BESSEMER TRUST

Quarterly Investment Perspective

China's Growing Pains

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Chief Investment Officer

Executive Summary

- **China's capital account opening and financial market liberalization are longer-term global positives but short-term sources of investor anxiety**
- **We think fears about a Chinese growth collapse are overdone; however, capital account growing pains still give us reason to approach China-related investments cautiously**
- **We remain optimistic about global equities looking toward 2016, but remain focused on developed markets — notably the U.S. and euro area**

As a mother, I love watching my children grow, physically and intellectually: their sense of pride after graduating into "big kid" clothes; their satisfaction when they first understand a subtle joke or play on words.

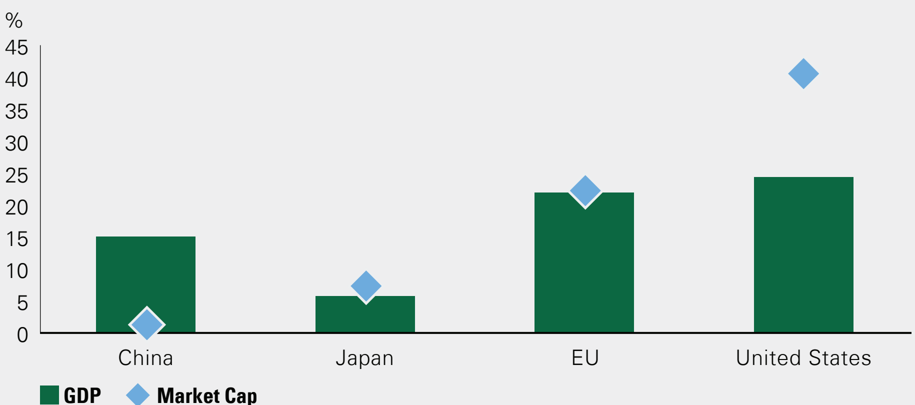
Becoming a parent has helped me more deeply appreciate that economies evolve in similar ways — at different speeds with growth spurts and awkward stages. Frankly, understanding these growth paths plays an incredibly important role in investing.

China's bout of growth pains features front and center as we look at our portfolios today. Since joining the World Trade Organization (WTO) in 2001, China's economy saw tremendous physical growth. Nominal gross domestic product (GDP) went from $1.3 trillion to $10.4 trillion. Today, China is the world's second-largest economy (the largest after adjusting for inflation and exchange rates). China is also the global economy's largest trading nation, having surpassed the U.S. as of 2012.

But in some ways, much like an awkward teenager, China's physical dominance, its economic heft, is not yet matched by maturity in other areas, particularly its capital account and financial markets. Consider China's neighbor, Japan. China produces more than twice Japan's share of global GDP, yet its equity market's weight in a global index is tiny, at about one-seventh of Japan's (Exhibit 1).

Exhibit 1: Country Equity Market Cap and Nominal GDP as % of World

Key Takeaway: China produces about 15% of the world's GDP, but its share of global equity market capitalization is a fraction of that of the developed markets.



As of September 15, 2015. Percent of market cap reflects constituent data for the S&P Global Broad Market Index. Nominal GDP is on a USD basis and reflects IMF estimates for 2015.

Source: FactSet, International Monetary Fund, Standard & Poor's

Capital Account Basics

A country's balance of payments includes current and capital accounts, which in theory, offset. A current account reflects what the country **buys and sells** (think imports and exports) — its net income. A capital account effectively reflects **ownership** of local and foreign assets. A net importing country such as the U.S. (we buy more stuff from abroad than we sell) runs a current account deficit. To "balance" its balance of payments, the U.S. will tend to run an offsetting capital account surplus. That surplus, in turn, could reflect foreign buying of U.S. assets (in recent decades, U.S. Treasuries in particular) in excess of U.S. foreign-asset purchases. These assets include direct investments such as cash purchases of companies and portfolio assets such as bonds and stocks.

During the years, China has become the leading exporter to the world and today runs a current account surplus equal to approximately 2.8% of the country's GDP. Until fairly recently, however, China's capital account has been firmly closed. That means that for the most part, Chinese policymakers prevented companies and individuals from easily moving money in or out of the country.

In this *Quarterly Investment Perspective*, we focus on China's growth path and in particular, what a more open and developed capital account may mean — not just for China, but for global economies, financial markets, and our portfolios. As we will discuss in detail, we believe fears of an imminent Chinese economic crash are overdone. That said, even with our view that China has the ability to evolve successfully into a developed economy with open, deeper capital markets long term, we cannot rule out that growing pains may result in additional bouts of global market stress. Our view on China reinforces our tactical asset allocation biases, including a tilt toward the U.S. dollar — and away from emerging markets and commodities.

