Fiduciary Perspective

FIDUCIARY™ TRUST

Fourth Quarter 2024

Proactive Measures to Protect Your Identity

Identity theft and fraud are rampant. Since 2017 there have been almost 13,000 data breaches exposing nearly 6.5 billion personal records, according to the Identity Theft Resource Center. With so many records exposed, there has been a corresponding increase in fraud, with the Federal Trade Commission (FTC) receiving fraud reports from 2.6 million consumers in 2023, representing more than $10 billion in losses. With more than 1 million of these reports related to identity theft, it is estimated that approximately 22% of Americans are subjected to identity theft each year, especially since not all cases are reported to the FTC. Given the continued importance of identity protection, we are sharing this updated and complete version of our article on this topic, which was initially published in 2020.

Although you may not be able to control whether your personal information is exposed in a data breach, there are actions you can take to protect yourself against fraud-related identity theft:

1. **Obtain and Carefully Review your Credit Reports:** Under federal law, each person is entitled to one free copy of their credit report annually from each of the three major credit reporting bureaus, which include Equifax, Experian, and TransUnion. This can easily be done by visiting www.annualcreditreport.com, the only website sanctioned by federal law to obtain these free reports. In addition, each of the three agencies allows anyone to obtain a free weekly credit report, which can also be obtained from each agency if you sign up for a free account with that agency.

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In this Issue

Q4 Market Outlook: Is the Soft Landing Underway?

October 1, 2024

Now that the Federal Reserve has begun to lower interest rates with the 0.50% September Federal Funds Rate cut, investors find themselves close to where they were at the start of the year, pondering how aggressively the central bank might ease in the coming months and if it can successfully stick a soft economic landing. For those cautiously optimistic about the financial markets — a group we count ourselves among — this represents real progress.

For most of the year, persistent inflation and a resilient job market kept the Fed on pause for longer than expected. In September, though, the Federal Open Market Committee began its first easing cycle since the global pandemic after Chairman Jerome Powell made it clear that the battle for price stability has largely been won. In July, the Personal Consumption Expenditures Index, the Fed's favorite barometer of inflation, rose 2.5% on a year-over-year basis, a milder increase than was forecast. At around the same time, Powell noted in his annual Jackson Hole address that his "confidence has grown that inflation is now on a sustainable path back to 2%," the Fed's stated target rate.[1]

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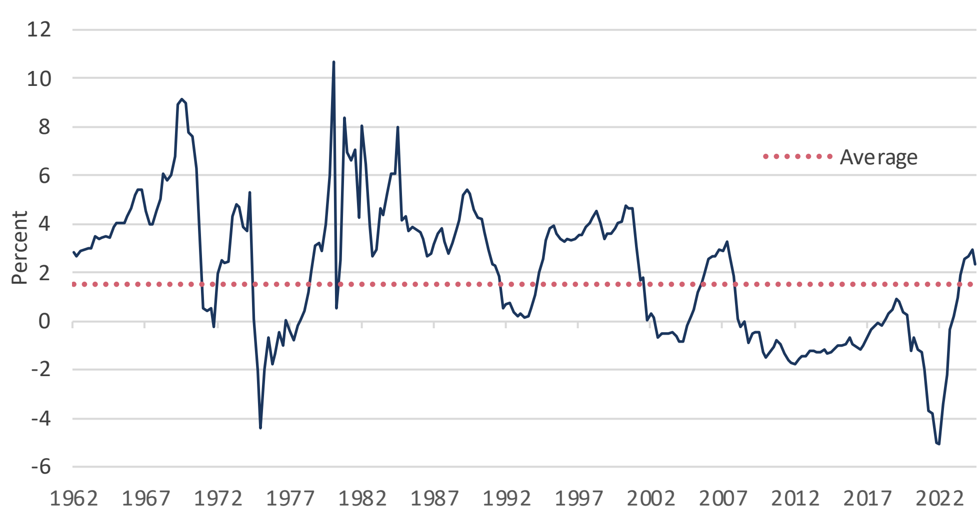
This raises two key questions, the first being: How much more will the Fed cut rates in the coming months? The CME FedWatch tool, a widely followed gauge of the bond market's expectations, indicates the prevailing view is that the Federal Funds rate will fall to around 4.25% by December, which would signal another 75 basis points of cuts between now and the end of the year.[2] With inflation hovering at about 2.5%, this would be in line with history (since 1962, the Fed Funds rate has averaged around 1.5 percentage points higher than the prevailing rate of inflation).[3]

Exhibit A: Federal Funds Rate Minus Inflation Rate, 1962 – 2024 Q3



Source: Bloomberg, Federal Reserve, U.S. Bureau of Economic Analysis, Fiduciary Trust Company. Data represents the United States Federal Funds Rate upper bound minus the year-over-year change in core personal consumption expenditure. Data as of September 30, 2024.

