INVESTMENT MANAGERS, POST-PRESIDENTIAL ELECTION, HAVE IMPROVED OUTLOOK ON U.S. ECONOMIC GROWTH, TRADE POLICY RANKS AS TOP RISK TO EQUITY MARKETS

December 2016

Christopher Vella, CFA
Chief Investment Officer
Northern Trust
Multi-Manager Investments
cv11@ntrs.com

Mark Meisel
Senior Vice President
Northern Trust
Multi-Manager Investments
mam31@ntrs.com

Investment managers are more optimistic regarding both the U.S. economy's prospects and corporate earnings. A higher percentage of managers, as compared to last quarter's survey, expect U.S. GDP growth, job growth and U.S. corporate earnings to increase over the next three to six months. A large percentage of managers expect interest rates and market volatility to increase. Seventy-eight percent of managers, the highest percentage charted since our first quarterly survey in the third quarter of 2008, expect inflation to increase. However, 81% of managers expect only one to two Federal Reserve rate hikes in 2017. Investment managers believe the Trump administration policy actions most likely to take place in 2017 are corporate tax and personal income tax rate cuts along with minor changes to the Affordable Care Act (also known as Obamacare). Portfolio positioning suggests a mix of caution and risk taking with a relatively high percentage of managers, 18%, having above normal levels of cash, a drop from last quarter's 23%. The top ranked risk to global equity markets was trade policy, a key issue debated in the U.S. presidential election, followed by a rise in interest rates and geopolitical risks.

Key Findings: Fourth Quarter 2016 Survey

Improving U.S. Economic Growth

- Managers view a corporate tax rate cut as the most likely policy change in 2017.
- 81% of managers expect only one to two Fed rate hikes in 2017.
- More than half of investment managers believe the U.S. GDP will accelerate, up from 29% last quarter.
- More than six in 10 managers expect U.S. corporate earnings to increase, up from one in three last quarter.

Managers Reassess Equity Valuations

- Equity region valuations have improved; all have a higher percentage of managers that view their markets as undervalued.

New Global Risks

- Post-presidential election, trade policy ranks as the top risk to global equity markets.

Commodity Exposure

- 36% of managers are increasing their commodities exposure, a historically high percent.

IMPACT OF TRUMP ADMINISTRATION ON INTEREST RATES AND THE U.S. DOLLAR

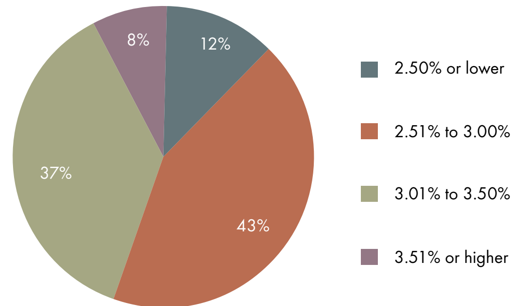
Northern Trust surveyed approximately 100 investment managers from December 9 through December 20, 2016 for our fourth-quarter Investment Manager Survey. We asked investment managers what they expected the impact of the incoming Trump administration would be on 10-year U.S. Treasury yield looking one year out. For context, the U.S. Treasury yield was 1.83% on October 31, prior to the election, 2.39% on November 30 and 2.47% on December 9, 2016. Forty-three percent of managers expect the yield on the 10-year U.S. Treasury to end 2017 in the range of 2.51% to 3.00%, flat to 50 basis points higher than where it was at the time of the survey. Another 37% of managers believe the yield will be between 3.01% and 3.50% by the end of 2017. A smaller percentage of managers, 12%, expect the yield to be at or below 2.50% and 8% expect the 10-year Treasury yield to be at or above 3.51%.

At the beginning of 2016, the break-even inflation rate was 1.55% (based on 10-year Treasury Inflation Protected Securities), and has risen to 1.91% as of December 2, 2016. Most managers, 57%, expect the break-even inflation rate to end 2017 between 1.76% and 2.25% and 35% of managers believe the break-even rate will be between 2.26% and 2.75%, at the end of 2017, about a 35 to 85 basis point increase from expected inflation at the time of the survey.

When asked where they expect the U.S. dollar will finish versus a basket of foreign currencies in the first calendar year of a Trump presidential administration, 44% of investment managers expect the U.S. dollar to appreciate 5% to 10%, while 42% expect the U.S. dollar will finish 2017 relatively in line (plus or minus 5%) with its current level.

