the same proportion as those stocks represented in the index. The fund is managed by The Vanguard Group.
- **Large-Cap Growth Index Fund** - seeks long-term growth of capital by holding all the stocks in the Russell 1000 Growth Index in approximately the same proportion as those stocks represented in the index. The fund is managed by The Vanguard Group.
- **Small/Mid-Cap Stock Index Fund** - seeks long-term growth of capital with a market rate of return from a diversified group of medium- and small-company stocks. The fund holds stocks in the Russell 3000 index that are not part of the Standard and Poor's 500 index and attempts to match the performance of the Russell SmallCap Completeness Index. The fund is managed by State Street Global Advisors.
- **Small-Cap Value Index Fund** - seeks long-term growth of capital by attempting to match the performance of the Russell 2000 Value Index. The fund is managed by The Vanguard Group.
- **Small-Cap Growth Index Fund** - seeks long-term growth of capital by attempting to match the performance of the Russell 2000 Growth Index. The fund is managed by The Vanguard Group.
- **European Stock Index Fund** - seeks long-term growth of capital that corresponds to an index of European stocks. It attempts to match the investment results of the MSCI Europe Index. The fund is managed by The Vanguard Group.
- **Pacific Stock Index Fund** - seeks long-term growth of capital by attempting to match the performance of the MSCI Pacific Index. The fund is managed by The Vanguard Group.
- **Emerging Markets Stock Index Fund** - seeks long-term growth of capital by attempting to match the investment results of the MSCI Emerging Markets Index. The fund is managed by The Vanguard Group.
- **IBM Stock Fund** - invests in IBM common stock and holds a small interest-bearing cash balance of approximately 0.35% for liquidity purposes. The fund is managed by State Street Bank and Trust Company.

IBM 401(k) participants also have access to the mutual fund window investments which expands the Plan's investment options to include about 165 mutual funds, most of which are actively managed. This feature gives more options to participants who are interested in investing in brand-name funds, or in simply having a broader range of investment options from which to choose.

In the second quarter of 2013, the target asset allocation in the fourteen Life Cycle funds changed, and the Target Date Funds' glide path was changed so that each fund will reach its final target allocation of 25% stocks and 75% bonds ten years after the target date. The High Yield & Emerging Markets Bond Fund was added to the Core Funds as was a new Balanced Exposure Fund (available only as an investment in the Life Cycle Funds). Over time, allocations to the Total Bond Market Fund will replace any Interest Income Fund allocation in the Life Cycle Funds. Additional information on the Plan's Investment Funds is available at netbenefits.com/IBM.

Table of Contents**Securities Lending**

The Plan does not currently engage in securities lending for the separate accounts. Securities lending may be permitted in certain commingled funds and in funds within the IBM Mutual Fund Window. The prospectus for each fund will disclose if lending is permitted and the risks involved.

Repurchase Agreements

Certain investment managers of separately managed accounts may enter into repurchase agreements with the objective of managing cash in the portfolio. The repurchase agreements are short-term and managers are limited in the percent of assets which may be invested in them. Counterparties must meet credit rating requirements and permitted collateral is restricted to cash and/or government securities. The Plan received \$23 million of securities at December 31, 2013 and \$0.3 million of cash collateral and \$102 million of securities at December 31, 2012. Repurchase agreement cash collateral received is recorded in Investments, at fair value and Payable for collateral deposits in the Statements of Net Assets Available For Benefits. The prospectus of commingled funds or funds within the Mutual Fund Window will disclose if repurchase agreements are permitted.

The following table provides a quantitative summary of repurchase agreements that are subject to master netting agreements less cash and securities collateral and the net amount.

(Dollars in thousands)	Gross amount*	Cash collateral	Securities collateral	Net amount
At December 31, 2013				
Repurchase agreements	\$ 22,600	\$	\$ 22,600	\$
At December 31, 2012				
Repurchase agreements	\$ 100,000	\$ 330	\$ 99,670	\$

*Reported in Investments, at fair value on the Statements of Net Assets Available for Benefits

Table of Contents**NOTE 7 - TAX STATUS**

The Trust established under the Plan is qualified under Section 401(a) of the Internal Revenue Code of 1986 and Section 1081.01 of the Internal Revenue Code for a New Puerto Rico (2011), and the Trustee intends for the Trust to remain dual-qualified in this manner. The Plan received a favorable determination letter from the IRS on September 10, 2004, and received a favorable determination letter from the Hacienda (Puerto Rico) on April 29, 1993. Subsequent to these determination letters by the IRS and the Hacienda, the Plan was amended. The Plan administrator and Counsel continue to believe the Plan is designed and is being operated in compliance with the applicable requirements of the Internal Revenue Code and the Internal Revenue Code for a New Puerto Rico (2011). The Plan submitted a request for a new determination letter to the IRS on January 21, 2011 and a request for a new determination letter to the Hacienda on April 15, 2014.

Accounting principles generally accepted in the United States of America require 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 Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain 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.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of:

	12/31 2013		12/31 2012
	(Dollars in thousands)		
Net assets available for benefits per the financial statements	\$ 46,285,274	\$	40,895,194
Plus:			
Adjustment from contract value to fair value for fully benefit-responsive investment contracts held by the Interest Income Fund	293,477		708,476
Net assets available for benefits per the Form 5500	\$ 46,578,751	\$	41,603,670

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The following is a reconciliation of investment income per the financial statements to the Form 5500:

	Year Ended December 31, 2013
	(Dollars in thousands)
Total investment income and interest income on notes receivable from participants per the financial statements	\$ 5,979,221
Less:	
Adjustment from fair value to contract value for fully benefit-responsive investment contracts at December 31, 2012	708,476
Plus:	
Adjustment from fair value to contract value for fully benefit-responsive investment contracts at December 31, 2013	293,477
Total investment income per the Form 5500	\$ 5,564,222

NOTE 9 - RELATED-PARTY TRANSACTIONS

At December 31, 2013, a significant portion of the Plan's assets were managed by State Street Global Advisors. State Street Global Advisors affiliate, State Street Bank and Trust Company, also acts as the trustee for the Plan and, therefore, these investments in addition to participant loans qualify as party-in-interest transactions. The Plan also pays a fee to the trustee. These transactions qualify as party-in-interest transactions as well.

In addition, Fidelity Investments Institutional Operations Company, Inc. is the provider of administrative services related to the mutual fund window as well as the investment manager of Fidelity funds within the mutual fund window. Fidelity is also the provider of record keeping and participant services, and the operator of the IBM Employee Services Center for the IBM 401(k) Plus Plan.

At December 31, 2013 and 2012, the Plan held 11,778,076 and 13,075,056 shares of IBM common stock valued at \$2,209,213,715 and \$2,504,526,977, respectively. During the year ended December 31, 2013, purchases of IBM common stock by the Plan totaled \$172,097,229 and sales of IBM common stock by the Plan totaled \$435,540,178.

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IBM 401(k) PLUS PLAN AT DECEMBER 31, 2013

Schedule G, Part I - Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible

(a)* (b) Identity and address of Obligor	Security ID	Issue Date	Maturity Date	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items		Interest Rate	(d) Original amount of loan	Amount received during		(g) Unpaid balance at end of year	Amount Overdue
								(e) Principal	(f) Interest		
American Airlines INC, 4333 Amon Carter Blvd., Fort Worth, TX 76155	023771R83	3/9/2011	3/15/2016	7.5	\$ 500,000					\$ 75,000	\$ 75,000
Glitnir Bank HF, Islandsbanki, Kirkjusandi 2-155 Reykjavik, Iceland	379308AA7	6/15/2006	6/15/2016	6.693	2,100,000					773,042	773,042
Glitnir Bank HF, Islandsbanki, Kirkjusandi 2-155 Reykjavik, Iceland	379308AB5	9/14/2006	9/14/2049	7.451	200,000					74,510	74,510
Kaupthing Bank hf., Borgartun 26 IS-105 Reykjavik, Iceland	48632HAA5	5/19/2006	5/19/2016	7.125	700,000					249,375	249,375
Lehman Brothers Holdings Inc., 745 Seventh Avenue, New York, NY 10019	524ESC7M6	12/21/2007	12/28/2017	6.75	9,850,000					3,324,375	3,324,375
Lehman Brothers Holdings Inc., 745 Seventh Avenue, New York, NY 10019	524ESCXA3	5/17/2007	11/30/2056	5.857	1,730,000					1,854,097	1,854,097
Sigma Finance Corp., M&C Corp. Services LTD, Box 309GT, Uglan House, South Church St., George Town, Grand Cayman, Grand Cayman Islands	8265Q0XQ0	6/4/2007	6/4/2009	variable	10,000,000					9,554,482	9,494,970

* Party-in-interest

Schedule G, Part I - Overdue Loan Explanation

Investment managers have responsibility for these securities as well as other securities in their portfolio and they have or will take appropriate actions taking into consideration the circumstances surrounding each security and the overall portfolio that they manage.

Table of Contents**IBM 401(k) PLUS PLAN****Schedule H, line 4i - Schedule of Assets (Held at End of Year)****AT DECEMBER 31, 2013**

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost (n/a)	(e) Fair value
IBM Stock Fund				
*	International Business Machines Corporation Managed by State Street Global Advisors	IBM Common Stock 11,778,076 shares State Street Bank and Trust Company Government Short-Term Investment Fund	\$	2,209,213,715 1,893,760
Mutual Funds				
	Administered by Fidelity Investments	Mutual Fund Window (refer to Exhibit K investments)		5,238,579,883
	Vanguard Emerging Markets Stock Index Fund	Vanguard Emerging Markets Stock Index Fund Institutional Plus Shares 396,236 shares		34,040,673
Commingled Funds				
	Vanguard Employee Benefit Index Fund	Large Company Index		5,305,752,365
	Vanguard Total Stock Market Index Trust	Total Stock Market Index		4,402,836,677
	Vanguard Russell 1000 Value Index Trust	Large Cap Value Index		928,327,214
	Vanguard Russell 1000 Growth Index Trust	Large Cap Growth Index		818,292,103
	Vanguard Russell 2000 Value Index Trust	Small Cap Value Index		804,448,279
	Vanguard Russell 2000 Growth Index Trust	Small Cap Growth Index		759,682,088
	Vanguard European Stock Index Trust	European Stock Index		494,977,224
	Vanguard Pacific Stock Index Trust	Pacific Stock Index		370,298,945
	PIMCO Commodities Plus Trust II	Commodity		283,472,031
	AQR Global Risk Parity Enhanced Liquidity Fund	Balanced Fund		207,232,862
	Bridgewater All Weather Portfolio III, LTD.	Balanced Fund		627,478,761