Video:

View our market outlook webcast in mid-October at: fidtrustco.com/market-outlook

The Myth of the Elusive Soft Landing

The more important question is whether this sets the stage for a so-called soft landing. Conventional wisdom says soft landings are incredibly rare. Technically, the Fed has managed to raise rates to cool the economy without triggering a recession only once in recent memory — in 1994 when it hiked rates seven times to keep inflation at bay before cutting rates three times the following year.[4] This is why investors routinely wonder at the onset of an easing cycle, whether the Fed might have waited too long to shift its focus away from fighting inflation to supporting the job market.

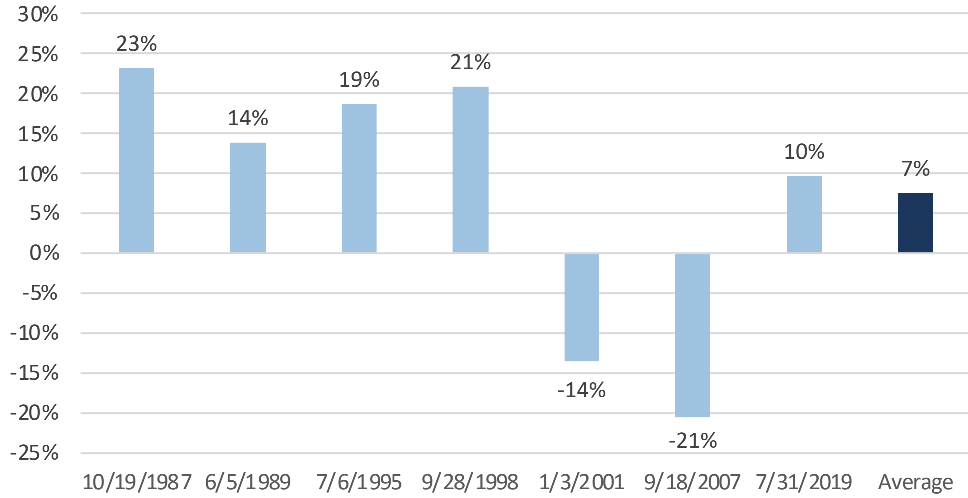
In truth, there is no official definition of what a soft landing actually looks like. Former Fed Vice Chairman Alan Blinder, who served under Alan Greenspan during the 1994-95 soft landing, says the simple onset of a recession isn't the only way to measure success. He argues that a "softish" landing is achieved in the aftermath of a tightening cycle if GDP declines by less than 1% or if there is no recession declared by the National Bureau of Economic Research — the independent body of economists regarded as the official arbiter of recessions — for at least one year after rate hikes. By this definition, Blinder concludes that there have been five softish landings since 1965.[5]

To be sure, the most recent softish landing based on Blinder's definition was in 2000, after the Fed raised rates by 1.75% starting in 1999 to take some air out of the dot-com bubble. Many economists and investors, including us, considered the recession that followed the bursting of the tech bubble a hard blow, as it led to a bear market in which the Standard & Poor's 500 Index lost nearly half its value.

We want to be clear: That is not the type of soft landing we expect to unfold this time. Instead, we anticipate something more akin to 1994-95, when the economy was still growing, inflation was in check, and the unemployment rate was modest and improving. Rate cuts back then set the stage for equities to flourish, with the S&P 500 generating gains of 19% in the 12 months following the start of the easing cycle, as depicted in the chart below.

Conventional wisdom says soft landings are incredibly rare

Exhibit B: S&P 500 Forward 12 Month Returns and Drawdowns After Fed Cutting Cycle Start



Source: Bloomberg, Fiduciary Trust Company. Data as of September 30, 2024.