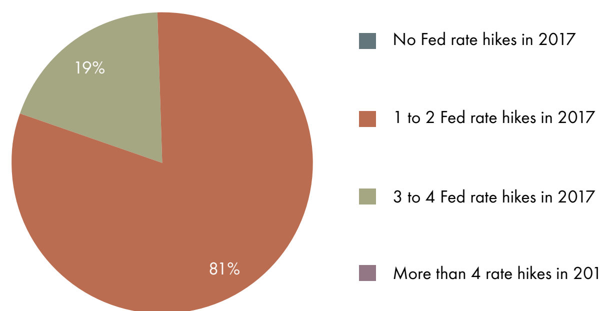
Most managers expect the Fed to be relatively cautious in 2017. Eighty-one percent of investment managers expect the Fed to raise rates only once or twice in 2017, while 19% expect a little more tightening and are expecting three to four interest rate hikes.

EXPECTED 10-YEAR TREASURY YIELD IN ONE YEAR



Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

NUMBER OF FED RATE HIKES IN 2017



Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

RANKING PROBABILITY OF PASSAGE OF NEW TRUMP ADMINISTRATION POLICIES

	By Year-end 2017	By Year-end 2018
Corporate tax rate cut	1	1
Personal income tax cut	2	2
Obamacare – minor repeal	3	5
Infrastructure investment plan approved	4	3
Offshore asset tax repatriation	5	4
Significant regulation roll-back	6	6
Obamacare – partial/significant repeal	7	7
Significant immigration policy reform	8	8
Trade tariffs	9	9

Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

EXPECTED TRUMP ADMINISTRATION POLICY ACTIONS

Post-election, many investors are trying to assess what new policies may come out of Washington D.C., when they would be enacted and how these policies might affect different investment opportunities. The investment managers responding to our survey assigned a probability to a number of potential new policies that had been discussed and supported by the Trump campaign. The three policies with the highest expected probability of moving forward in 2017 are a corporate tax rate cut, personal income tax rate cut and minor changes to Obamacare. An infrastructure spending plan ranked just below these top three policies, and 74% of the managers gave infrastructure spending a 50% chance or higher of passing in 2017; 26% felt an infrastructure plan had a 25% or lower probability of being enacted in 2017. The policies managers felt had the lowest probability of being enacted in 2017 were trade tariffs, significant immigration policy reform, and a repeal or significant changes to Obamacare. When investment managers ranking the same policies with a two-year outlook, the probabilities of passage rose for all policies and the rank order remained similar with the exception of an offshore asset repatriation tax plan, which managers felt would more likely move to fourth rank from fifth. An infrastructure plan moved up to the third rank from fourth.

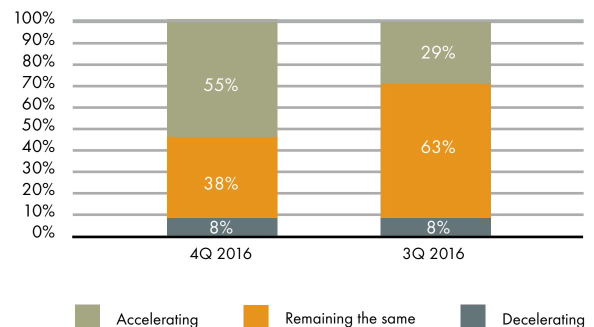
OVERSEAS ELECTIONS AND REFERENDUM

Over the next few months a number of important referendums and elections will occur in Europe. A large portion, 48%, of investment managers expects the results of these votes will detract from an expected European economic recovery. Thirty-eight percent expect they will have little impact on Europe's economy and 12% expect the outcome of these votes will improve the recovery.

U.S. ECONOMIC GROWTH

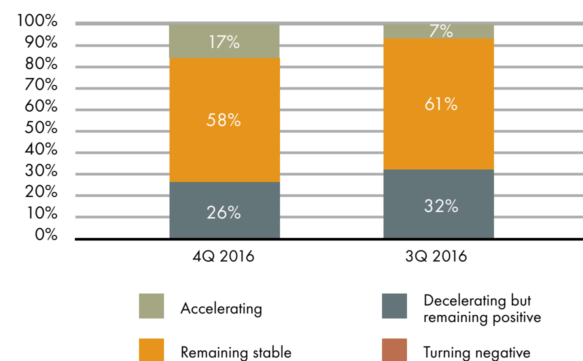
The percent of managers that expect the U.S. economy to accelerate over the next six months increased dramatically to 55% from 29% last quarter. Fewer managers (38% versus 63% last quarter) expect economic growth to remain stable. Overall, 92% of managers believe U.S. GDP will remain the same or accelerate over the next six months, similar to last quarter. A small portion, 8%, expects economic activity to decelerate.