* Party-In-Interest

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(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost (n/a)	(e) Fair value
Separately-Managed Funds				
	Managed by State Street Global Advisors	Total International Stock Market Index (refer to Exhibit A - investments)	\$	3,335,108,010
	Managed by State Street Global Advisors	Small/Mid Cap Stock Index (refer to Exhibit B - investments)		3,972,818,587
	Managed by State Street Global Advisors	Inflation Protected Bond (refer to Exhibit C - investments)		1,718,306,024
	Managed by Neuberger Berman	Total Bond Market (refer to Exhibit D - investments)		1,644,184,863
	Managed by BlackRock Institutional Trust Company	Real Estate Investment Trust (refer to Exhibit E - investments)		1,095,808,727
	Managed by Neuberger Berman	Long-Term Corporate Bond (refer to Exhibit F - investments)		312,949,814
	Managed by Pacific Investment Management Company (PIMCO)	High Yield and Emerging Markets Bond (refer to Exhibit G - investments)		247,506,075
	Managed by BlackRock Institutional Trust Company	International Real Estate Index (refer to Exhibit H -investments)		275,125,710
	Managed by Lazard	Emerging Markets Debt (Refer to Exhibit L - investments)		143,746,040
	Managed by JP Morgan	High Yield Debt (Refer to Exhibit M - investments)		102,236,809
	Collateral	(refer to Exhibit I - investments)		8,643,027

* Party-In-Interest

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(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost (n/a)	(e) Fair value
Separately-Managed Funds (continued)				
	Underlying assets managed by various investment companies	Interest Income Fund (refer to Exhibit J - investments)		10,642,899,786
	Bank of America, N.A.	Synthetic GIC Wrapper Contract, Rate of Interest 2.93%		2,431,819
*	JPMorgan Chase Bank, N.A.	Synthetic GIC Wrapper Contract, Rate of Interest 2.93%		5,427,814
	Royal Bank of Canada	Synthetic GIC Wrapper Contract, Rate of Interest 2.93%		2,007,745
*	State Street Bank and Trust Company	Synthetic GIC Wrapper Contract, Rate of Interest 2.93%		
*	The Prudential Insurance Company of America	Synthetic GIC Wrapper Contract, Rate of Interest 2.51%		
*	New York Life Insurance Company	Synthetic GIC Wrapper Contract, Rate of Interest 2.64%		
*	Metropolitan Life Insurance Company	Separate Account GIC Contract, Rate of Interest 2.47%		
*	Notes receivable from participants	Interest rates range: 3.25% - 11.00% Terms: one to thirty years		315,263,823
Interest-Bearing Cash				
	Managed by State Street Global Advisors	State Street Bank and Trust Company Government Short-Term Investment Fund		795,932,867

* Party-In-Interest

Table of Contents**IBM 401(K) PLUS PLAN AT DECEMBER 31, 2013****Schedule H, line 4i-Schedule of Assets (Acquired and Disposed of Within Year)****FOR THE YEAR ENDED DECEMBER 31, 2013**

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost (n/a)	(e) Fair value
		Shares/ Par Value		
	BOA FUTURES COC	INTEREST-BEARING CASH	145,000	\$ 145,000
	BROOKFIELD PROPERTY PARTNERS	PARTN./JOINT VENTURE INTEREST	5,616	119,521
	CCMSCZUS2 CCPC COC EQUITY	INTEREST-BEARING CASH	36,000	36,000
	CITIBANK CASH COLL CCP	INTEREST-BEARING CASH	648,000	69,000
	CREDIT SUISSE SEC (USD) LLC	INTEREST-BEARING CASH	4,070,000	4,070,000
	GOLDMAN SACH AND CO	INTEREST-BEARING CASH	187,000	187,000
	GOLDMAN SACHS BANK USA COC	INTEREST-BEARING CASH	400,000	400,000
	GREENWICH CAPITAL MKTS	INTEREST-BEARING CASH	560,000	560,000
	JP MORGAN SEC INC	INTEREST-BEARING CASH	610,000	610,000
	LIN MEDIA LLC	COMMON STOCK	32,600	488,320
	ROYAL BANK OF CANADA	INTEREST-BEARING CASH	207,000	207,000
	SWAP BARCLAYS COC	INTEREST-BEARING CASH	673,000	1,343,000
	SWAP BNP PARIBAS BOC	INTEREST-BEARING CASH	550,000	550,000
	SWAP BNP PARIBAS BOC	INTEREST-BEARING CASH	1,720,000	1,720,000
	SWAP BNP PARIBAS COC	INTEREST-BEARING CASH	260,000	260,000
	SWAP CITIBANK BOC	INTEREST-BEARING CASH	2,220,000	2,250,000
	SWAP CSFB BOC	INTEREST-BEARING CASH	880,000	630,000
	SWAP CSFB BOC	INTEREST-BEARING CASH	1,000,000	1,000,000
	SWAP CSFB COC	INTEREST-BEARING CASH	372,000	372,000
	SWAP DEUTSCHE BOC	INTEREST-BEARING CASH	740,000	740,000
	SWAP DEUTSCHE COC	INTEREST-BEARING CASH	591,000	591,000
	SWAP JPM CHASE BOC	INTEREST-BEARING CASH	3,250,000	2,630,000
	SWAP JPM CHASE COC	INTEREST-BEARING CASH	800,000	800,000
	SWAP UBS BOC	INTEREST-BEARING CASH	1,180,000	1,180,000
	SWAP UBS COC	INTEREST-BEARING CASH	251,000	251,000
	WESTPAC CASH COLL BOC	INTEREST-BEARING CASH	900,000	900,000
	WESTPAC SWAP COC USD	INTEREST-BEARING CASH	1,160,000	1,160,000
		Total		\$ 23,268,841

* Party-In-Interest

Table of Contents**EXHIBIT A - Total International Stock Market Index Fund**

(Managed by State Street Global Advisors)

IBM 401(K) PLUS PLAN AT DECEMBER 31, 2013**Schedule H, line 4i-Schedule of Assets (Held At End of Year)**

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost (n/a)	(e) Fair value
			Shares/ Par Value	
	ARGENTINE PESO	FOREIGN CURRENCY	1,151	\$ 177
	CRESUD S.A.C.I.F.Y.A.	COMMON STOCK	4	5
	GRUPO FINANCIERO GALICIA B	COMMON STOCK	8	12
	PETROBRAS ARGENTINA SA B	COMMON STOCK	6	5
	TELECOM ARGENTINA S.A. B	COMMON STOCK	6	29
	TRANSPORTADORA DE GAS SUR B	COMMON STOCK	3	2
	ABACUS PROPERTY GROUP	REIT NPV	153,554	318,763
	ADELAIDE BRIGHTON LTD	COMMON STOCK	86,157	283,738
	AET AND D HLDGS NO 1 PTY LTD	COMMON STOCK	36,515	0
	AGL ENERGY LTD	COMMON STOCK	89,738	1,207,054
	ALS LTD	COMMON STOCK	69,628	549,056
	ALUMINA LTD	COMMON STOCK	425,103	424,145
	AMCOR LIMITED	COMMON STOCK	196,993	1,866,523
	AMP LTD	COMMON STOCK	452,631	1,780,841
	ANSELL LTD	COMMON STOCK	20,233	374,530
	APA GROUP MISC. NPV	COMMON STOCK	169,495	910,365
	AQUARIUS PLATINUM LTD	COMMON STOCK	78,912	53,660
	AQUILA RESOURCES LTD	COMMON STOCK	21,848	44,967
	ARISTOCRAT LEISURE LTD	COMMON STOCK	70,097	294,239
	ARRIUM LTD	COMMON STOCK	291,700	456,965
	ASCIANO LTD	COMMON STOCK	162,311	840,188
	ASTRO JAPAN PROPERTY GROUP	COMMON STOCK	40,989	126,553
	ASX LTD	COMMON STOCK	36,639	1,205,353
	ATLAS IRON LTD	COMMON STOCK	156,621	162,268
	AURIZON HOLDINGS LTD	COMMON STOCK	281,719	1,233,060
	AUST AND NZ BANKING GROUP	COMMON STOCK	431,270	12,439,708
	AUSTRALAND PROPERTY GROUP	REIT NPV	111,195	383,076
	AUSTRALIAN AGRICULTURAL CO	COMMON STOCK	124,262	138,983
	AUSTRALIAN DOLLAR	FOREIGN CURRENCY	1,364,893	1,221,101
	AVEO GROUP	COMMON STOCK	40,356	74,435
	AZ. BGP HOLDINGS	COMMON STOCK	818,748	16
	BANK OF QUEENSLAND LTD	COMMON STOCK	46,925	511,860
	BEACH ENERGY LTD	COMMON STOCK	233,347	298,697
	BENDIGO AND ADELAIDE BANK	COMMON STOCK	78,437	824,849
	BHP BILLITON LTD	COMMON STOCK	493,840	16,827,457
	BLUESCOPE STEEL LTD	COMMON STOCK	94,015	491,451
	BORAL LTD	COMMON STOCK	139,368	597,628
	BRADKEN LTD	COMMON STOCK	30,640	165,352
	BRAMBLES LTD	COMMON STOCK	253,269	2,074,071

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BT INVESTMENT MANAGEMENT LTD	COMMON STOCK	AUSTRALIA	44,009	226,926
BWP TRUST REIT NPV	COMMON STOCK	AUSTRALIA	217,307	425,820
CALTEX AUSTRALIA LTD	COMMON STOCK	AUSTRALIA	25,391	456,935
CFS RETAIL PROPERTY TRUST GR	REIT NPV	AUSTRALIA	424,942	741,321
CHALLENGER DIVERSIFIED PROPE	REIT	AUSTRALIA	96,464	215,771
CHALLENGER LTD	COMMON STOCK	AUSTRALIA	79,145	439,250
CHARTER HALL GROUP	REIT NPV	AUSTRALIA	122,916	401,537
CHARTER HALL RETAIL	REIT NPV	AUSTRALIA	118,513	380,707
COCA COLA AMATIL LTD	COMMON STOCK	AUSTRALIA	91,825	990,309
COCHLEAR LTD	COMMON STOCK	AUSTRALIA	10,322	544,275
COMMONWEALTH BANK OF AUSTRAL	COMMON STOCK	AUSTRALIA	245,246	17,121,608
COMMONWEALTH PROPERTY OFFICE	REIT NPV	AUSTRALIA	377,704	420,738
COMPUTERSHARE LTD	COMMON STOCK	AUSTRALIA	85,260	870,016
CROWN RESORTS LTD	COMMON STOCK	AUSTRALIA	83,131	1,253,644
CSL LTD	COMMON STOCK	AUSTRALIA	79,181	4,897,239
CSR LTD	COMMON STOCK	AUSTRALIA	84,925	202,013
DAVID JONES LTD	COMMON STOCK	AUSTRALIA	101,036	273,861
DEXUS PROPERTY GROUP	COMMON STOCK	AUSTRALIA	849,348	763,936
DOWNER EDI LTD	COMMON STOCK	AUSTRALIA	83,387	364,603
DUET GROUP	MISC. NPV	AUSTRALIA	191,422	343,192
DULUXGROUP LTD	COMMON STOCK	AUSTRALIA	121,407	584,228
ECHO ENTERTAINMENT GROUP LTD	COMMON STOCK	AUSTRALIA	146,957	323,527
ENERGY RESOURCES OF AUST	COMMON STOCK	AUSTRALIA	17,121	19,309
ENERGY WORLD CORP LTD	COMMON STOCK	AUSTRALIA	206,776	70,327