China's Capital Account Opening: Slowly, Slowly

Policymakers have been pushing China to open its capital account and liberalize and develop its financial markets. Such calls were not ignored — indeed, Chinese officials have done plenty to show progress. Between 2003 and 2006, China took several incremental steps to let its currency trade more freely and to allow capital to move in and out of the country (Exhibit 2).

Exhibit 2: Chinese Actions on Exchange-Rate Flexibility and Financial-Sector Reform

Key Takeaway: During the last decades, China has introduced a number of incremental measures to loosen capital controls and to allow the renminbi (RMB) to trade more freely.

2003	2004	2005	2006
Chinese authorities introduce measures that promote foreign direct investment (FDI) and other capital flows Qualified Foreign Institutional Investor (QFII) program launched	**June:** Chinese begin work with the Chicago Mercantile Exchange to offer foreign-exchange (FX) futures in China **July-August:** Select Chinese Qualified Domestic Institutional Investors (QDIIs) authorized to invest in foreign assets **October:** Chinese announce plan to introduce Reuters-based onshore non-renminbi FX trading platform	**June:** Raised quota for QFIIs from $4 billion to $10 billion **July:** China abandons RMB peg; adopts managed float **August:** China introduces interbank forward FX market	**February:** First RMB interest rate swap **April:** Liberalized FX regulations allow Chinese firms and residents to buy more foreign assets

As of August 31, 2015.

Source: International Monetary Fund

During the past decade, those steps have continued. So-called qualified investors have been increasingly able to put capital in or take capital out of China (albeit with government-controlled limits). Investors also have had deepening Chinese capital markets to access; as of March 2015, foreign investors held roughly $115 billion worth of onshore Chinese bonds, up nearly 80% since year-end 2013 (Exhibits 3 and 4).

To us, the Chinese capital account restrictions seemed like a paper wall in which policymakers were regularly and thoughtfully poking small holes to let capital leak through. In hindsight, maybe we all should have seen the effective disintegration of this paper wall coming. After all, Chinese officials are known for longer-term plans. In 2011, central bank officials publicly pledged that full capital account convertibility would be achieved in five years (i.e., by 2016). Perhaps not surprisingly, in March 2015, the People's Bank of China (PBOC) Governor Zhou Xiaochuan reportedly promised to reform China's currency regime "relatively radically." In the following months, a number of new holes in the capital wall quickly appeared, including:

- The removal of the $1 billion investment quota limit for overseas fund-management firms;

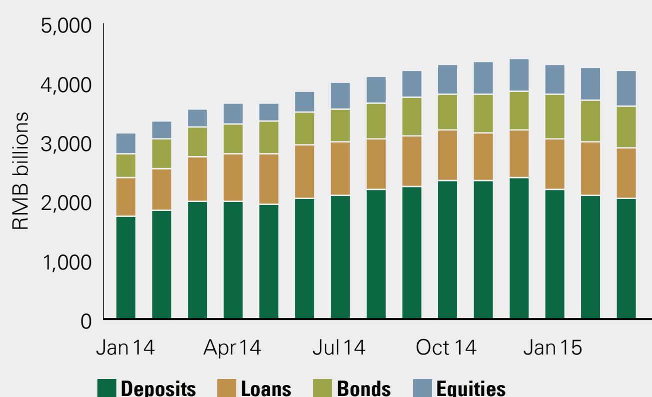
> To us, the Chinese capital account restrictions seemed like a paper wall in which policymakers were regularly poking small holes to let capital leak through.

- The official launch of an Asian infrastructure bank that would include more cross-border, direct-investment flows with $100 billion in initial operating capital;
- The ability of overseas renminbi clearing and settlement banks trading Chinese bonds to enter into the onshore repo (repurchase agreement) market; and
- A new program to let mainland Chinese asset-management firms sell products directly to offshore investors and provide access to local Chinese markets for foreign counterparts.

These developments were largely shrugged off by the bulk of the global investment community.

Exhibit 3: Onshore Assets Held by Overseas Entitles

Key Takeaway: The number of renminbi-denominated financial assets held by overseas investors has steadily increased since 2014.