U.S. GDP GROWTH EXPECTATIONS, NEXT 6 MONTHS



Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

U.S. JOB GROWTH EXPECTATIONS NEXT 6 MONTHS



Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

Most managers, 58%, expect job growth in the U.S. will remain stable over the next six months, in line with last quarter. There was a 10 percentage point increase, 17% this quarter versus 7% last quarter, in the number of managers that expect job growth will accelerate. About one-fourth of the investment managers believe job growth will decelerate but remain positive, down from 32% last quarter. The percentage of managers that expect job growth to decelerate has dropped from last quarter, but is still relatively high.

Slightly more than half the investment managers, 52%, expect housing prices to remain stable, in line with last quarter. Slightly fewer managers, 40% this quarter versus 48% last quarter, expect housing prices to rise, while slightly more managers, 8% versus 3%, expect housing prices to drop, perhaps reflecting the anticipated higher interest rates.

CORPORATE EARNINGS AND REVENUE

More investment managers this quarter, 94%, expect U.S. corporate earnings to increase or remain the same, over the next three months, as compared to 83% last quarter. The percent of managers expecting steady or improving earnings has been increasing since a recent low of 65% in the first quarter of 2015. There was a dramatic increase in the number of managers expecting earnings to increase: 62% this quarter from 33% last quarter. Fewer managers, 6% versus 17% last quarter, expect a decrease in earnings.

Investment managers were also generally more optimistic about U.S. corporate revenues over the next three months. Forty-seven percent of managers expect U.S. corporate revenues to increase over the next three months, up from 30% last quarter. Fewer managers, 5%, down from 15% last quarter, expect U.S. corporate revenues to decrease.

INFLATION AND INTEREST RATES

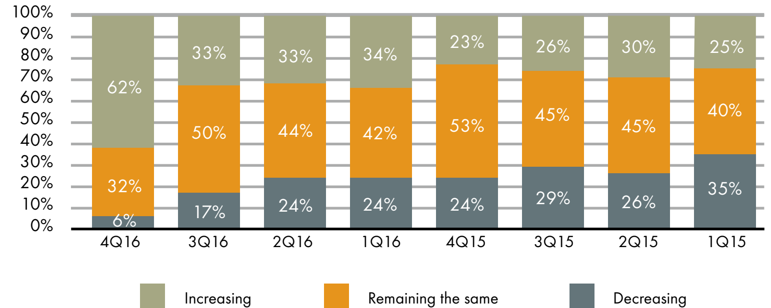
Seventy-eight percent of managers, the highest percentage of managers since the survey first asked this question in the second quarter of 2011, expect inflation will increase over the next six months, a big jump from last quarter's 47% response. The remaining investment managers (22%) expect inflation to remain steady. In addition, the highest percentage of managers since the survey began in the third quarter of 2008, 76%, believe interest rates will increase over the next three months and the fewest, 22%, expect interest rates will remain the same. Approximately 3% of managers expect interest rates will decrease.

- 55% of managers, up from 29% last quarter, expect U.S. GDP growth to accelerate.
- Approximately three-quarters of managers expect job growth to remain steady or accelerate, up from two-thirds last quarter.
- More managers, 62% versus 33% last quarter, expect U.S. corporate earnings to accelerate.
- 47% of managers believe U.S. corporate revenues will increase over the next three months, up from 30% last quarter.
- Seventy-six percent of managers expect interest rates to increase over the next three months, an all-time high for the survey.