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FAIRFAX MEDIA LTD	COMMON STOCK	AUSTRALIA	417,707	239,237
FORTESCUE METALS GROUP LTD	COMMON STOCK	AUSTRALIA	259,930	1,359,055
G.U.D. HOLDINGS LTD	COMMON STOCK	AUSTRALIA	43,205	222,698
GOODMAN FIELDER LTD	COMMON STOCK	AUSTRALIA	407,871	250,499
GOODMAN GROUP	COMMON STOCK	AUSTRALIA	314,482	1,334,544
GPT GROUP	COMMON STOCK	AUSTRALIA	322,545	983,748
GRAINCORP LTD A	COMMON STOCK	AUSTRALIA	43,477	330,672
HARVEY NORMAN HOLDINGS LTD	COMMON STOCK	AUSTRALIA	102,041	288,573
ILUKA RESOURCES LTD	COMMON STOCK	AUSTRALIA	80,245	619,778
INCITEC PIVOT LTD	COMMON STOCK	AUSTRALIA	280,781	673,522
INSURANCE AUSTRALIA GROUP	COMMON STOCK	AUSTRALIA	378,972	1,973,858
INVESTA OFFICE FUND	COMMON STOCK	AUSTRALIA	148,459	415,831
IOOF HOLDINGS LTD	COMMON STOCK	AUSTRALIA	55,302	444,062
JAMES HARDIE INDUSTRIES CDI	RECEIPT EUR.59	AUSTRALIA	80,013	932,600
JB HI FI LTD	COMMON STOCK	AUSTRALIA	16,874	325,564
KAROON GAS AUSTRALIA LTD	COMMON STOCK	AUSTRALIA	39,578	153,889
LEIGHTON HOLDINGS LTD	COMMON STOCK	AUSTRALIA	29,964	434,069
LEND LEASE GROUP	COMMON STOCK	AUSTRALIA	104,022	1,037,271
LYNAS CORP LTD	COMMON STOCK	AUSTRALIA	297,059	78,529
MACQUARIE ATLAS ROADS GROUP	MISC.	AUSTRALIA	124,532	306,547
MACQUARIE GROUP LTD	COMMON STOCK	AUSTRALIA	48,937	2,418,113
METCASH LTD	COMMON STOCK	AUSTRALIA	139,584	394,631
MINERAL RESOURCES LTD	COMMON STOCK	AUSTRALIA	32,379	343,978
MIRVAC GROUP	REIT NPV	AUSTRALIA	625,763	940,891
MONADELPHOUS GROUP LTD	COMMON STOCK	AUSTRALIA	19,593	327,125
MOUNT GIBSON IRON LTD	COMMON STOCK	AUSTRALIA	133,430	121,672
NATIONAL AUSTRALIA BANK LTD	COMMON STOCK	AUSTRALIA	368,169	11,515,968
NEWCREST MINING LTD	COMMON STOCK	AUSTRALIA	124,747	874,332
NRW HOLDINGS LTD	COMMON STOCK	AUSTRALIA	43,977	54,175
NUFARM LTD	COMMON STOCK	AUSTRALIA	33,439	131,501
ORICA LTD	COMMON STOCK	AUSTRALIA	59,260	1,265,577
ORIGIN ENERGY LTD	COMMON STOCK	AUSTRALIA	179,006	2,254,278
ORORA LTD	COMMON STOCK	AUSTRALIA	196,993	204,438
OZ MINERALS LTD	COMMON STOCK	AUSTRALIA	58,375	164,612
PACIFIC BRANDS LTD	COMMON STOCK	AUSTRALIA	153,712	88,211
PALADIN ENERGY LTD	COMMON STOCK	AUSTRALIA	104,376	43,641
PANAUST LTD	COMMON STOCK	AUSTRALIA	103,785	168,582
PERPETUAL LTD	COMMON STOCK	AUSTRALIA	9,091	393,673
PRIMARY HEALTH CARE LTD	COMMON STOCK	AUSTRALIA	96,319	426,664
QANTAS AIRWAYS LTD	COMMON STOCK	AUSTRALIA	191,193	188,145
QBE INSURANCE GROUP LTD	COMMON STOCK	AUSTRALIA	186,224	1,921,300
RAMSAY HEALTH CARE LTD	COMMON STOCK	AUSTRALIA	23,099	896,110
RECALL HOLDINGS LTD	COMMON STOCK	AUSTRALIA	50,653	183,986
RIO TINTO LTD	COMMON STOCK	AUSTRALIA	66,767	4,073,680
ROC OIL CO LTD	COMMON STOCK	AUSTRALIA	190,624	83,648
SAI GLOBAL LTD	COMMON STOCK	AUSTRALIA	62,250	216,421
SANTOS LTD	COMMON STOCK	AUSTRALIA	161,495	2,121,612
SEEK LTD	COMMON STOCK	AUSTRALIA	53,000	638,526
SHOPPING CENTRES AUSTRALASIA	REIT	AUSTRALIA	69,141	95,590
SIGMA PHARMACEUTICALS LTD	COMMON STOCK	AUSTRALIA	223,295	130,217
SILEX SYSTEMS LTD	COMMON STOCK	AUSTRALIA	22,510	46,311
SIMS METAL MANAGEMENT LTD	COMMON STOCK	AUSTRALIA	31,456	306,621
SONIC HEALTHCARE LTD	COMMON STOCK	AUSTRALIA	62,784	934,946
SPI 200 FUTURES	MAR14 XSFE 20140320	AUSTRALIA	425	97,349
STOCKLAND	COMMON STOCK	AUSTRALIA	408,155	1,322,181
STW COMMUNICATIONS GROUP LTD	COMMON STOCK	AUSTRALIA	114,230	153,405
SUNCORP GROUP LTD	COMMON STOCK	AUSTRALIA	208,528	2,454,304
SUNDANCE RESOURCES LTD	COMMON STOCK	AUSTRALIA	534,228	45,406
SYDNEY AIRPORT	COMMON STOCK	AUSTRALIA	109,234	372,256
TABCORP HOLDINGS LTD	COMMON STOCK	AUSTRALIA	169,166	549,589
TATTS GROUP LTD	COMMON STOCK	AUSTRALIA	305,091	847,783
TELSTRA CORP LTD	COMMON STOCK	AUSTRALIA	623,425	2,928,783
TEN NETWORK HOLDINGS LTD	COMMON STOCK	AUSTRALIA	328,928	82,462

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TOLL HOLDINGS LTD	COMMON STOCK	AUSTRALIA	135,103	686,782
TRANSFIELD SERVICES LTD	COMMON STOCK	AUSTRALIA	66,571	53,592
TRANSPACIFIC INDUSTRIES GROU	COMMON STOCK	AUSTRALIA	293,188	307,053
TRANSURBAN GROUP	COMMON STOCK	AUSTRALIA	238,170	1,458,949
TREASURY WINE ESTATES LTD	COMMON STOCK	AUSTRALIA	128,972	556,325
UGL LTD	COMMON STOCK	AUSTRALIA	23,400	153,626
WESFARMERS LTD	COMMON STOCK	AUSTRALIA	157,275	6,205,821
WESTFIELD GROUP	REIT NPV	AUSTRALIA	331,460	2,993,282
WESTFIELD RETAIL TRUST	REIT	AUSTRALIA	510,007	1,355,583
WESTPAC BANKING CORP	COMMON STOCK	AUSTRALIA	490,902	14,284,244
WOODSIDE PETROLEUM LTD	COMMON STOCK	AUSTRALIA	99,426	3,461,339
WOOLWORTHS LTD	COMMON STOCK	AUSTRALIA	186,783	5,658,060
WORLEYPARSONS LTD	COMMON STOCK	AUSTRALIA	30,439	452,236
WOTIF.COM HOLDINGS LTD	COMMON STOCK	AUSTRALIA	20,879	51,750