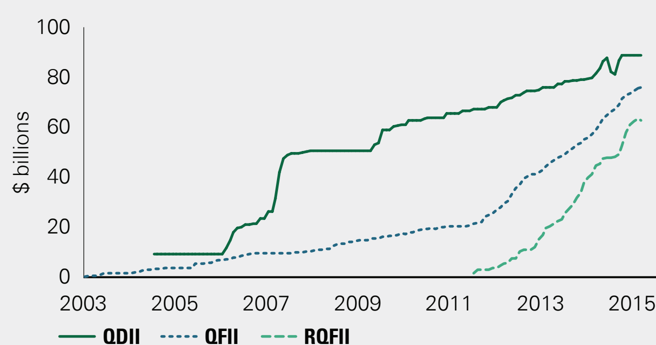


As of March 31, 2015.

Source: People's Bank of China

Exhibit 4: Allocated Qualified Investment Funds

Key Takeaway: During the last decade, qualified foreign investors have ramped up Chinese investment as restrictions have eased.



As of August 31, 2015. QDII, QFII, and RQFII reflect Qualified Domestic Institutional Investors, Qualified Foreign Institutional Investors, and RMB-Qualified Foreign Institutional Investors, respectively.

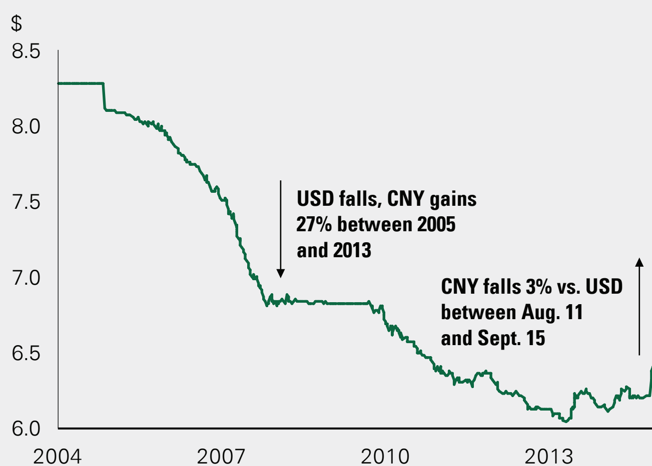
Source: People's Bank of China

In contrast, a currency policy shift announced on August 11 received nearly everyone's undivided attention. The PBOC announced that the daily currency "fixing" (an exchange rate used as a reference point for many types of investors) would be less influenced by the central bank and would, instead, reference the previous day's closing price. Additionally and importantly, the new fixing would consider market demand and supply and other currencies' market values. This market-responsive fixing announcement was largely overshadowed by the fact that as part of the policy shift, China allowed the first explicit devaluation of its currency since the mid-1990s. During only a few days, the U.S. dollar gained nearly 4% against the renminbi, prompting Chinese officials to reassure markets that further near-term RMB weakness was not in the cards (Exhibit 5).

The global economy and financial markets are much more interlinked, as seen via contagion from shocks in smaller countries such as Cyprus or Ukraine. China has played a leading role in this global integration: its much greater economic size and relatively more open and deeper markets have shaped many of these linkages.

Exhibit 5: U.S. Dollar vs. the Chinese Renminbi

Key Takeaway: While the recent three percent renminbi depreciation rattled markets, it is important to keep in perspective that the currency appreciated markedly from 2005 to 2013.



As of September 16, 2015. CNY = Chinese renminbi, also referred to as RMB.
Source: Bloomberg

Careful What You Wish For

To understand why this capital account opening is so important, it's useful to take a step back and look at how China has been growing and evolving. When China joined the WTO in 2001, it was already a noteworthy part of the global economy.

However, China's role as a trading partner was smaller and investors' access to its (less mature) capital markets was much more limited. As a result, global financial markets rarely reacted to Chinese policymaker comments or data surprises. To the degree China got noticed, it was mainly from regional Asian investors and economists.

Fast forward to today. The global economy and financial markets are much more interlinked, as seen via contagion from shocks in smaller countries such as Cyprus or Ukraine. China has played a leading role in this global

integration: its much greater economic size and relatively more open and deeper markets have shaped many of these linkages. Consider a few examples:

- Australia, Taiwan, South Korea, and Chile each have more than 20% of their respective country's total exports bound for China;
- As a percent of total production (2013 for oil, 2012 otherwise), China's consumption accounted for about 12% of oil, 45% of coal, and 21% of electricity;
- In 2013, data from the Bank for International Settlements (BIS) ranked the renminbi as the ninth-most-traded currency in the world and the most traded in Asia; an April 2014 BIS study showed that the renminbi and its offshore counterpart (CNH) now have a greater influence than the U.S. dollar on most regional currencies; and
- The correlation between Chinese and U.S. equities has trended higher during the last decades and this past August, increased to record-high levels (Exhibit 6).