Portfolio Considerations

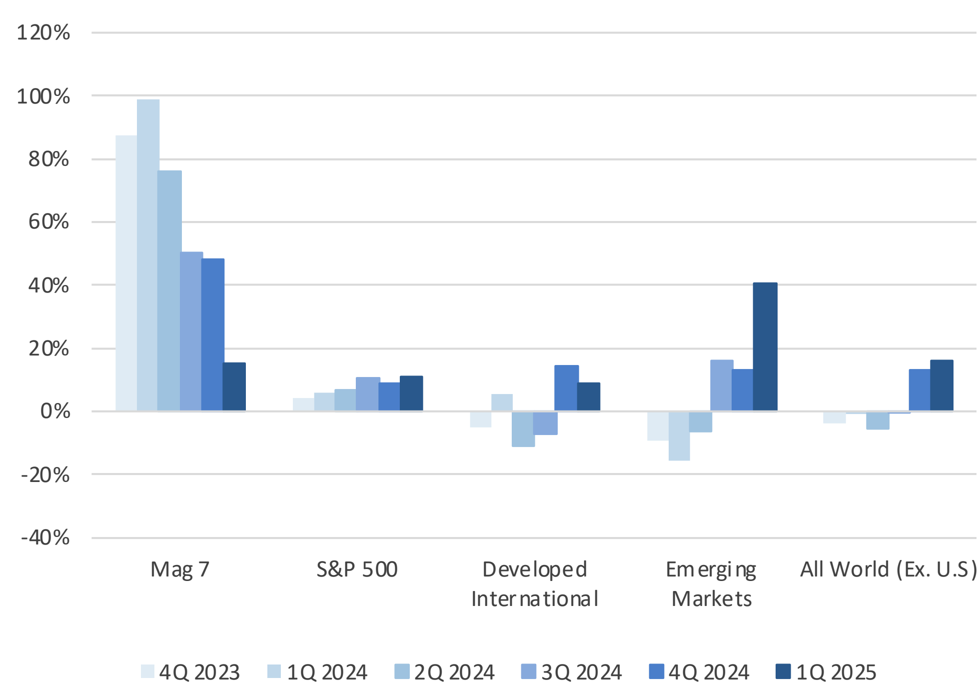
While we cannot count on such outsized gains this time around, we believe it's more likely than not that the Fed has begun easing against a similar backdrop and can again avoid a recession. This supports our view of being overweight U.S. equities and credit.

There are other reasons to be constructive on stocks, such as the likelihood of improved breadth in the market. For the past two years, a discussion on equities has largely boiled down to one's views on the near-term health of the Magnificent 7. These seven tech giants — Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla — are seen as early beneficiaries of the artificial intelligence boom and have been responsible for the vast majority of the market's gains since the start of 2023. As a result, the largest 10% of domestic publicly traded companies now represent nearly 75% of the total value of the U.S. stock market, representing the narrowest breadth since the Great Depression.

There are other reasons to be constructive on stocks, such as the likelihood of improved breadth in the market

The good news is that earnings and revenue growth are finally starting to broaden out to the 493 other stocks in the S&P 500. In fact, while profit growth for the Magnificent 7 is decelerating, it's been accelerating for the S&P 500 overall, driven by profit growth of the S&P 493 (Exhibit C). Why is this important? As famed Wall Street observer Bob Farrell has pointed out in his 10 Market Rules to Remember, "the markets are strongest when they are broad and weakest when they narrow to a handful of blue-chip names." By this token, the underlying health of the markets is set to improve, boosted further by an accommodative monetary policy. If revenues and earnings do begin to broaden in a meaningful way, we would expect market returns to follow a similar pattern.

Exhibit C: Earnings Growth by Market



Source: Bloomberg, Fiduciary Trust Company. Figures beyond Q2 2024 are forecasts. Data as of September 30, 2024.