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ANDRITZ AG	COMMON STOCK	AUSTRIA	12,976	816,388
CA IMMOBILIEN ANLAGEN AG	COMMON STOCK	AUSTRIA	8,100	143,868
CONWERT IMMOBILIEN INVEST SE	COMMON STOCK	AUSTRIA	9,814	126,196
ERSTE GROUP BANK AG	COMMON STOCK	AUSTRIA	37,960	1,330,182
IMMOEAST ANSPR NACHB	COMMON STOCK	AUSTRIA	143,040	0
IMMOFINANZ AG	COMMON STOCK	AUSTRIA	207,187	963,029
IMMOFINANZ ANSPR NACHB	COMMON STOCK	AUSTRIA	89,821	0
KAPSCH TRAFFICOM AG	COMMON STOCK	AUSTRIA	3,195	178,959
OMV AG	COMMON STOCK	AUSTRIA	26,382	1,265,634
PALFINGER AG	COMMON STOCK	AUSTRIA	4,990	198,371
RAIFFEISEN BANK INTERNATIONA	COMMON STOCK	AUSTRIA	6,985	246,981
RHI AG	COMMON STOCK	AUSTRIA	2,714	84,348
S IMMO AG	COMMON STOCK	AUSTRIA	54,496	397,321
SCHOELLER BLECKMANN OILFIELD	COMMON STOCK	AUSTRIA	4,014	446,164
SEMPERIT AG HOLDING	COMMON STOCK	AUSTRIA	3,423	170,468
TELEKOM AUSTRIA AG	COMMON STOCK	AUSTRIA	52,887	401,110
VIENNA INSURANCE GROUP AG	COMMON STOCK	AUSTRIA	6,166	308,410
VOESTALPINE AG	COMMON STOCK	AUSTRIA	22,522	1,092,460
WIENERBERGER AG	COMMON STOCK	AUSTRIA	21,849	349,359
ACKERMANS + VAN HAAREN	COMMON STOCK	BELGIUM	5,040	591,485
AGEAS	COMMON STOCK	BELGIUM	42,633	1,823,060
AGFA GEVAERT NV	COMMON STOCK	BELGIUM	24,090	58,459
AGFA GEVAERT NV STRIP VVPR	COMMON STOCK	BELGIUM	6,022	8
ANHEUSER BUSCH INBEV NV	COMMON STOCK	BELGIUM	122,029	13,032,501
ANHEUSER BUSCH INBEV ST VVPR	MISC. NPV	BELGIUM	58,432	81
ARSEUS NV	COMMON STOCK	BELGIUM	4,509	171,740
BEKAERT NV	COMMON STOCK	BELGIUM	7,255	257,087
BELGACOM SA	COMMON STOCK	BELGIUM	26,584	787,792
COFINIMMO	REIT NPV	BELGIUM	3,309	409,531
COLRUYT SA	COMMON STOCK	BELGIUM	15,324	858,460
D IETEREN SA/NV	COMMON STOCK	BELGIUM	5,489	273,985
DELHAIZE GROUP	COMMON STOCK	BELGIUM	19,460	1,161,367
DEXIA SA	COMMON STOCK	BELGIUM	111,639	6,153
ELIA SYSTEM OPERATOR SA/NV	COMMON STOCK	BELGIUM	6,678	310,283
EURONAV SA	COMMON STOCK	BELGIUM	1,664	19,833
EVS BROADCAST EQUIPMENT S.A.	COMMON STOCK	BELGIUM	1,449	93,897
GROUPE BRUXELLES LAMBERT SA	COMMON STOCK	BELGIUM	13,143	1,210,793
INTERVEST OFFICES+WAREHOUSES	REIT	BELGIUM	4,878	131,094
ION BEAM APPLICATIONS	COMMON STOCK	BELGIUM	1,400	15,063
KBC ANCORA	COMMON STOCK	BELGIUM	7,549	273,381
KBC GROEP NV	COMMON STOCK	BELGIUM	36,885	2,102,670
MOBISTAR SA	COMMON STOCK	BELGIUM	6,069	115,423
NYRSTAR	COMMON STOCK	BELGIUM	35,531	113,567
SOLVAY SA	COMMON STOCK	BELGIUM	9,990	1,583,835
TELENET GROUP HOLDING NV	COMMON STOCK	BELGIUM	9,109	545,501
THROMBOGENICS NV	COMMON STOCK	BELGIUM	10,168	282,912
UCB SA	COMMON STOCK	BELGIUM	20,478	1,528,246
UMICORE	COMMON STOCK	BELGIUM	20,132	942,039
ALL AMERICA LATINA LOGISTICA	COMMON STOCK	BRAZIL	86,100	239,397
AMBEV SA	COMMON STOCK	BRAZIL	654,815	4,807,204
ANHANGUERA EDUCACIONAL PARTI	COMMON STOCK	BRAZIL	80,979	511,428
B2W CIA DIGITAL	COMMON STOCK	BRAZIL	23,825	154,452
BANCO ABC BRASIL SA	PREFERENCE	BRAZIL	28,261	151,454
BANCO BRADESCO SA PREF	PREFERENCE	BRAZIL	446,405	5,585,077
BANCO DAYCOVAL SA	PREFERENCE	BRAZIL	25,167	85,588
BANCO DO BRASIL S.A.	COMMON STOCK	BRAZIL	102,989	1,068,038
BANCO ESTADO RIO GRAN PREF B	PREFERENCE	BRAZIL	41,132	219,675
BANCO SANTANDER BRASIL UNIT	UNIT NPV	BRAZIL	135,583	823,799
BM+FBOVESPA SA	COMMON STOCK	BRAZIL	321,908	1,510,898
BR MALLS PARTICIPACOES SA	COMMON STOCK	BRAZIL	71,741	520,995
BRADESPAR SA PREF	PREFERENCE	BRAZIL	44,400	472,703
BRASKEM SA PREF A	PREFERENCE	BRAZIL	37,660	336,279
BRAZILIAN REAL	FOREIGN CURRENCY	BRAZIL	2,423,161	1,027,089

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BRF SA	COMMON STOCK	BRAZIL	115,432	2,411,745
CCR SA	COMMON STOCK	BRAZIL	169,300	1,277,677
CENTRAIS ELETRIC STA CAT PRF	PREFERENCE	BRAZIL	10,131	79,044
CENTRAIS ELETRICAS BRAS PR B	PREFERENCE	BRAZIL	37,705	163,096
CENTRAIS ELETRICAS BRASILIER	COMMON STOCK	BRAZIL	41,077	105,230
CETIP SA MERCADOS ORGANIZADO	COMMON STOCK	BRAZIL	53,058	544,392
CIA BRASILEIRA DE DIS PREF	PREFERENCE	BRAZIL	18,324	818,457
CIA ENERGETICA DE SP PREF B	PREFERENCE	BRAZIL	29,866	283,947
CIA ENERGETICA DO CEARA PR A	PREFERENCE	BRAZIL	10,328	184,041
CIA ENERGETICA MINAS GER PRF	PREFERENCE	BRAZIL	126,842	753,570
CIA FERRO LIGAS DA BAHIA FE	PREFERENCE	BRAZIL	44,700	249,853
CIA PARANAENSE DE ENERGI PFB	PREFERENCE	BRAZIL	17,507	229,366
CIA SANEAMENTO BASICO DE SP	COMMON STOCK	BRAZIL	63,720	722,225
CIA SIDERURGICA NACIONAL SA	COMMON STOCK	BRAZIL	136,988	847,210

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CIELO SA	COMMON STOCK	BRAZIL	62,246	1,733,084
CONTAX PARTICIPACOES PEF	PREFERENCE	BRAZIL	23,925	36,982
COSAN SA INDUSTRIA COMERCIO	COMMON STOCK	BRAZIL	38,149	640,153
CPFL ENERGIA SA	COMMON STOCK	BRAZIL	47,000	377,277
CYRELA BRAZIL REALTY SA EMP	COMMON STOCK	BRAZIL	57,800	353,364
DIAGNOSTICOS DA AMERICA SA	COMMON STOCK	BRAZIL	36,400	224,709
DURATEX SA	COMMON STOCK	BRAZIL	54,556	304,226
EDP ENERGIAS DO BRASIL SA	COMMON STOCK	BRAZIL	84,900	408,571
ELETROPAULO METROPOLI PEF	PREFERENCE	BRAZIL	19,077	76,068
EMBRAER SA	COMMON STOCK	BRAZIL	113,370	912,588
ETERNIT SA	COMMON STOCK	BRAZIL	45,729	169,566
FIBRIA CELULOSE SA	COMMON STOCK	BRAZIL	21,478	251,424
GAFISA SA	COMMON STOCK	BRAZIL	95,454	147,046
GERDAU SA PEF	PREFERENCE	BRAZIL	149,704	1,171,862
GOL LINHAS AEREAS PEF	PREFERENCE	BRAZIL	25,000	113,293
HYPERMARCAS SA	COMMON STOCK	BRAZIL	64,611	485,287
INDS KLABIN PAPEL E CELU PRF	PREFERENCE	BRAZIL	104,000	540,791
ITAU UNIBANCO HOLDING S PEF	PREFERENCE	BRAZIL	404,380	5,478,174
ITAUSA INVESTIMENTOS ITAU PR	PREFERENCE	BRAZIL	527,882	1,997,966
JBS SA	COMMON STOCK	BRAZIL	129,197	482,184
KROTON EDUCACIONAL SA	COMMON STOCK	BRAZIL	37,190	618,914
LOCALIZA RENT A CAR	COMMON STOCK	BRAZIL	28,844	407,150
LOG IN LOGISTICA INTERMODAL	COMMON STOCK	BRAZIL	35,315	122,788
LOJAS AMERICANAS SA PEF	PREFERENCE	BRAZIL	89,681	600,940
LOJAS RENNER S.A.	COMMON STOCK	BRAZIL	22,000	571,428
LPS BRASIL CONS DE IMOVEIS	COMMON STOCK	BRAZIL	20,834	127,629
MARFRIG ALIMENTOS SA	COMMON STOCK	BRAZIL	35,300	59,857
METALURGICA GERDAU SA PEF	PREFERENCE	BRAZIL	61,500	610,302
MRV ENGENHARIA	COMMON STOCK	BRAZIL	59,384	212,327
NATURA COSMETICOS SA	COMMON STOCK	BRAZIL	36,900	648,802
ODONTOPREV S.A.	COMMON STOCK	BRAZIL	54,912	228,728
OI SA	PREFERENCE	BRAZIL	133,921	208,507
PDG REALTY SA	COMMON STOCK	BRAZIL	207,690	159,369
PETROBRAS PETROLEO BRAS	COMMON STOCK	BRAZIL	458,903	3,167,212
PETROBRAS PETROLEO BRAS PR	PREFERENCE	BRAZIL	656,617	4,826,895
PRUMO LOGISTICA SA	COMMON STOCK	BRAZIL	437,005	201,529
ROSSI RESIDENCIAL SA	COMMON STOCK	BRAZIL	71,842	62,182
SARAIVA SA LIVREIROS PEF	PREFERENCE	BRAZIL	8,400	92,475
SOUZA CRUZ SA	COMMON STOCK	BRAZIL	69,265	708,741
TELEFONICA BRASIL S.A. PEF	PREFERENCE	BRAZIL	58,348	1,119,212
TIM PARTICIPACOES SA	COMMON STOCK	BRAZIL	152,872	802,380
TRACTEBEL ENERGIA SA	COMMON STOCK	BRAZIL	38,300	583,806
ULTRAPAR PARTICIPACOES SA	COMMON STOCK	BRAZIL	59,200	1,401,502
USINAS SIDER MINAS GER PF A	PREFERENCE	BRAZIL	85,170	513,047
VALE SA	COMMON STOCK	BRAZIL	177,148	2,702,430
VALE SA PEF	PREFERENCE	BRAZIL	332,416	4,655,887
VALID SOLUCOES SA	COMMON STOCK	BRAZIL	25,317	346,325
ADVANTAGE OIL + GAS LTD	COMMON STOCK	CANADA	47,800	207,396
AGNICO EAGLE MINES LTD	COMMON STOCK	CANADA	28,800	759,778
AGRIUM INC	COMMON STOCK	CANADA	24,887	2,276,019
AIMIA INC	COMMON STOCK	CANADA	42,272	776,213
ALACER GOLD CORP	COMMON STOCK	CANADA	36,500	74,546
ALAMOS GOLD INC	COMMON STOCK	CANADA	24,000	290,711
ALIMENTATION COUCHE TARD B	COMMON STOCK	CANADA	25,000	1,879,529
ALTAGAS LTD	COMMON STOCK	CANADA	28,000	1,074,409
ARC RESOURCES LTD	COMMON STOCK	CANADA	59,000	1,642,005
ATCO LTD CLASS I	COMMON STOCK	CANADA	14,800	649,946
ATHABASCA OIL CORP	COMMON STOCK	CANADA	64,100	390,935
ATRIUM INNOVATIONS INC	COMMON STOCK	CANADA	9,400	214,984
ATS AUTOMATION TOOLING SYS	COMMON STOCK	CANADA	35,400	453,120
AURICO GOLD INC	COMMON STOCK	CANADA	49,037	179,995
BANK OF MONTREAL	COMMON STOCK	CANADA	96,444	6,427,482
BANK OF NOVA SCOTIA	COMMON STOCK	CANADA	174,600	10,916,403