Another way to put it: **even with a still partially closed capital account, a change in Chinese growth sentiment today has significant contagion effects that reach across companies, countries, and asset classes, within and outside of the Asian region.** Indeed, it appears that the U.S. Federal Reserve's decision not to raise rates in September had more to do with China than the domestic American economy.

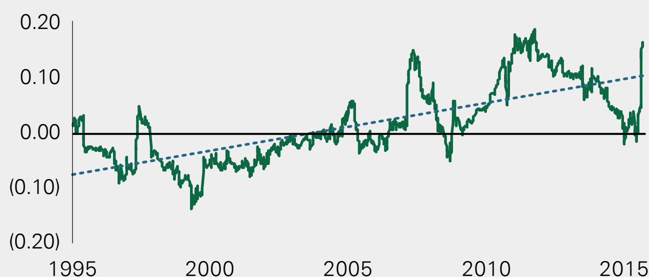
This leaves global policymakers in a quandary — they want two outcomes that while not mutually exclusive, could certainly be at odds. China's importance for global growth means that officials will hope for a strong, stable Chinese economy and relatively stable Chinese financial markets. If China does well, the rest of the world benefits (at least on a net basis — there are always relative winners and losers).

However, global policymakers also want more freely traded Chinese financial instruments and a more open capital account. Those variables suggest less policy intervention and create potential longer-term benefits, but also near-term risks of greater volatility. **The August 11 renminbi announcement, and the subsequent market anxiety that contributed to a sharp global equity selloff, painfully illustrated what the combination of Chinese economic heft, broad linkages, and more open markets could mean for the rest of the world.**

Exhibit 6: U.S. and Chinese Equity Market Correlation

Key Takeaway: Chinese and U.S. equities have become increasingly correlated during the last 20 years.

Rolling Two-Year Correlation



As of September 15, 2015. Data reflects the rolling two-year daily correlation between returns of the Shanghai Composite and the S&P 500.

Source: Bloomberg

Seeking Zen on China's Future

Like growing children, economic evolutions will run their course, and China is no exception. Even with the pace of GDP falling by half since 2007 and likely to slow further, the increasing nominal size of the economy means that it is contributing nearly 17% of global GDP growth.

For the rest of the world, helping China smoothly navigate this growth transition and capital account opening is critical. A failure in China could very well mean a global recession given today's linkages. And unlike child-rearing, there are no handy guides for China. Plenty of countries have successfully evolved from centrally planned emerging markets with capital controls to developed economies with strong private enterprise and liquid, open local financial markets. But none have done so on China's scale and with the scrutiny of today's real-time media and Internet. Here, we consider two key pieces of China's capital account liberalization — currency and equity — and the issues around and possible directions for each.

Economic Rebalancing Adds to Growing Pains

The country's ongoing economic rebalancing, away from exports and heavy-handed, government-led investment in favor of consumption, as well as the government's crackdown on corruption, is another potential source of Chinese-originated volatility.

While clearly positives for China and the global economy during the long term, these transitions are adding to China's current growing pains. These two critical issues warrant a deeper dive, which we will take in the coming months.

Currency

China today has what we would call a managed float currency policy. Similar to the regime in Singapore, market forces impact China's renminbi, while the country's central bank tightly controls volatility to help support domestic economic goals.

In an effort to obtain geopolitical recognition commensurate with its economic size, China has campaigned for the renminbi's inclusion in the IMF's currency basket, called the Special Drawing Rights. This basket, including the U.S. dollar, euro, Japanese yen, and British pound, requires political support from IMF members as well as adherence to IMF guidelines. These guidelines suggest any basket currency must be a top player in global trade as well as "freely usable." The August 11 currency policy shift was aimed in large part at helping meet the "freely usable" definition.

Where does the renminbi go from here? The IMF's announcement is expected this November, with implementation of any basket change in October 2016. We believe China would not risk upsetting IMF members by allowing a large renminbi devaluation at this sensitive moment. With that in mind, we expect the PBOC will intervene as needed to ensure relative stability in the currency over the short term, holding the USD/RMB exchange rate near 6.35 to 6.40. We also expect the IMF to announce this fall its decision to include the Chinese currency in the basket in 2016. We see this development, at least in the near term, as more relevant for politics than economics.

Looking further ahead, with exports soft and still representing nearly a third of China's GDP, we cannot rule out that the central bank "guides" further renminbi weakness as a way to support broader growth. As in the case of Singapore, though, we would expect such a trend to be managed to keep volatility and contagion risk in check. After all, a sudden, large RMB move could create another bout of panic akin to what occurred in late August. That panic resulted in a number of Asian currencies also selling off, minimized any competitiveness gain that China achieved, and upset IMF peers. We do not rule out a large-scale RMB devaluation, but view it as a low probability, especially near term.