PORTFOLIO POSITIONING

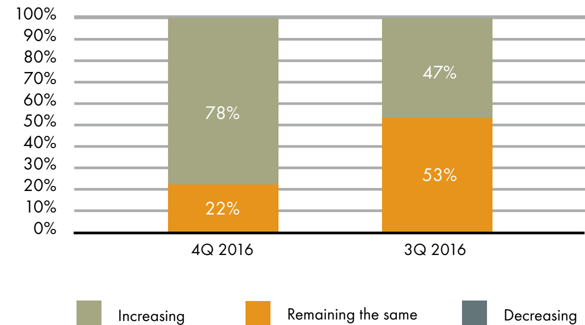
Eighteen percent of investment managers, down from a historically high 23% last quarter, have cash levels in their portfolios that are above their normal cash target.

U.S. CORPORATE EARNINGS EXPECTATIONS, NEXT 3 MONTHS



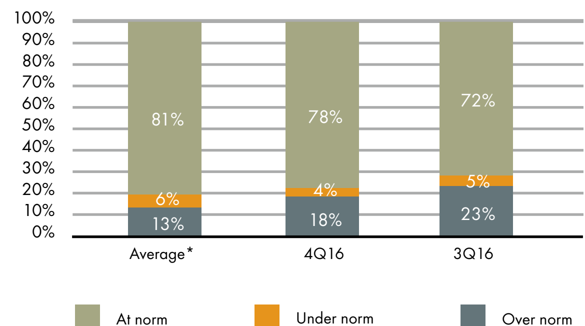
Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

INFLATION RATE EXPECTATIONS, NEXT 3 MONTHS



Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

CURRENT CASH LEVEL VERSUS HISTORIC NORM

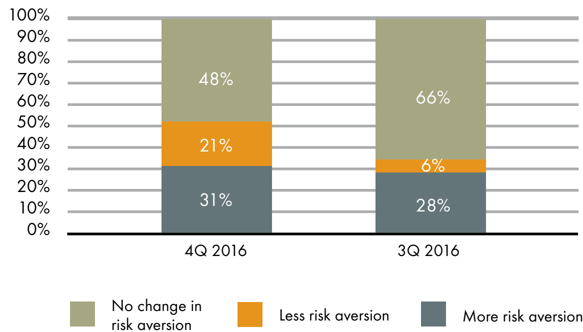


*Average is the mean response percentage based on the quarterly surveys from the third quarter 2008 through the fourth quarter 2016.

Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

Approximately 78% of managers have cash levels at their historic norms and 4% are below their usual cash allocation level. This suggests a sizeable minority of managers are slightly defensive in their portfolios' positioning.

CHANGE IN RISK AVERSION OVER PAST 3 MONTHS



Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

This quarter, 17% of managers, versus 6% last quarter, are less concentrated in their portfolios. This indicates that more managers are somewhat less willing to take concentration risk in their portfolios. The majority of managers, 77%, have not changed their portfolio's concentration level, down from 90% last quarter.

A slightly larger number of managers have become more risk averse this quarter: 31% compared to 28% last quarter. This is also moderately higher than the long-term average of 26% for this question. Simultaneously, we saw a large increase in managers who are less risk averse, 21% this quarter versus 6% last quarter. This suggests divergent views among managers regarding whether this is an appropriate time to add or reduce risk in their portfolios. Approximately 48% of investment managers had no change in their level of risk aversion over the past three months, a significant drop from 67% last quarter.

More managers have been increasing commodities exposure to their portfolios over the past six quarters. The number of managers increasing commodities exposure, 36%, was the highest this quarter since this question was initially asked in the second quarter of 2010. A historically low percentage of managers, 6%, have reduced the commodities exposure in their portfolios.

VOLATILITY

Last quarter, a record high 78% of managers expected market volatility to increase. This quarter, 72% expect market volatility to increase over the next six months – still a historically high level. The remaining 28% expect market volatility to remain stable. Market volatility is represented by the Chicago Board Options Exchange Volatility Index (VIX).

INVESTMENT MANAGERS' RANKINGS OF TOP RISKS TO EQUITIES

RISKS	FOURTH-QUARTER 2016 RANK	THIRD-QUARTER 2016 RANK	CHANGE FROM LAST QUARTER
TRADE POLICY	1	-	NA
RISE IN INTEREST RATES	2	2	=
GEOPOLITICAL RISK	3	7	+4
CHANGE IN U.S. MONETARY POLICY	4	1	-3
EM ECONOMIC GROWTH	5	6	+1
U.S. CORP EARNINGS	6	3	-3
U.S. ECONOMIC SLOWDOWN	7	5	-2
EUROPEAN DEBT CRISIS	8	10	+2
OIL/COMMODITY PRICES	9	9	=
NEGATIVE INTEREST RATES	10	8	-2