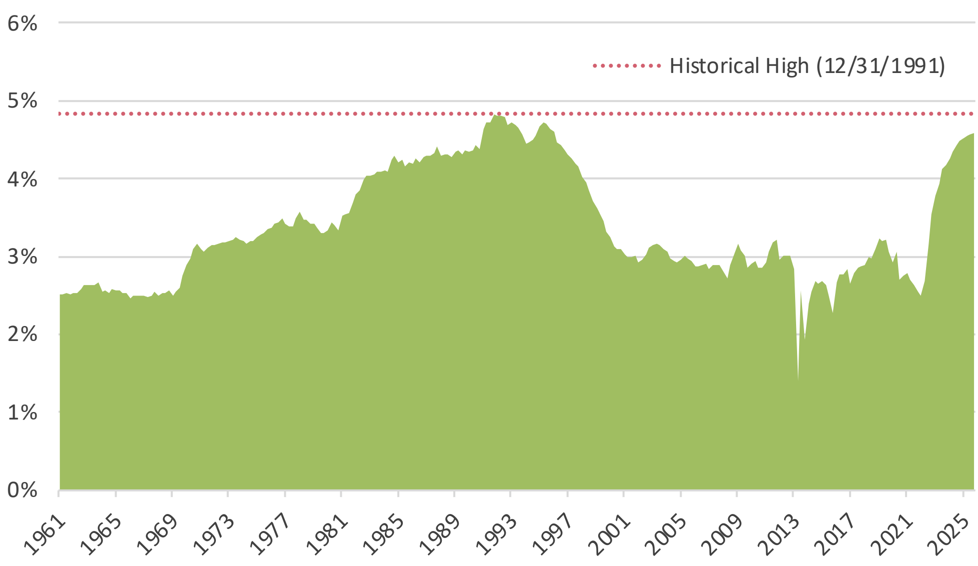
Don't Expect an October Surprise

Of course, it can be easy to lose sight of the fundamentals in a presidential election year, when anxieties surrounding potential fiscal policy changes tend to swell. Indeed, a survey of global investment managers in September found that the market's appetite for risk has sunk to a 16-month low, with investors citing concerns over politics and equity valuations as the biggest threats to near-term market returns.[7]

There's a reason why the saying is "don't fight the Fed" and not "don't fight fiscal policy." While fiscal policies can affect investments through their long-term impact on the economy, monetary policy changes tend to be met with immediate responses in the stock and bond market. It is also important to remember that investors' portfolios have been able to flourish under almost every presidential administration in modern history—regardless of Democratic or Republican victory, as we recently pointed out in our paper, "The 2024 Election Is Near: What This Means for Investors." Since 1932, stocks have averaged double-digit annual returns when the GOP controls the White House, Senate, and House of Representatives as well as when Democrats control both the White House and Congress. Even when Washington faces the potential for gridlock, with one party in charge of the White House and the other controlling Congress, returns have historically been positive.[8]

Regardless of who wins the election, the newly elected president will have to figure out how to deal with the ever-expanding deficit

Exhibit D: U.S. Interest Expense Relative to GDP



Source: Bloomberg, Organization for Economic Co-operation and Development (OECD), Fiduciary Trust Company. Data as of September 30, 2024.

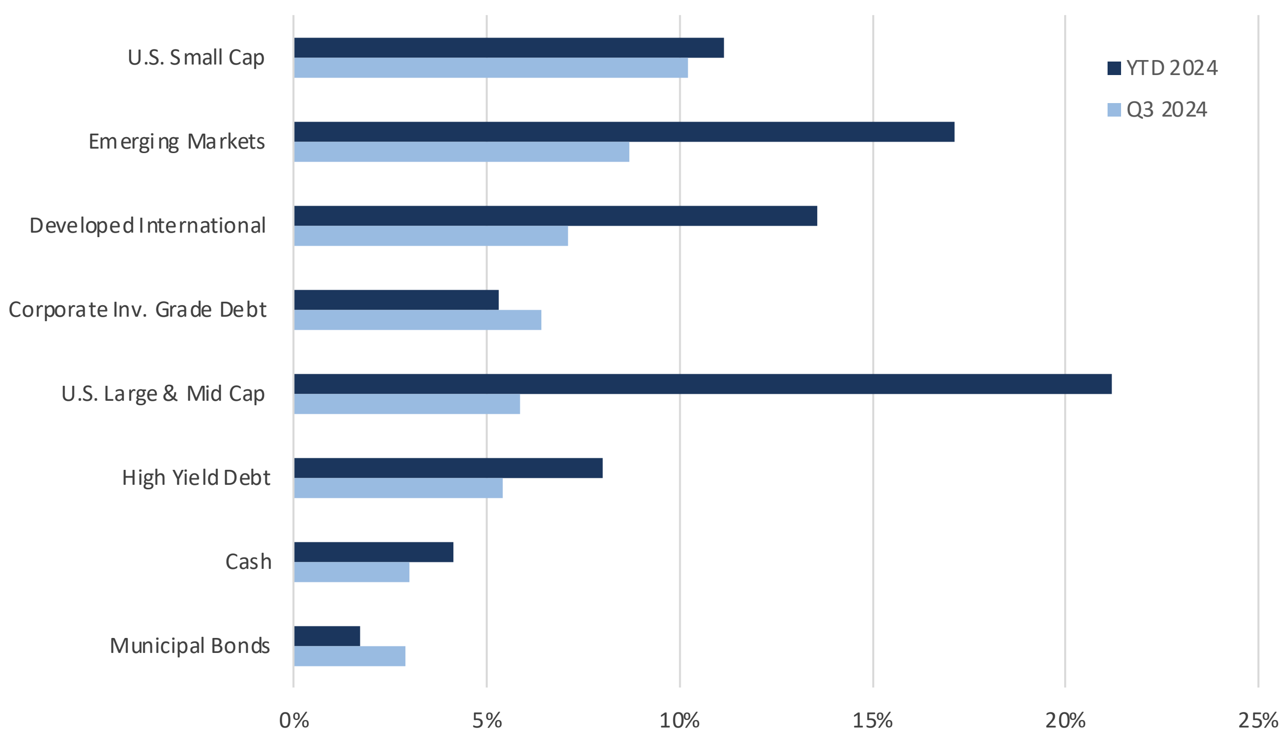
To be sure, certain asset classes could be affected by the outcome of the election. For instance, Chinese equities have recently held a strong negative correlation with the likelihood of a Trump victory. But as we previously noted, the market has a knack for surprising investors. Consider that the Biden administration has maintained Trump-era tariffs on China and has further escalated trade tensions by restricting exports on some semiconductors and semiconductor manufacturing equipment to China. In light of this, a Harris victory may not be seen as the boon for Chinese equities that investors appear to be pricing in.