For China to manage its currency successfully, it has to be thoughtful about capital account liberalization. Sudden net capital outflows weaken the renminbi. If the central bank wants to keep any weakness and volatility muted, it has to support the currency via intervention. In August, the central bank reported that intervention reduced its reserves by a record $93.9 billion, though unconfirmed market speculation suggests the total actual intervention was even larger than reported.

With total reserves still at $3.56 trillion (the largest single-country reserves in the world), China is far from running out of ammunition to support the RMB (Exhibit 7). However, policymakers may want to play it safe and bias capital account liberalization for now toward inflows. In mid-September, China removed quotas for local firms to raise funds in overseas bond markets — a nod in this direction.

Equity

Beyond currency, the other major source of potentially destabilizing capital flows for China today is equity. And to say that the last year has been a wild ride for Chinese equity markets is an understatement. Between October 1, 2014 and mid-June this year, the Shanghai-Shenzhen CSI 300 equity index surged nearly 120%, dwarfing returns of other equity markets (including the S&P 500, which rose roughly 8% during that period). From that peak through mid-September, the equity bubble burst, with the index losing about 40%.

Speculation persists about what exactly happened. Our take is that the government, while trying to deflate the country's housing bubble, was looking to equities as an alternative vehicle to support household and corporate well-being. "Government-led" newspapers ran articles positive on local stocks and touted how equity strength reflected successful reform. Local investors, many unsophisticated, thought it was a safe bet and jumped in, frequently

Trading Chinese Equities

Much as the U.S. has different stock exchanges — primarily the NASDAQ and the New York Stock Exchange — China has multiple exchanges. The Shanghai Stock Exchange and the Shenzhen Stock Exchange are based in mainland China, and trading is done in "A-shares" and "B-shares."

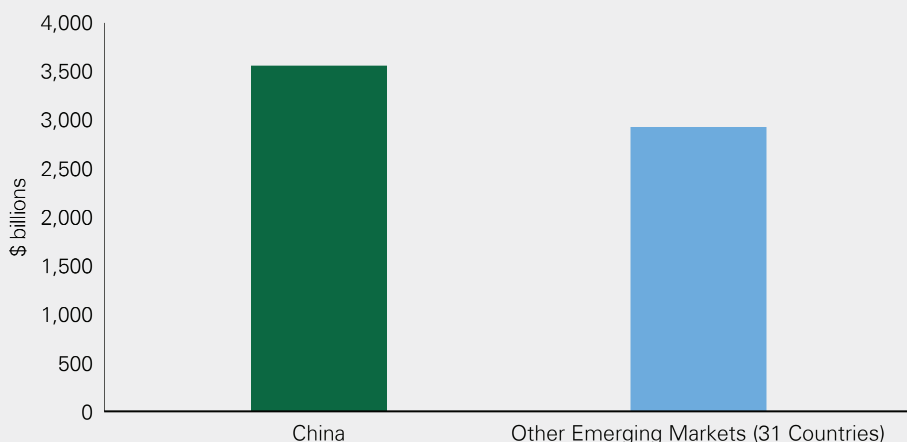
A-shares are quoted in renminbi; trading is open only to domestic Chinese citizens and qualified foreign investors. B-shares are eligible for foreign investment and are denominated in foreign currency — U.S. dollars (Shanghai) and Hong Kong dollars (Shenzhen).

Select mainland Chinese companies are also listed on the Hong Kong Stock Exchange. Here, trading in Chinese stocks is done in "H-shares" or "red chip" stocks, which are open to all investors and are quoted in Hong Kong dollars or other foreign currencies.

The primary difference between the two is that H-share companies are based and incorporated in mainland China, while red chip companies are based in the mainland, incorporated internationally, and controlled by mainland government entities.

Exhibit 7: Central Bank Reserves

Key Takeaway: China's $3.56 trillion of foreign currency assets is larger than most other emerging markets combined.



As of August 31, 2015.

Source: International Monetary Fund

borrowing to invest. At the same time, speculation was also increasing that Chinese mainland equities could soon see a greater presence in high-profile global equity indexes, which would likely trigger broad-based investor buying.

By mid-January 2015, the government got nervous about the amount of margin buying and the price surge. It started clamping down on margin lending and continued its efforts through the summer. During the spring, doubt emerged over the timing of Chinese equity inclusion in various indexes.