Source: Northern Trust Investment Manager Survey, 4th quarter 2016

GLOBAL EQUITY MARKET RISKS

Trade policy ranks as the top risk to global equity markets by investment managers this quarter. This was added to the list of potential risks to markets because it was debated during the presidential election and is an important policy objective for the new Trump administration. A rise in interest rates continues to rank as the second highest risk to global equity markets, as it did last quarter. Geopolitical risk rose to third from seventh last quarter. A change in monetary policy had been the top concern last quarter but has now dropped to the fourth-ranked risk to global equity markets. U.S. corporate earnings had also ranked highly last quarter at third, but dropped to sixth this quarter.

GLOBAL EQUITY MARKET VALUATIONS

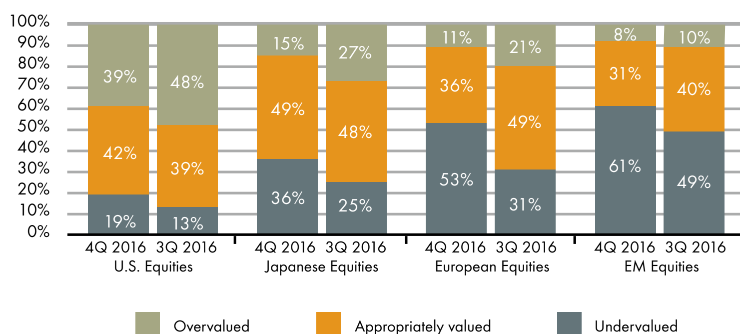
The managers' valuation assessment improved for all equity regions this quarter over last quarter. For U.S. equities, slightly more managers, 19% versus 13% last quarter, believe U.S. equities are undervalued. Additionally, fewer managers view U.S. equities as overvalued – 39% this quarter versus 48% last quarter, a drop of nine percentage points. Forty-two percent of managers believe U.S. equities are fairly valued, up from 39% last quarter.

Eighty-five percent of managers this quarter believe equities in Japan are undervalued or fairly valued, up from 73% last quarter. Last quarter, 27% of investment managers viewed Japan's market as overvalued. That number dropped to 15% this quarter. There was also an increase in the percent of managers that believe equities in Japan are undervalued: 36% this quarter from 25% last quarter.

For European equities, 89% of managers believe the market is undervalued or fairly valued, up from 79% last quarter. The number of managers that believe equities in Europe are undervalued jumped 22 percentage points this quarter: 53% versus 31% last quarter. Significantly fewer investment managers, 11% this quarter versus 21% last quarter, view European equities as overvalued.

More managers are seeing emerging market equities as undervalued: 61% from 49% last quarter, a 12 percentage point increase. Thirty-one percent of managers believe emerging market equities are fairly valued, down from 40% of managers, while 8% of managers believe they are overvalued.

GLOBAL EQUITY MARKET VALUATIONS



Source: Northern Trust Investment Manager Survey, 4TH quarter 2016

The percent of managers that expect equities from the Asia Pacific region (MSCI AC Asia Pacific Index) to outperform global equities dropped to 23% this quarter, from 36% last quarter. Fifty-two percent of investment managers expect equities from the region to perform in line with global equities. Approximately one quarter of investment managers believes Asia Pacific equities will underperform global equities over the next six months.

FIXED-INCOME SECTORS

Within fixed-income markets, managers ranked sectors from most to least attractive. Investment grade bonds ranked highest as most attractive, followed by U.S. high yield. Emerging market debt was third. European high yield and global developed sovereigns were fourth and fifth, respectively. These rankings were unchanged from the previous quarter.

WHAT ASSET CLASSES AND SECTORS ARE MANAGERS BULLISH ON?