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BANKERS PETROLEUM LTD	COMMON STOCK	CANADA	51,800	213,050
BARRICK GOLD CORP	COMMON STOCK	CANADA	156,525	2,756,313
BAYTEX ENERGY CORP	COMMON STOCK	CANADA	28,350	1,111,053
BCE INC	COMMON STOCK	CANADA	39,367	1,704,360
BLACKBERRY LTD	COMMON STOCK	CANADA	77,800	578,466
BLACKPEARL RESOURCES INC	COMMON STOCK	CANADA	68,700	146,776
BOMBARDIER INC B	COMMON STOCK	CANADA	268,399	1,164,536
BONAVISTA ENERGY CORP	COMMON STOCK	CANADA	25,800	338,010
BROOKFIELD ASSET MANAGE CL A	COMMON STOCK	CANADA	90,650	3,516,793
BROOKFIELD OFFICE PROPERTIES	COMMON STOCK	CANADA	44,442	855,378
CAE INC	COMMON STOCK	CANADA	47,951	609,711
CALFRAC WELL SERVICES LTD	COMMON STOCK	CANADA	11,300	329,694
CAMECO CORP	COMMON STOCK	CANADA	77,868	1,615,257
CAN IMPERIAL BK OF COMMERCE	COMMON STOCK	CANADA	62,015	5,295,060

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CANADIAN DOLLAR	FOREIGN CURRENCY	CANADA	2,346,316	2,208,297
CANADIAN NATL RAILWAY CO	COMMON STOCK	CANADA	130,084	7,414,482
CANADIAN NATURAL RESOURCES	COMMON STOCK	CANADA	171,740	5,809,257
CANADIAN OIL SANDS LTD	COMMON STOCK	CANADA	87,300	1,641,651
CANADIAN PACIFIC RAILWAY LTD	COMMON STOCK	CANADA	29,452	4,453,142
CANADIAN TIRE CORP CLASS A	COMMON STOCK	CANADA	13,762	1,288,641
CANADIAN UTILITIES LTD A	COMMON STOCK	CANADA	27,800	933,295
CANADIAN WESTERN BANK	COMMON STOCK	CANADA	14,100	513,041
CANFOR CORP	COMMON STOCK	CANADA	27,700	695,042
CAPSTONE MINING CORP	COMMON STOCK	CANADA	85,700	241,976
CASCADES INC	COMMON STOCK	CANADA	13,300	86,121
CATAMARAN CORP	COMMON STOCK	CANADA	29,200	1,386,485
CELESTICA INC	COMMON STOCK	CANADA	49,500	514,334
CENOVUS ENERGY INC	COMMON STOCK	CANADA	121,592	3,478,962
CENTERRA GOLD INC	COMMON STOCK	CANADA	36,100	146,778
CGI GROUP INC CLASS A	COMMON STOCK	CANADA	36,130	1,208,527
CI FINANCIAL CORP	COMMON STOCK	CANADA	22,819	759,202
COMINAR REAL ESTATE INV TR	REIT NPV	CANADA	34,900	605,700
CRESCENT POINT ENERGY CORP	COMMON STOCK	CANADA	56,450	2,191,588
CREW ENERGY INC	COMMON STOCK	CANADA	16,400	98,477
DAVIS + HENDERSON CORP	COMMON STOCK	CANADA	13,500	378,508
DENISON MINES CORP	COMMON STOCK	CANADA	120,348	146,117
DETOUR GOLD CORP	COMMON STOCK	CANADA	20,900	80,649
DOLLARAMA INC	COMMON STOCK	CANADA	13,300	1,104,182
ELDORADO GOLD CORP	COMMON STOCK	CANADA	117,495	666,819
EMPIRE CO LTD A	COMMON STOCK	CANADA	4,300	293,736
ENBRIDGE INC	COMMON STOCK	CANADA	124,340	5,431,171
ENCANA CORP	COMMON STOCK	CANADA	113,992	2,057,757
ENERFLEX LTD	COMMON STOCK	CANADA	11,004	155,351
ENERPLUS CORP	COMMON STOCK	CANADA	30,500	554,024
ENSGN ENERGY SERVICES INC	COMMON STOCK	CANADA	23,900	376,327
EXFO INC	COMMON STOCK	CANADA	17,700	84,294
FINNING INTERNATIONAL INC	COMMON STOCK	CANADA	32,000	817,694
FIRST MAJESTIC SILVER CORP	COMMON STOCK	CANADA	24,400	239,522
FIRST QUANTUM MINERALS LTD	COMMON STOCK	CANADA	99,676	1,795,575
FIRSTSERVICE CORP	COMMON STOCK	CANADA	8,600	370,306
FORTIS INC	COMMON STOCK	CANADA	29,900	856,899
FRANCO NEVADA CORP	COMMON STOCK	CANADA	26,000	1,059,332
GABRIEL RESOURCES LTD	COMMON STOCK	CANADA	52,024	38,192
GILDAN ACTIVEWEAR INC	COMMON STOCK	CANADA	21,100	1,124,208
GOLDCORP INC	COMMON STOCK	CANADA	129,168	2,800,970
GREAT WEST LIFE CO INC	COMMON STOCK	CANADA	47,218	1,455,425
GUYANA GOLDFIELDS INC	COMMON STOCK	CANADA	47,700	73,626
H+R REAL ESTATE INV UTS	REIT NPV	CANADA	23,100	465,261
HOME CAPITAL GROUP INC	COMMON STOCK	CANADA	10,500	799,779
HUBBAY MINERALS INC	COMMON STOCK	CANADA	40,900	336,439
HUSKY ENERGY INC	COMMON STOCK	CANADA	59,980	1,902,424
IAMGOLD CORP	COMMON STOCK	CANADA	65,250	216,784
IGM FINANCIAL INC	COMMON STOCK	CANADA	19,400	1,024,137
IMPERIAL OIL LTD	COMMON STOCK	CANADA	45,640	2,020,617
INDUSTRIAL ALLIANCE INSURANC	COMMON STOCK	CANADA	13,700	605,379
INNERGEX RENEWABLE ENERGY	COMMON STOCK	CANADA	39,888	397,941
INTACT FINANCIAL CORP	COMMON STOCK	CANADA	22,800	1,488,599
JEAN COUTU GROUP INC CLASS A	COMMON STOCK	CANADA	35,000	606,447
JUST ENERGY GROUP INC	COMMON STOCK	CANADA	35,500	253,929
KEYERA CORP	COMMON STOCK	CANADA	18,200	1,095,083
KINROSS GOLD CORP	COMMON STOCK	CANADA	189,329	828,593
LAURENTIAN BANK OF CANADA	COMMON STOCK	CANADA	4,900	216,384
LIGHTSTREAM RESOURCES LTD	COMMON STOCK	CANADA	38,202	211,414
LOBLAW COMPANIES LTD	COMMON STOCK	CANADA	20,411	814,135
LONG RUN EXPLORATION LTD	COMMON STOCK	CANADA	17,668	89,296
LUNDIN MINING CORP	COMMON STOCK	CANADA	103,100	446,362
MACDONALD DETTWILER + ASSOC	COMMON STOCK	CANADA	5,704	441,825

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MAGNA INTERNATIONAL INC	COMMON STOCK	CANADA	38,856	3,185,278
MANULIFE FINANCIAL CORP	COMMON STOCK	CANADA	294,191	5,803,523
MAPLE LEAF FOODS INC	COMMON STOCK	CANADA	26,800	423,503
MARTINREA INTERNATIONAL INC	COMMON STOCK	CANADA	23,200	170,315
MEG ENERGY CORP	COMMON STOCK	CANADA	27,500	792,259
METHANEX CORP	COMMON STOCK	CANADA	20,400	1,206,144
METRO INC	COMMON STOCK	CANADA	19,100	1,166,673
MORNEAU SHEPELL INC	COMMON STOCK	CANADA	8,500	123,360
MULLEN GROUP LTD	COMMON STOCK	CANADA	13,600	363,392
NATIONAL BANK OF CANADA	COMMON STOCK	CANADA	28,935	2,407,120
NEW GOLD INC	COMMON STOCK	CANADA	85,300	446,370
NEWALTA CORP	COMMON STOCK	CANADA	30,200	495,138
NIKO RESOURCES LTD	COMMON STOCK	CANADA	8,100	19,364
NORBORD INC	COMMON STOCK	CANADA	13,350	425,441