The government's response to the subsequent summer rout appeared amateurish. Initially, it threw a kitchen sink of stimulus and administrative tools at the problem — it cut interest rates for the fourth time this year, paused new initial public offerings (IPOs), halted short selling, encouraged pension funds to buy, and ordered state-owned firms not to sell shares. Additionally, it allowed a state-owned financial firm to lend up to $42 billion to brokerages for the purpose of buying locally listed stocks. More recently, the government even sought out investors and journalists who might have encouraged selling, with some instances leading to arrests.

Between the currency and equity developments this summer, it's no surprise that investors increasingly fear that China has lost control over policy, which could put the economy at serious risk. We do not believe the government has lost control. We would, however, go back to our "growing up" analogy — China is figuring some things out as it develops and opens its capital account, which does create greater risk of volatility along the way.

What do we expect going forward from Chinese shares?

- First, we believe Chinese intervention in equities will continue, though likely in a less heavy-handed manner. Leaders do not want to lose credibility from a failed policy step, but they also do not want to risk the economy or social stability from a prolonged equity crash.
- We also expect leadership will continue to lean on stimulus tools (such as bank-reserve-ratio reductions) to stabilize economic sentiment, hoping these measures, in turn, will provide an equity support.
- As markets stabilize, we would expect Chinese policymakers to refocus on "connecting" Chinese mainland ("A-share") equities with friendly neighboring markets. Connections with Hong Kong have already been made; we would think that similar relationships for more cross-border trading with Taiwan and Singapore could follow.
- A deeper, more freely traded market could get greater equity-index weightings back on track, which in turn should attract even more foreign capital to China (partly through investors who closely follow global benchmark weightings to construct equity portfolios).

Whether currency, equity, or debt, we believe China's further market liberalization and capital account opening will try to favor net inflows. While a small group of Chinese have found ways to get money overseas (including via real estate, art, and jewelry), the vast majority have had strictly limited investment options. If the holes in China's paper wall allow, we fully expect large capital outflows in search of diversification and potentially better returns than those available at home.

China's policymakers know this well. As such, they are likely to focus on sequencing reforms in an attempt to ensure that any such outflows (seen mainly via currency) are offset by overseas demand for Chinese assets, especially longer-term-oriented foreign direct investment (FDI). Not surprisingly, FDI was one of the first areas of capital account opening for China and in 2014, China beat the U.S. as the top global destination for FDI, with $128 billion in flows.

Even if sequencing is done thoughtfully, we still worry a bit about timing. Looking at capital account openings around the world over the last decades, these growing pains were managed most successfully when the global expansion was fairly early in the cycle and had momentum, and the economy in question was accelerating. While extremely accommodative global monetary policy may help allow

this global expansion to persist a few years more, we are entering the latter stages of this cycle. And while China may be able to stabilize growth sentiment near term through further stimulus, the economy there looks like it will continue to slow on a structural basis. This backdrop certainly does not guarantee that China's capital account opening will lead to crisis, but it is a factor that tempers our enthusiasm over potentially adding exposure to China or China-sensitive assets any time soon.

Implications for Portfolios

While recent manufacturing data out of China has slowed further (indeed, to levels not seen since 2009), fairly steady retail sales and improving property prices suggest the broader economic picture may be uninspiring but not reason to panic. And if our view proves correct, ongoing stimulus efforts may support a more stable currency near term. Additionally, upbeat comments from the Communist Party's Central Committee meeting in October, aimed at preparing the next five-year economic plan, could help sentiment toward China brighten in the months ahead — partially or possibly even fully removing this source of anxiety for global investors, including the U.S. Fed.

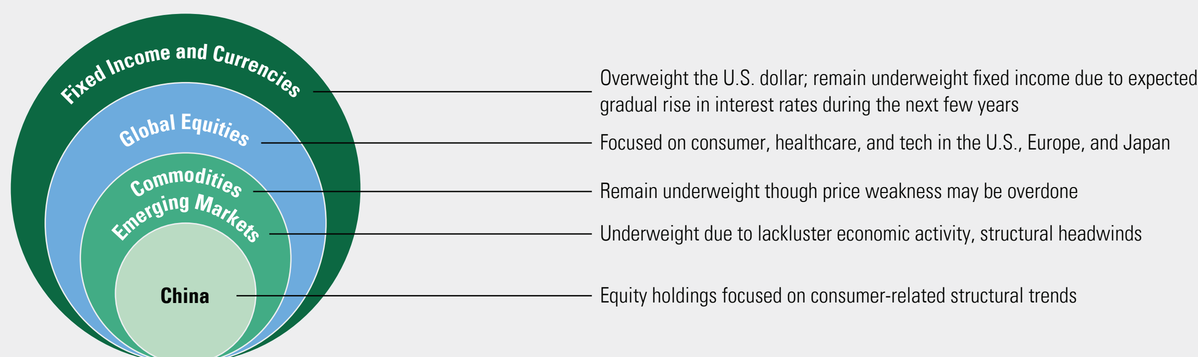
Even with our modestly optimistic view on China's near-term economic path, our understanding of what the capital account opening could bring in terms of volatility leaves us cautious. Our extremely modest Chinese equity exposure focuses primarily on structural growth of the Chinese consumer and related sectors (Exhibit 8).