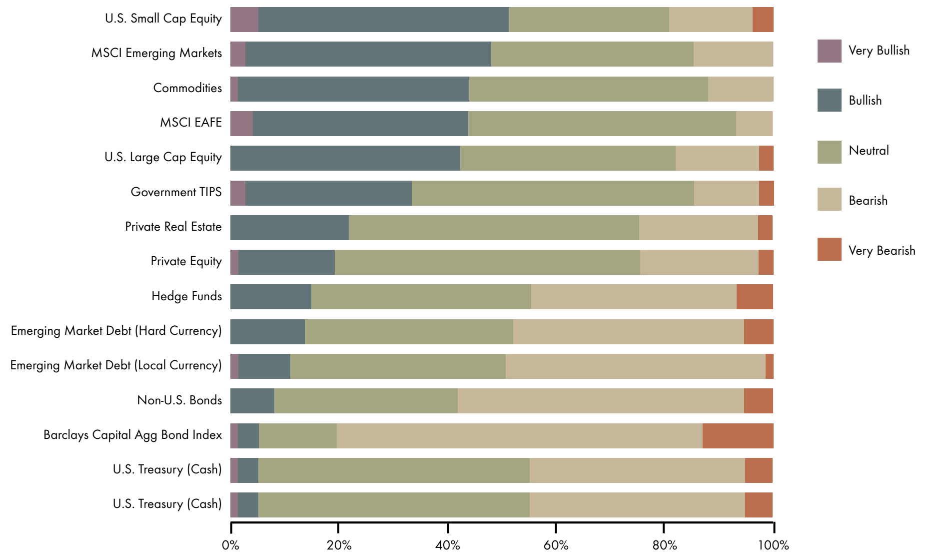
Managers are most bullish on U.S. small cap equities, followed by emerging market equities, a reversal from last quarter when U.S. small cap ranked second and emerging market equities first. Commodities jumped to third, from seventh last quarter. International equities (MSCI EAFE) ranked fourth this quarter, falling from third last quarter. U.S. large cap equities, TIPS and private real estate ranked fourth, fifth and sixth respectively. Managers were the most bearish on U.S. fixed income (Barclays Capital Aggregate

Bond index), followed by non-U.S. bonds and then local currency emerging market debt.

We saw relatively large changes to the sector rankings this quarter. Managers were most bullish on the financial sector, which rose from the fifth-ranked position last quarter. Energy improved to second from fourth last quarter. Consumer discretionary remained in the third spot, but industrials moved to fourth position, up from sixth last quarter. Information technology, after ranking first or second for more than three years, fell to fifth in the rankings. The sectors managers are most bearish about are telecommunication services, utilities and consumer staples.

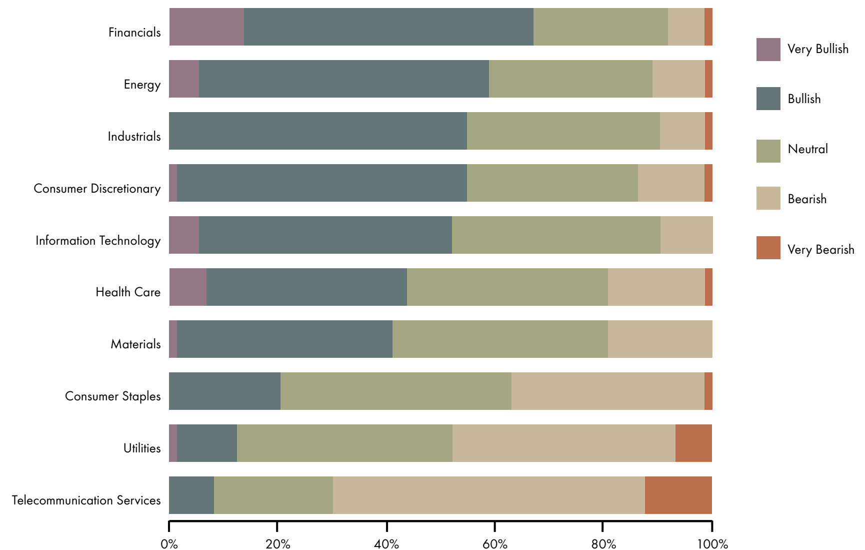
- 51% of managers rate U.S. small cap equities as bullish (46%) or very bullish (5%).
- 45% of managers are bullish on emerging market equities and 3% very bullish.
- U.S. bonds have bearish ratings of 81%, up from 61% last quarter.
- Financials have a bullish rating of 53% and very bullish of 14%, followed by energy at 53% bullish and 6% very bullish.
- 70% of managers are bearish on telecommunications, followed by utilities at 48%.