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NORTH WEST CO INC/THE	COMMON STOCK	CANADA	8,200	198,652
NORTHERN PROPERTY REAL ESTAT	REIT	CANADA	19,400	506,682
NOVAGOLD RESOURCES INC	COMMON STOCK	CANADA	44,400	112,828
NUVISTA ENERGY LTD	COMMON STOCK	CANADA	22,700	152,544
ONEX CORPORATION	COMMON STOCK	CANADA	18,255	985,340
OPEN TEXT CORP	COMMON STOCK	CANADA	10,300	947,212
OSISKO MINING CORP	COMMON STOCK	CANADA	61,060	270,675
PACIFIC RUBIALES ENERGY CORP	COMMON STOCK	CANADA	55,600	959,721
PAN AMERICAN SILVER CORP	COMMON STOCK	CANADA	41,796	488,177
PAN AMERICAN SILVER CORP WTS	EXP07DEC14	CANADA	519	0
PASON SYSTEMS INC	COMMON STOCK	CANADA	23,200	501,775
PEMBINA PIPELINE CORP	COMMON STOCK	CANADA	54,332	1,913,509
PENGROWTH ENERGY CORP	COMMON STOCK	CANADA	102,000	630,720
PENN WEST PETROLEUM LTD	COMMON STOCK	CANADA	86,085	718,658
PEYTO EXPLORATION + DEV CORP	COMMON STOCK	CANADA	27,200	832,256
POTASH CORP OF SASKATCHEWAN	COMMON STOCK	CANADA	136,996	4,515,388
POWER CORP OF CANADA	COMMON STOCK	CANADA	64,922	1,952,243
POWER FINANCIAL CORP	COMMON STOCK	CANADA	40,000	1,355,294
PRECISION DRILLING CORP	COMMON STOCK	CANADA	45,900	429,408
PROGRESSIVE WASTE SOLUTIONS	COMMON STOCK	CANADA	18,900	467,297
RIOCAN REAL ESTATE INVST TR	REIT NPV	CANADA	25,700	599,143
RITCHIE BROS AUCTIONEERS	COMMON STOCK	CANADA	19,100	437,907
ROGERS COMMUNICATIONS INC B	COMMON STOCK	CANADA	58,242	2,635,005
RONA INC	COMMON STOCK	CANADA	18,200	226,280
ROYAL BANK OF CANADA	COMMON STOCK	CANADA	219,260	14,736,336
S+P/TSX 60 IX FUT	MAR14 XMOD 20140320	CANADA	11,600	327,311
SAPUTO INC	COMMON STOCK	CANADA	26,700	1,216,012
SEMAFO INC	COMMON STOCK	CANADA	53,500	140,485
SHAW COMMUNICATIONS INC B	COMMON STOCK	CANADA	64,432	1,567,593
SHAWCOR LTD	COMMON STOCK	CANADA	9,700	387,817
SHERRITT INTERNATIONAL CORP	COMMON STOCK	CANADA	69,500	242,024
SHOPPERS DRUG MART CORP	COMMON STOCK	CANADA	33,900	1,856,603
SIERRA WIRELESS INC	COMMON STOCK	CANADA	11,900	287,728
SILVER STANDARD RESOURCES	COMMON STOCK	CANADA	19,500	135,261
SILVER WHEATON CORP	COMMON STOCK	CANADA	61,300	1,237,539
SILVERCORP METALS INC	COMMON STOCK	CANADA	46,200	106,097
SNC LAVALIN GROUP INC	COMMON STOCK	CANADA	28,200	1,268,403
SPROTT INC	COMMON STOCK	CANADA	30,900	76,196
SPYGLASS RESOURCES CORP	COMMON STOCK	CANADA	43,088	73,807
STANTEC INC	COMMON STOCK	CANADA	12,200	756,228
SUN LIFE FINANCIAL INC	COMMON STOCK	CANADA	97,597	3,446,437
SUNCOR ENERGY INC	COMMON STOCK	CANADA	236,011	8,272,047
SUPERIOR PLUS CORP	COMMON STOCK	CANADA	19,900	231,308
TAHOE RESOURCES INC	COMMON STOCK	CANADA	17,600	292,698
TALISMAN ENERGY INC	COMMON STOCK	CANADA	177,849	2,067,233
TASEKO MINES LTD	COMMON STOCK	CANADA	108,300	230,360
TECK RESOURCES LTD CLS B	COMMON STOCK	CANADA	94,261	2,453,004
TELUS CORP COM (NON CANADIAN	COMMON STOCK	CANADA	35,648	1,226,627
THOMPSON CREEK METALS CO INC	COMMON STOCK	CANADA	43,900	95,857
THOMSON REUTERS CORP	COMMON STOCK	CANADA	59,930	2,265,777
TIM HORTONS INC	COMMON STOCK	CANADA	29,000	1,691,962
TMX GROUP LTD	COMMON STOCK	CANADA	1,272	61,092
TOROMONT INDUSTRIES LTD	COMMON STOCK	CANADA	21,104	529,338
TORONTO DOMINION BANK NPV	COMMON STOCK	CANADA	136,400	12,851,768
TOURMALINE OIL CORP	COMMON STOCK	CANADA	29,300	1,232,668
TRANSALTA CORP	COMMON STOCK	CANADA	60,796	771,322
TRANSCANADA CORP	COMMON STOCK	CANADA	109,565	5,005,445
TRICAN WELL SERVICE LTD	COMMON STOCK	CANADA	25,600	312,742
TRINIDAD DRILLING LTD	COMMON STOCK	CANADA	33,500	310,565
TURQUOISE HILL RESOURCES LTD	COMMON STOCK	CANADA	71,415	235,922
TURQUOISE HILL RESOURCES LTD RIGHT	COMMON STOCK	CANADA	71,415	67,214
VALEANT PHARMACEUTICALS INTE	COMMON STOCK	CANADA	50,077	5,873,502

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VERESEN INC	COMMON STOCK	CANADA	49,900	670,186
VERMILION ENERGY INC	COMMON STOCK	CANADA	22,400	1,314,485
WEST FRASER TIMBER CO LTD	COMMON STOCK	CANADA	7,700	750,795
WESTON (GEORGE) LTD	COMMON STOCK	CANADA	9,715	708,624
WESTPORT INNOVATIONS INC	COMMON STOCK	CANADA	9,900	193,714
YAMANA GOLD INC	COMMON STOCK	CANADA	125,812	1,084,647
CAP SA	COMMON STOCK	CHILE	21,067	405,463
CENCOSUD SA	COMMON STOCK	CHILE	204,232	740,703
CHILEAN PESO	FOREIGN CURRENCY	CHILE	68,141,769	129,683
CIA SUD AMERICANA DE VAPORES	COMMON STOCK	CHILE	305,673	15,992
EMPRESAS CMPC SA	COMMON STOCK	CHILE	188,649	460,118
EMPRESAS COPEC SA	COMMON STOCK	CHILE	72,913	976,993
EMPRESAS LA POLAR SA	COMMON STOCK	CHILE	351,897	46,830
INVERSIONES AGUAS METROPOL	COMMON STOCK	CHILE	161,014	272,728
MASISA SA	COMMON STOCK	CHILE	2,294,532	150,095

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PARQUE ARAUCO S.A.	COMMON STOCK	CHILE	277,383	512,023
S.A.C.I. FALABELLA	COMMON STOCK	CHILE	84,909	762,767
SALFACORP SA	COMMON STOCK	CHILE	75,801	72,159
SOCIEDAD MATRIZ SAAM SA	COMMON STOCK	CHILE	1,086,457	98,158
SOCOVELSA SA	COMMON STOCK	CHILE	1,070,772	262,704
SONDA SA	COMMON STOCK	CHILE	184,856	443,222
VINA CONCHA Y TORO S.A.	COMMON STOCK	CHILE	97,773	181,151
CHINA VANKE CO LTD B	COMMON STOCK	CHINA	229,700	358,318
HUADIAN ENERGY CO LTD B	COMMON STOCK	CHINA	381,800	115,394
INNER MONGOLIA YITAI COAL B	COMMON STOCK	CHINA	250,400	443,192
JIANGSU FUTURE LAND CO LTD B	COMMON STOCK	CHINA	337,800	205,382
SGSB GROUP CO LTD B	COMMON STOCK	CHINA	323,345	186,357
SHENZHEN CHIWAN PETROLEUM B	COMMON STOCK	CHINA	122,200	251,376
YUAN RENMINBI	FOREIGN CURRENCY	CHINA	421	70
CENTRAL EUROPEAN MEDIA ENT A	COMMON STOCK	CZECH REPUBLIC	18,734	69,051
CEZ AS	COMMON STOCK	CZECH REPUBLIC	28,874	753,383
CZECH KORUNA	FOREIGN CURRENCY	CZECH REPUBLIC	549,205	27,647
KOMERCNI BANKA AS	COMMON STOCK	CZECH REPUBLIC	1,457	325,167
PHILIP MORRIS CR AS	COMMON STOCK	CZECH REPUBLIC	69	36,751
TELEFONICA CZECH REPUBLIC AS	COMMON STOCK	CZECH REPUBLIC	14,759	219,167
AMAGERBANKEN A/S	COMMON STOCK	DENMARK	59,280	0
AP MOELLER MAERSK A/S A	COMMON STOCK	DENMARK	99	1,022,510
AP MOELLER MAERSK A/S B	COMMON STOCK	DENMARK	197	2,152,006
AURIGA INDUSTRIES B	COMMON STOCK	DENMARK	1,581	54,281
BANG + OLUFSEN A/S	COMMON STOCK	DENMARK	3,603	30,492
BAVARIAN NORDIC A/S	COMMON STOCK	DENMARK	5,330	87,629
CARLSBERG AS B	COMMON STOCK	DENMARK	16,952	1,886,236
CHR HANSEN HOLDING A/S	COMMON STOCK	DENMARK	19,090	760,426
COLOPLAST B	COMMON STOCK	DENMARK	20,275	1,347,043
DANISH KRONE	FOREIGN CURRENCY	DENMARK	4,680	864
DANSKE BANK A/S	COMMON STOCK	DENMARK	105,479	2,432,393
DFDS A/S	COMMON STOCK	DENMARK	68	5,506
DSV A/S	COMMON STOCK	DENMARK	37,890	1,247,186
FLSMIDTH + CO A/S	COMMON STOCK	DENMARK	10,327	567,132
GENMAB A/S	COMMON STOCK	DENMARK	10,741	422,826
GN STORE NORD A/S	COMMON STOCK	DENMARK	37,046	914,574
IC COMPANY S A/S	COMMON STOCK	DENMARK	3,296	95,526
JYSKE BANK REG	COMMON STOCK	DENMARK	11,985	648,122
NKT HOLDING A/S	COMMON STOCK	DENMARK	6,401	316,905
NOVO NORDISK A/S B	COMMON STOCK	DENMARK	60,956	11,247,948
NOVOZYMES A/S B SHARES	COMMON STOCK	DENMARK	43,007	1,822,284
PANDORA A/S	COMMON STOCK	DENMARK	9,509	519,428
ROCKWOOL INTL A/S B SHS	COMMON STOCK	DENMARK	1,500	266,027
SIMCORP A/S	COMMON STOCK	DENMARK	6,270	248,023
SYDBANK A/S	COMMON STOCK	DENMARK	12,710	338,936
TDC A/S	COMMON STOCK	DENMARK	91,900	893,030
TOPDANMARK A/S	COMMON STOCK	DENMARK	33,100	874,594
TRYG A/S	COMMON STOCK	DENMARK	5,395	522,862
VESTAS WIND SYSTEMS A/S	COMMON STOCK	DENMARK	33,017	990,954
WILLIAM DEMANT HOLDING	COMMON STOCK	DENMARK	4,517	439,877
COMMERCIAL INTERNATIONAL BAN	COMMON STOCK	EGYPT	255,861	1,196,722
EFG HERMES HOLDING SAE	COMMON STOCK	EGYPT	45,408	56,723
EGYPT KUWAIT HOLDING CO SAE	COMMON STOCK	EGYPT	84,295	76,708
EGYPTIAN POUND	FOREIGN CURRENCY	EGYPT	722,541	103,984
EZZ STEEL	COMMON STOCK	EGYPT	41,062	89,232
GLOBAL TELECOM HOLDING	COMMON STOCK	EGYPT	294,025	198,455
HELIOPOLIS HOUSING	COMMON STOCK	EGYPT	18,784	66,231
MEDINET NASR HOUSING	COMMON STOCK	EGYPT	43,696	145,579
ORASCOM TELECOM MEDIA AND TE	COMMON STOCK	EGYPT	708,072	78,465
ORIENTAL WEAVERS	COMMON STOCK	EGYPT	81,633	405,313
SIX OF OCTOBER DEVELOPMENT	COMMON STOCK	EGYPT	42,963	140,973
TELECOM EGYPT	COMMON STOCK	EGYPT	47,649	99,432
AMER SPORTS OYJ	COMMON STOCK	FINLAND	33,770	706,128