The next concentric circle for China, in our view, is emerging markets and commodities. We remain underweight both, though increasingly attractive valuations (including emerging currency) have our portfolio teams looking selectively at possibly reducing these underweight exposures. Our still-cautious stance is not just reflecting the ties these assets have with China. For many emerging economies, we simply do not see sufficient catalysts in the form of fiscal or monetary policy, an improvement in governance, or reforms that will spur growth near term. And with regard to commodities, we are seeing U.S. demand strength building (especially for energy) but aren't yet seeing much production decline (U.S. or globally).

Broadening our China circle another step, we remain overweight equities globally but are focusing on the U.S. and euro area, where our sector exposures are biased toward consumer, healthcare, and technology.

Exhibit 8: How Views on China Play Into Portfolio Positioning

Key Takeaway: Further capital account easing can lead to near-term volatility, leading us to be cautious about direct exposure to China.



Source: Bessemer Trust

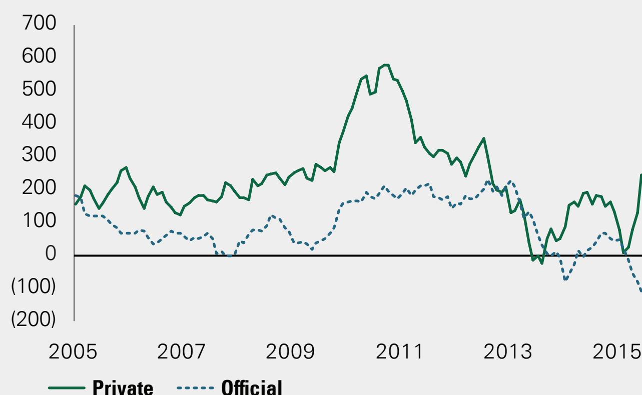
Yes, the euro area has more trade exposure to China than the U.S., but as the German Bundesbank noted, a 1% decline in Chinese growth is estimated to reduce euro-area GDP growth by only 0.1%. To note: our managers are not avoiding developed-economy firms with China ties, but rather are focused on those that should benefit from a longer-term growing middle class as well as other structural trends such as the Internet or health-related services.

Our final circle includes fixed income and currency. While challenging these last few weeks, we continue to believe that the U.S. dollar will strengthen further, albeit at a more modest pace than this time in 2014. That view is partially based on valuations (the trade-weighted dollar is not yet meaningfully overvalued), but mainly hinges on the continuing divergence between the Fed and other central banks. Indeed, we see risks biased toward the Bank of Japan and/or the European Central Bank accelerating easing initiatives in the coming months.

Exhibit 9: Net Foreign Purchases of U.S. Treasury Bonds and Notes

Key Takeaway: Private foreign investment in U.S. government bonds has offset declining demand from foreign central banks.

$ Billions, Rolling 12-Month Total



As of July 31, 2015.

Source: U.S. Treasury

On fixed income, we continue to hold a notable underweight, based largely on our view that traditional U.S. bonds are expensive and at risk from an (eventual) Fed tightening cycle. The last few months have raised investor concerns that China could lead to even more dramatic rise in yields, as the PBOC sells U.S. Treasury holdings to finance currency intervention. As of July, China remained one of the largest foreign holders of U.S. debt, with $1.24 trillion of U.S. securities, according to the U.S. Treasury. We would note that other central banks, including those of Saudi Arabia, Brazil, and South Africa, are also selling U.S. bonds for intervention. These actions beg the question: Could cash prove a safer asset than U.S. bonds?

We do not think it is likely, especially near term. Data suggest that foreign central banks have reduced exposure to U.S. Treasuries. However, at least to date, this reduction has not moved bond yields. Private foreign investors, seeking higher yields than their home countries’ sovereign debt offers, are happy to continue purchasing higher-yielding U.S. fixed income securities (Exhibit 9). We do not expect that dynamic to change any time soon, with quantitative easing alive and well across Europe and Japan. We would also reiterate our view that this central bank selling risk would be greater if capital account liberalization results in sudden, large net outflows from China.