BULL/BEAR INDICATOR (ASSET CLASS)



Source: Northern Trust Investment Manager Survey, 4th quarter 2016

BULL/BEAR INDICATOR (SECTORS)



Source: Northern Trust Investment Manager Survey, 4th quarter 2016

COMMENTARY FROM OUR MANAGERS

We asked managers to share their views on the following questions this quarter:

How do you address clients who ask whether active or passive management makes the most sense and if active is worth the higher cost?

"The market has been in a 7-year bull market with declining volatility and trading volume. The benefits of "active" management are materially muted by this type of market. Assuming that market volatility and the potential for a bear market are mean reverting, now is exactly the time you would want to embrace active management."
– **John Schaeffer, co-portfolio manager, Hahn Capital**

"The WSJ article on Oct. 17TH titled "The Dying Business of Picking Stocks" was the ultimate contrarian indicator. We are eight years into this stock market recovery, and it has been anything but normal. Individual investors, investment committees and consultants have run out of patience with active management and have poured into ETFs and index funds. Heavy flows coming out of active management and going to passive index products has created a negative feedback loop for active participants and the opposite for passive. The largest index companies are bid up, and the underperforming portfolios are fired. The assets invested in the index create an unsustainable demand for the same group of companies. Mean reversion and contrarian experience tell us the tide is turning, and many active managers are doing better in 2016. Equity valuations are very expensive and lower equity returns going forward are baked in. Indexing now might save money on fees, but it locks in lower (or negative) returns going forward."
– **Bladen Burns, partner, Fiduciary Management, Inc.**

"Moderate degrees of active equity management offer the best chance of delivering consistent net-of-fees value-added. Our analysis of the data shows that the relative performance of active management primarily reflects market breadth, returns dispersion and the degree of correlation between individual stock returns. Tracking error targets need to vary to avoid taking too much active risk at times when the likely success of stock picking is low. Recent increases in breadth & dispersion (i.e., more stocks leading rather than trailing market averages and greater spread in returns), combined with lower correlation among returns, should help active managers – at least those with low-to-moderate fees – to add value in the current cycle."
– **Geoffrey Gerber, president & chief investment officer, TWIN Capital Management, Inc.**

We also asked managers what other significant risks concern their investment teams and how these are affecting their portfolios. The following comments represent a selection of their responses:

"Among the various risks we are tracking is that the market's reaction to the recent U.S. presidential election may reflect an overestimation of the impact of expected pro-growth policy changes on certain economically sensitive sectors. The market's reaction seems to overly discount the probability that some pro-growth policies are likely to be watered down, take longer than expected to implement, or simply not be enacted. It also seems to ignore the economic risks of potential anti-trade or anti-immigration policies. We do anticipate the enactment of some pro-growth policies should extend the duration of the moderate economic growth environment we expect, and, as a result, we have made some adjustments in the portfolio to modestly increase its economic sensitivity and better position it for sources of earnings growth. However, we continue to avoid the more economically cyclical sectors that have outperformed recently in the market's reaction to the election. We believe U.S. large-cap sectors like industrials, energy, and materials are unlikely to sustain recent short-term outperformance."
– **Fritz Porter, CFA, partner, portfolio manager, WestEnd Advisors**

"Rising populist forces and the political uncertainty in Europe remain a concern for our investment team. Additional risks include the uncertainty surrounding Brexit and future of U.S. trade policy. Despite these potential macro headwinds, we still see opportunities in the vast international small cap asset class and we maintain a positive long-term view on the asset class. Valuations are in line with their long-term averages, we have not seen a deterioration in fundamentals and corporate earnings remain relatively strong. We are currently not making specific changes to our portfolio's positioning."
– **Bobby Mullen, portfolio specialist, Trivalent Investments**

"Geopolitical risks are heightened. This is partly due to a busy and uncertain general election calendar that runs through the first half of 2017. Additionally, reversals in the directions of monetary and fiscal policy in the U.S. will have dramatic impacts on segments of the economy and sectors of the stock market. And one should expect more currency imbalances. Accordingly, we have made adjustments to emphasize sectors and countries which should benefit from prospective policy changes. Through 2017, there will be unexpected developments and, as in the past, we will make rapid adjustments. Valuation disciplines will play an important role in 2017 as the current bull market is approaching nine years in length and is among the strongest in magnitude in the past 40 years."
– **Brian Beitner, portfolio manager, Chautauqua Capital - a Division of Baird**

ABOUT THE SURVEY

For this survey, Northern Trust polled a select group of respondents, including fixed-income and equity managers across value and growth styles, with a bias toward fundamental, bottom-up stock-picking strategies. Invitations to complete the survey were only sent to investment managers that currently manage assets for Northern Trust and our clients. As a result, the survey responses should reflect the beliefs of only the managers in which Northern Trust's multi-manager investments group maintains a high conviction. The survey is conducted quarterly so that Northern Trust and participating managers can examine trends in attitudes and allocations.