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CARGOTEC OYJ B SHARE	COMMON STOCK	FINLAND	7,004	261,623
CAVERION CORP	COMMON STOCK	FINLAND	24,095	296,905
CITYCON OYJ	COMMON STOCK	FINLAND	61,591	217,631
CRAMO OYJ	COMMON STOCK	FINLAND	16,352	346,988
ELISA OYJ	COMMON STOCK	FINLAND	26,646	707,810
F SECURE OYJ	COMMON STOCK	FINLAND	48,898	126,034
FORTUM OYJ	COMMON STOCK	FINLAND	57,202	1,311,687
HKSCAN OYJ A SHS	COMMON STOCK	FINLAND	7,904	41,030
HUHTAMAKI OYJ	COMMON STOCK	FINLAND	19,400	499,400
KEMIRA OYJ	COMMON STOCK	FINLAND	10,836	182,011
KESKO OYJ B SHS	COMMON STOCK	FINLAND	12,500	461,803
KONE OYJ B	COMMON STOCK	FINLAND	46,732	2,122,281
KONECRANES OYJ	COMMON STOCK	FINLAND	7,883	281,168
METSA BOARD OYJ	COMMON STOCK	FINLAND	37,243	161,747

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METSO OYJ	COMMON STOCK	FINLAND	17,557	752,702
NESTE OIL OYJ	COMMON STOCK	FINLAND	24,349	485,032
NOKIA OYJ	COMMON STOCK	FINLAND	586,262	4,737,729
NOKIAN RENKAAT OYJ	COMMON STOCK	FINLAND	15,950	768,636
ORIOLA KD OYJ B SHARES	COMMON STOCK	FINLAND	48,139	169,223
ORION OYJ CLASS B	COMMON STOCK	FINLAND	17,169	484,173
OUTOKUMPU OYJ	COMMON STOCK	FINLAND	170,400	96,456
OUTOTEC OYJ	COMMON STOCK	FINLAND	28,508	300,084
POHJOLA BANK PLC A SHS	COMMON STOCK	FINLAND	30,012	605,467
POYRY OYJ	COMMON STOCK	FINLAND	5,225	29,347
RAMIRENT OYJ	COMMON STOCK	FINLAND	6,269	79,193
RAUTARUUKKI OYJ	COMMON STOCK	FINLAND	11,000	102,493
SAMPO OYJ A SHS	COMMON STOCK	FINLAND	60,985	3,014,815
SANOMA OYJ	COMMON STOCK	FINLAND	16,040	141,388
SPONDA OYJ	COMMON STOCK	FINLAND	48,881	230,690
STORA ENSO OYJ R SHS	COMMON STOCK	FINLAND	85,365	861,676
TECHNOPOLIS OYJ	COMMON STOCK	FINLAND	58,404	350,291
TIETO OYJ	COMMON STOCK	FINLAND	12,646	286,558
UPM KYMMENE OYJ	COMMON STOCK	FINLAND	50,739	859,842
UPONOR OYJ	COMMON STOCK	FINLAND	4,058	79,514
WARTSILA OYJ ABP	COMMON STOCK	FINLAND	27,722	1,374,094
YIT OYJ	COMMON STOCK	FINLAND	22,193	311,371
ABC ARBITRAGE	COMMON STOCK	FRANCE	16,517	107,441
ACCOR SA	COMMON STOCK	FRANCE	29,525	1,398,180
ADP	COMMON STOCK	FRANCE	5,489	624,117
AIR FRANCE KLM	COMMON STOCK	FRANCE	26,855	282,164
AIR LIQUIDE SA	COMMON STOCK	FRANCE	45,941	6,523,315
AIRBUS GROUP NV	COMMON STOCK	FRANCE	93,643	7,229,612
ALBIOMA	COMMON STOCK	FRANCE	4,446	103,409
ALCATEL LUCENT	COMMON STOCK	FRANCE	474,614	2,132,626
ALSTOM	COMMON STOCK	FRANCE	34,272	1,254,176
ALTEN	COMMON STOCK	FRANCE	2,530	115,223
ALTRAN TECHNOLOGIES SA	COMMON STOCK	FRANCE	15,701	138,072
ARKEMA	COMMON STOCK	FRANCE	12,012	1,409,237
ASSYSTEM	COMMON STOCK	FRANCE	4,180	115,916
ATOS	COMMON STOCK	FRANCE	10,370	943,130
AXA SA	COMMON STOCK	FRANCE	281,971	7,877,934
AXWAY SOFTWARE SA	COMMON STOCK	FRANCE	235	7,076
BENI STABILI SPA	REIT	FRANCE	22,698	15,042
BNP PARIBAS	COMMON STOCK	FRANCE	152,735	11,979,124
BOIRON SA	COMMON STOCK	FRANCE	2,931	207,059
BOURSORAMA	COMMON STOCK	FRANCE	950	10,669
BOUYGUES SA	COMMON STOCK	FRANCE	31,190	1,184,643
BULL	COMMON STOCK	FRANCE	15,749	66,986
BUREAU VERITAS SA	COMMON STOCK	FRANCE	33,644	987,208
CAC40 10 EURO FUT	MAR14 XPAR 20140321	FRANCE	560	160,598
CAP GEMINI	COMMON STOCK	FRANCE	24,833	1,686,677
CARREFOUR SA	COMMON STOCK	FRANCE	103,015	4,091,768
CASINO GUICHARD PERRACHON	COMMON STOCK	FRANCE	9,015	1,043,764
CGG	COMMON STOCK	FRANCE	30,241	525,692
CHRISTIAN DIOR	COMMON STOCK	FRANCE	8,400	1,592,867
CNP ASSURANCES	COMMON STOCK	FRANCE	28,132	577,766
COMPAGNIE DE SAINT GOBAIN	COMMON STOCK	FRANCE	62,883	3,481,338
CREDIT AGRICOLE SA	COMMON STOCK	FRANCE	155,742	2,005,111
DANONE	COMMON STOCK	FRANCE	89,761	6,486,012
DASSAULT SYSTEMES SA	COMMON STOCK	FRANCE	12,417	1,545,394
DERICHEBOURG	COMMON STOCK	FRANCE	22,975	76,824
EDENRED	COMMON STOCK	FRANCE	35,709	1,199,908
EDF	COMMON STOCK	FRANCE	33,082	1,173,430
EIFFAGE	COMMON STOCK	FRANCE	7,066	408,007
ESSILOR INTERNATIONAL	COMMON STOCK	FRANCE	32,772	3,497,253
EURAZEO	COMMON STOCK	FRANCE	6,237	489,864
EURO DISNEY SCA REGR	COMMON STOCK	FRANCE	4,513	26,124

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EUROFINS SCIENTIFIC	COMMON STOCK	FRANCE	1,769	479,844
EUTELSAT COMMUNICATIONS	COMMON STOCK	FRANCE	23,966	748,999
FAIVELEY TRANSPORT	COMMON STOCK	FRANCE	965	69,813
FONCIERE DES REGIONS	REIT	FRANCE	4,301	372,142
GAMELOFT SE	COMMON STOCK	FRANCE	15,072	170,349
GDF SUEZ	COMMON STOCK	FRANCE	190,503	4,502,813
GECINA SA	REIT	FRANCE	3,723	492,805
GEMALTO	COMMON STOCK	FRANCE	14,264	1,572,602
GROUPE EUROTUNNEL SA REGR	COMMON STOCK	FRANCE	101,500	1,068,732
GROUPE FNAC	COMMON STOCK	FRANCE	1,582	51,972
HAVAS SA	COMMON STOCK	FRANCE	39,700	327,435
ICADE	REIT	FRANCE	7,641	713,870
ILIAD SA	COMMON STOCK	FRANCE	4,902	1,005,930
IMERYS SA	COMMON STOCK	FRANCE	6,276	548,260

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INGENICO	COMMON STOCK	FRANCE	7,910	635,207
INTERPARFUMS SA	COMMON STOCK	FRANCE	3,740	161,705
IPSEN	COMMON STOCK	FRANCE	3,239	153,497
IPSOS	COMMON STOCK	FRANCE	4,379	187,848
JC DECAUX SA	COMMON STOCK	FRANCE	12,585	520,594
KERING	COMMON STOCK	FRANCE	12,254	2,595,746
KLEPIERRE	REIT	FRANCE	19,477	904,208
L OREAL	COMMON STOCK	FRANCE	36,837	6,497,594
LAFARGE SA	COMMON STOCK	FRANCE	28,690	2,162,485
LAGARDERE SCA	COMMON STOCK	FRANCE	22,537	839,261
LEGRAND SA	COMMON STOCK	FRANCE	39,649	2,190,021
LVMH MOET HENNESSY LOUIS VUI	COMMON STOCK	FRANCE	38,264	7,016,101
M6 METROPOLE TELEVISION	COMMON STOCK	FRANCE	12,011	276,124
MAUREL ET PROM	COMMON STOCK	FRANCE	18,022	301,888
MERSEN (EX CARBON LORRAINE)	COMMON STOCK	FRANCE	4,345	150,858
MICHELIN (CGDE)	COMMON STOCK	FRANCE	29,425	3,145,209
MPI	COMMON STOCK	FRANCE	22,345	95,203
NATIXIS	COMMON STOCK	FRANCE	161,709	956,512
NEOPOST SA	COMMON STOCK	FRANCE	7,071	546,640
NEXANS SA	COMMON STOCK	FRANCE	3,919	199,459
NEXITY	COMMON STOCK	FRANCE	4,432	167,693
ORANGE	COMMON STOCK	FRANCE	278,264	3,464,293
PAGESJAUNES GROUPE	COMMON STOCK	FRANCE	24,655	37,437
PERNOD RICARD SA	COMMON STOCK	FRANCE	32,937	3,766,865
PEUGEOT SA	COMMON STOCK	FRANCE	34,078	444,970
PUBLICIS GROUPE	COMMON STOCK	FRANCE	23,927	2,200,038
REMY COINTREAU	COMMON STOCK	FRANCE	4,280	360,338
RENAULT SA	COMMON STOCK	FRANCE	31,617	2,556,851
RUBIS	COMMON STOCK	FRANCE	12,011	763,070
S.O.I.T.E.C.	COMMON STOCK	FRANCE	15,358	30,246
SAFRAN SA	COMMON STOCK	FRANCE	42,907	2,988,690
SAFT GROUPE SA	COMMON STOCK	FRANCE	5,415	186,562
SANOFI	COMMON STOCK	FRANCE	184,049	19,623,316
SARTORIUS STEDIM BIOTECH	COMMON STOCK	FRANCE	776	130,313
SCHNEIDER ELECTRIC SA	COMMON STOCK	FRANCE	82,397	7,243,925
SCOR SE	COMMON STOCK	FRANCE	34,455	1,261,599
SES RECEIPT NPV	RECEIPT NPV	FRANCE	50,372	1,633,686
SOCIETE BIC SA	COMMON STOCK	FRANCE	5,115	627,978
SOCIETE GENERALE	COMMON STOCK	FRANCE	113,188	6,620,704
SODEXO	COMMON STOCK	FRANCE	15,514	1,577,889
SOPRA GROUP	COMMON STOCK	FRANCE	838	84,892
STALLERGENES	COMMON STOCK	FRANCE	1,575	117,740
STMICROELECTRONICS NV	COMMON STOCK	FRANCE	115,150	929,145
SUEZ ENVIRONNEMENT CO	COMMON STOCK	FRANCE	52,235	937,590
TECHNIP SA	COMMON STOCK	FRANCE	16,320	1,574,503
TELEPERFORMANCE	COMMON STOCK	FRANCE	9,089	556,178
TELEVISION FRANCAISE (T.F.1)	COMMON STOCK	FRANCE	21,481	415,833
THALES SA	COMMON STOCK	FRANCE	14,658	946,486
TOTAL SA	COMMON STOCK	FRANCE	314,050	19,282,469
TRANSGENE SA	COMMON STOCK	FRANCE	4,682	56,693
UBISOFT ENTERTAINMENT	COMMON STOCK	FRANCE	13,357	189,700
UNIBAIL RODAMCO SE.	REIT	FRANCE	16,153	4,145,556
VALEO SA	COMMON STOCK	FRANCE	13,270	1,472,657
VALLOUREC	COMMON STOCK	FRANCE	17,791	975,123
VEOLIA ENVIRONNEMENT	COMMON STOCK	FRANCE	65,691	1,075,167
VINCI SA	COMMON STOCK	FRANCE	71,557	4,722,887
VIRBAC SA	COMMON STOCK	FRANCE	1,397	299,182
VIVENDI	COMMON STOCK	FRANCE	190,270	5,041,656
WENDEL	COMMON STOCK	FRANCE	5,406	789,449
ZODIAC AEROSPACE	COMMON STOCK	FRANCE	7,439	1,323,047
ADIDAS AG	COMMON STOCK	GERMANY	34,774	4,440,314
AIR BERLIN PLC	COMMON STOCK	GERMANY	26,486	60,435
AIXTRON SE	COMMON STOCK	GERMANY	16,941	246,035