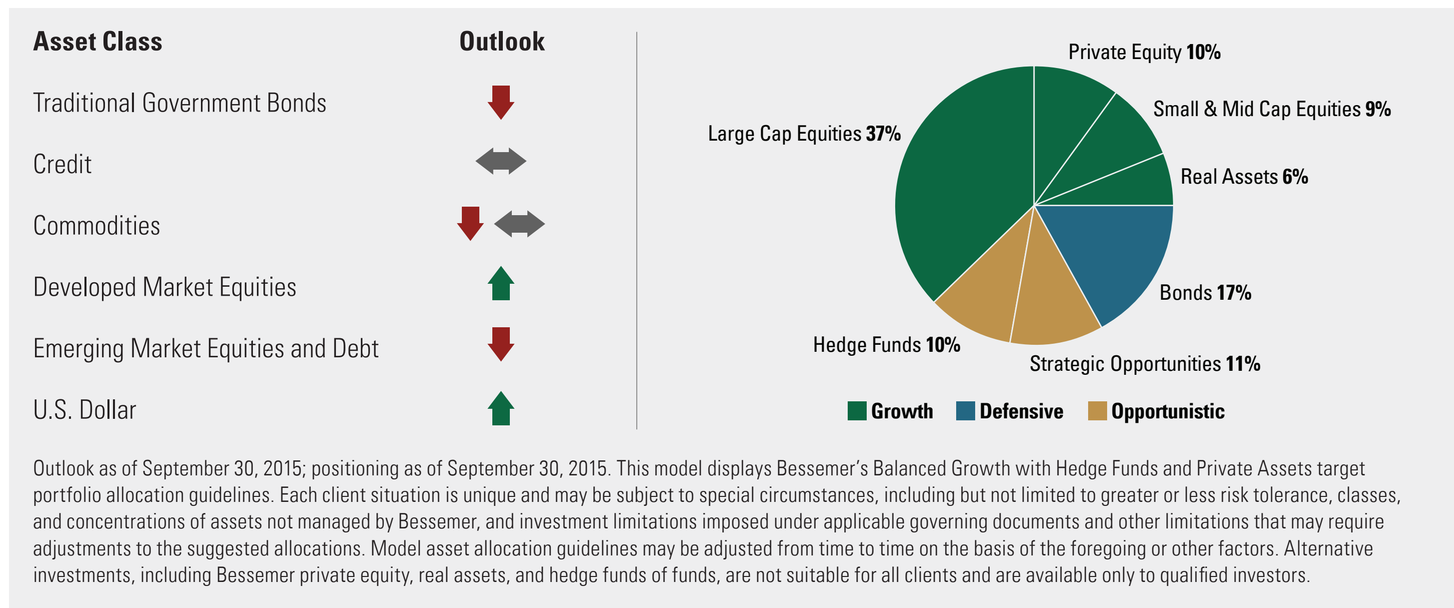
A Final Word on Performance

The latest quarter was challenging for our portfolios, as fixed income outperformed equities and as the dollar lagged. We do not take drawdowns lightly. But as long as we have remained confident that this was not the beginning of a sustained bear equity market, we wanted to use the market volatility as much as possible to our favor — whether that was portfolio managers using better entry levels to buy attractive securities or to harvest losses on specific positions for tax purposes.

While the overweight equity positioning hurt portfolios, they did benefit from solid security selection and good tactical asset allocation — in particular away from emerging market equities and currency. We are certainly not complacent, but we do take pride in the fact that our Balanced Growth portfolio, with a roughly 70% global equity, 30% U.S. fixed income risk profile, is ahead of the benchmark on a one-, three-, and 10-year basis as of August 31, 2015.

Markets will go up and down, whether we like it or not. But if we can continue to have a thoughtful asset allocation process and strong security selection, we are confident that we can participate in up markets and protect in down markets for our clients, today and in the years ahead, whatever path China's growth follows.

Bessemer's Outlook and Positioning



Outlook as of September 30, 2015; positioning as of September 30, 2015. This model displays Bessemer's Balanced Growth with Hedge Funds and Private Assets target portfolio allocation guidelines. Each client situation is unique and may be subject to special circumstances, including but not limited to greater or less risk tolerance, classes, and concentrations of assets not managed by Bessemer, and investment limitations imposed under applicable governing documents and other limitations that may require adjustments to the suggested allocations. Model asset allocation guidelines may be adjusted from time to time on the basis of the foregoing or other factors. Alternative investments, including Bessemer private equity, real assets, and hedge funds of funds, are not suitable for all clients and are available only to qualified investors.

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A Closer Look: Consumer-Confident Investing (September 17, 2015)

The Fed Who Cried Wolf (September 17, 2015)

Market Volatility: What To Do Now (September 11, 2015)

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