Percentages in report and graphs may not add to 100% due to rounding. All data analyzed in this report are derived from the Northern Trust Investment Manager Survey.

ABOUT NORTHERN TRUST MULTI-MANAGER SOLUTIONS

Northern Trust is a leading provider of multi-manager investment solutions, with $59.1 billion under management and $56.3 billion under advisement for institutional and personal clients. Having investments with more than 200 external managers worldwide, Northern Trust's multi-manager solutions range from retail mutual funds and alternative asset classes to emerging manager programs and total investment program management for institutions and affluent individuals and families.

IMPORTANT INFORMATION. This material is provided for informational purposes only. Information is not intended to be and should not be construed as an offer, solicitation or recommendation with respect to any transaction and should not be treated as legal advice, investment advice or tax advice. Current or prospective clients should under no circumstances rely upon this information as a substitute for obtaining specific legal or tax advice from their own professional legal or tax advisors. Information is confidential and may not be duplicated in any form or disseminated without the prior consent of Northern Trust. Northern Trust and its affiliates may have positions in, and may effect transactions in, the markets, contracts and related investments described herein, which positions and transactions may be in addition to, or different from, those taken in connection with the investments described herein. All material has been obtained from sources believed to be reliable, but the accuracy, completeness and interpretation cannot be guaranteed. The opinions expressed herein are those of the author and do not necessarily represent the views of Northern Trust. Information contained herein is current as of the date appearing in this material only and is subject to change without notice. Indices and trademarks are the property of their respective owners. All rights reserved.

© 2017 Northern Trust Corporation. Head Office: 50 South La Salle Street, Chicago, Illinois 60603 U.S.A. Incorporated with limited liability in the U.S. Products and services provided by subsidiaries of Northern Trust Corporation may vary in different markets and are offered in accordance with local regulation.

Northern Trust Asset Management is composed of Northern Trust Investments, Inc., Northern Trust Global Investments Limited, Northern Trust Global Investments Japan, K.K., NT Global Advisors, Inc., 50 South Capital Advisors, LLC, and personnel of The Northern Trust Company of Hong Kong Limited and The Northern Trust Company.

This material is directed to professional clients only and is not intended for retail clients. For Asia-Pacific markets, it is directed to expert, institutional, professional and wholesale investors only and should not be relied upon by retail clients or investors. **For legal and regulatory information about our offices and legal entities, visit northerntrust.com/disclosures.** The following information is provided to comply with local disclosure requirements: The Northern Trust Company, London Branch; Northern Trust Global Services Limited; Northern Trust Global Investments Limited; Northern Trust Securities LLP. The following information is provided to comply with Article 9(a) of The Central Bank of the UAE's Board of Directors Resolution No 57/3/1996 Regarding the Regulation for Representative Offices: Northern Trust Global Services Limited, Abu Dhabi Representative Office. The Northern Trust Company of Saudi Arabia - a Saudi closed joint stock company - Capital SAR 52 million. Licensed by the Capital Market Authority - License No. 12163-26 - C.R: 1010366439. Northern Trust Global Services Limited Luxembourg Branch, 6 rue Lou Hemmer, L-1748 Senningerberg, Grand-Duché de Luxembourg, *Succursale d'une société de droit étranger* RCS B129936. Northern Trust Luxembourg Management Company S.A., 6 rue Lou Hemmer, L-1748 Senningerberg, Grand-Duché de Luxembourg, *Société anonyme* RCS B99167. Northern Trust (Guernsey) Limited (2651)/Northern Trust Fiduciary Services (Guernsey) Limited (29806)/Northern Trust International Fund Administration Services (Guernsey) Limited (15532) Registered Office: Trafalgar Court Les Banques, St Peter Port, Guernsey GY1 3DA.

Issued in the United Kingdom by Northern Trust Global Investments Limited.

NORTHERN TRUST

Q25102 (1/17)