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* ALLIANZ SE REG	COMMON STOCK	GERMANY	69,856	12,550,811
AXEL SPRINGER SE	COMMON STOCK	GERMANY	7,480	481,485
BASF SE	COMMON STOCK	GERMANY	142,185	15,186,671
BAUER AG	COMMON STOCK	GERMANY	2,569	67,179
BAYER AG REG	COMMON STOCK	GERMANY	129,941	18,259,677
BAYERISCHE MOTOREN WERKE AG	COMMON STOCK	GERMANY	49,536	5,818,771
BAYERISCHE MOTOREN WERKE PRF	PREFERENCE	GERMANY	9,631	824,161
BECHTLE AG	COMMON STOCK	GERMANY	4,197	286,407
BEIERSDORF AG	COMMON STOCK	GERMANY	16,186	1,645,972
BILFINGER SE	COMMON STOCK	GERMANY	8,628	976,160
BIOTEST AG VORZUGSAKTIE	PREFERENCE	GERMANY	2,710	284,732
BRENNTAG AG	COMMON STOCK	GERMANY	8,308	1,545,918
CARL ZEISS MEDITEC AG BR	COMMON STOCK	GERMANY	4,750	158,688
CAT OIL AG	COMMON STOCK	GERMANY	3,788	105,431

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CELESIO AG	COMMON STOCK	GERMANY	15,505	491,440
COMDIRECT BANK AG	COMMON STOCK	GERMANY	8,925	102,225
COMMERZBANK AG	COMMON STOCK	GERMANY	140,156	2,262,455
CONTINENTAL AG	COMMON STOCK	GERMANY	17,830	3,917,730
CTS EVENTIM	COMMON STOCK	GERMANY	6,568	333,239
DAIMLER AG REGISTERED SHARES	COMMON STOCK	GERMANY	150,422	13,041,949
DAX INDEX FUTURE	MAR14 XEUR 20140321	GERMANY	500	283,986
DEUTSCHE BANK AG REGISTERED	COMMON STOCK	GERMANY	157,835	7,543,199
DEUTSCHE BETEILIGUNGS AG	COMMON STOCK	GERMANY	4,794	137,299
DEUTSCHE BOERSE AG	COMMON STOCK	GERMANY	33,551	2,790,597
DEUTSCHE LUFTHANSA REG	COMMON STOCK	GERMANY	43,459	923,695
DEUTSCHE POST AG REG	COMMON STOCK	GERMANY	146,909	5,365,885
DEUTSCHE TELEKOM AG REG	COMMON STOCK	GERMANY	448,955	7,691,122
DEUTSCHE WOHNEN AG BR	COMMON STOCK	GERMANY	46,490	903,717
DIC ASSET AG	COMMON STOCK	GERMANY	12,064	111,200
DMG MORI SEIKI AG	COMMON STOCK	GERMANY	12,124	387,611
DRAEGERWERK AG	COMMON STOCK	GERMANY	309	32,896
DRAEGERWERK AG PREF	PREFERENCE	GERMANY	1,669	218,352
DUERR AG	COMMON STOCK	GERMANY	9,595	857,100
E.ON SE	COMMON STOCK	GERMANY	276,910	5,111,384
FRAPORT AG FRANKFURT AIRPORT	COMMON STOCK	GERMANY	6,990	526,416
FREENET AG	COMMON STOCK	GERMANY	21,250	642,988
FRESENIUS MEDICAL CARE AG +	COMMON STOCK	GERMANY	33,851	2,413,116
FRESENIUS SE + CO KGAA	COMMON STOCK	GERMANY	19,264	2,963,062
FUCHS PETROLUB SE PREF	PREFERENCE	GERMANY	6,211	608,785
GEA GROUP AG	COMMON STOCK	GERMANY	28,959	1,380,924
GERRESHEIMER AG	COMMON STOCK	GERMANY	10,722	751,498
GERRY WEBER INTL AG	COMMON STOCK	GERMANY	9,002	383,590
HAMBURGER HAFEN UND LOGISTIK	COMMON STOCK	GERMANY	7,662	188,287
HANNOVER RUECK SE	COMMON STOCK	GERMANY	11,718	1,013,697
HEIDELBERGCEMENT AG	COMMON STOCK	GERMANY	22,552	1,714,300
HEIDELBERGER DRUCKMASCHINEN	COMMON STOCK	GERMANY	46,657	165,604
HENKEL AG + CO KGAA	COMMON STOCK	GERMANY	18,296	1,910,605
HENKEL AG + CO KGAA VORZUG	PREFERENCE	GERMANY	30,570	3,552,256
HOCHTIEF AG	COMMON STOCK	GERMANY	7,656	656,471
HOMAG GROUP AG	COMMON STOCK	GERMANY	3,680	96,982
INDUS HOLDING AG	COMMON STOCK	GERMANY	7,238	291,219
INFINEON TECHNOLOGIES AG	COMMON STOCK	GERMANY	185,868	1,988,058
JENOPTIK AG	COMMON STOCK	GERMANY	15,064	258,488
K S AG REG	COMMON STOCK	GERMANY	29,035	895,603
KABEL DEUTSCHLAND HOLDING AG	COMMON STOCK	GERMANY	5,025	653,102
KLOECKNER + CO SE	COMMON STOCK	GERMANY	17,203	236,536
KONTRON AG	COMMON STOCK	GERMANY	14,334	102,978
KUKA AG	COMMON STOCK	GERMANY	6,617	311,501
KWS SAAT AG	COMMON STOCK	GERMANY	561	193,490
LANXESS AG	COMMON STOCK	GERMANY	14,950	1,000,411
LINDE AG	COMMON STOCK	GERMANY	28,344	5,945,997
MAN SE	COMMON STOCK	GERMANY	2,441	300,211
MERCK KGAA	COMMON STOCK	GERMANY	11,522	2,079,318
METRO AG	COMMON STOCK	GERMANY	21,869	1,060,942
MLP AG	COMMON STOCK	GERMANY	9,754	70,047
MORPHOSYS AG	COMMON STOCK	GERMANY	5,294	408,156
MTU AERO ENGINES AG	COMMON STOCK	GERMANY	8,664	852,393
MUENCHENER RUECKVER AG REG	COMMON STOCK	GERMANY	28,022	6,185,996
NORDEX SE	COMMON STOCK	GERMANY	10,038	132,867
OSRAM LICHT AG	COMMON STOCK	GERMANY	14,334	811,466
PFEIFFER VACUUM TECHNOLOGY	COMMON STOCK	GERMANY	3,406	464,890
PORSCHE AUTOMOBIL HLDG PRF	PREFERENCE	GERMANY	24,810	2,593,593
PROSIEBEN SAT.1 MEDIA AG REG	COMMON STOCK	GERMANY	21,676	1,077,053
QIAGEN N.V.	COMMON STOCK	GERMANY	36,838	860,821
QSC AG	COMMON STOCK	GERMANY	35,725	213,355
RHEINMETALL AG	COMMON STOCK	GERMANY	6,992	432,154
RWE AG	COMMON STOCK	GERMANY	74,806	2,740,033

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RWE AG NON VTG PREF	PREFERENCE	GERMANY	1,842	59,016
SALZGITTER AG	COMMON STOCK	GERMANY	7,536	321,969
SAP AG	COMMON STOCK	GERMANY	142,753	12,259,670
SGL CARBON SE	COMMON STOCK	GERMANY	8,360	331,567
SIEMENS AG REG	COMMON STOCK	GERMANY	123,641	16,921,183
SIXT SE	COMMON STOCK	GERMANY	8,854	285,742
SIXT SE PRFD	PREFERENCE	GERMANY	11,774	312,256
SKY DEUTSCHLAND AG	COMMON STOCK	GERMANY	83,112	919,453
SOFTWARE AG	COMMON STOCK	GERMANY	12,658	444,015
STADA ARZNEIMITTEL AG	COMMON STOCK	GERMANY	13,380	663,969
STO AG PREFERRED	PREFERENCE	GERMANY	1,351	257,036
STRATEC BIOMEDICAL AG	COMMON STOCK	GERMANY	2,385	99,500
SUEDZUCKER AG	COMMON STOCK	GERMANY	12,555	339,456
SYMRISE AG	COMMON STOCK	GERMANY	26,056	1,202,957

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THYSSENKRUPP AG	COMMON STOCK	GERMANY	72,828	1,779,738
TUI AG	COMMON STOCK	GERMANY	39,820	657,282
UNITED INTERNET AG REG SHARE	COMMON STOCK	GERMANY	22,945	979,089
VOLKSWAGEN AG	COMMON STOCK	GERMANY	4,819	1,307,981
VOLKSWAGEN AG PREF	PREFERENCE	GERMANY	21,651	