Regardless of who wins the election, the newly elected president will have to figure out how to deal with the ever-expanding deficit. Neither candidate was pressed on the issue during their recent debate. The U.S. debt-to-GDP ratio stands at a whopping 128%, while interest costs on the debt as a percentage of GDP have reached 4.5%, edging out spending on defense (Exhibit D). While that sounds alarming, investors may not recall that interest costs as a percentage of GDP were actually even higher in the mid-1990s, during the aforementioned soft landing. At the end of 1994, debt-to-GDP stood at 64%, about half of where it is today, but interest rates were much higher. The 10-year Treasury hovered near 8%, vs 3.8% today. A combination of the Fed lowering the policy rate and President Clinton presenting a credible plan to reign in the deficit helped bring down long-term rates and engineer a soft landing for the economy and the stock market. Fast forward to today and Fed Chair Powell has started doing his part, but it remains to be seen if whoever is elected president will be able to hold up his or her end of the bargain. Perhaps he/she will be bailed out by strong economic growth if we have an AI-driven productivity boom rivaling the internet-led productivity gains seen in the late '90s.

A Case for an Allocation to International Equities

As interest rates in the U.S. head lower for the time being, the dollar is following them down. The relative strength of the U.S. dollar has played a disproportionate role in the performance of international markets enjoyed by U.S. investors. Fed policy is an important factor in currency prices and ultimately stock returns. To illustrate, U.S.-based investors holding developed market foreign stocks produced annualized returns of just 5.2% (as proxied by the MSCI EAFE Index) over the past decade, compared with the 13% annual gains enjoyed by the S&P 500. However, developed international funds that are currency hedged delivered gains that were nearly identical to the U.S. market. This illustrates the extent to which the dollar's strength against the euro, pound, and yen has played a major role in the relative returns of domestic versus international stocks in recent years. We recommend investors hold diversified equity portfolios in light of likely changes to currencies going forward.

Exhibit E: Total Returns by Asset Class



Source: Bloomberg, Fiduciary Trust Company. Indices: Cash: Bloomberg Barclays 1-3M Treasury Note, High-Yield: Bloomberg Barclays US Corp HY, Corporate Debt: Bloomberg Barclays US Corporate ,U.S. Large and Mid Cap: Russell 1000, U.S. Small Cap: Russell 2000, Dev. Int'l: MSCI EAFE, Emerg. Mkts: MSCI EM, Municipal Bonds: Bloomberg Quality Intermediate Muni. Data as of September 30, 2024.

What's Ahead for the Markets

It appears that inflation is largely under control while the economy continues to grow. The Federal Reserve Bank of Atlanta's GDPNow forecasting model currently projects real U.S. economic growth of around 3% in the third quarter, after GDP expanded at the same rate in Q2. This economic growth, combined with the Fed's launch of its rate cutting cycle, is creating a positive environment for financial markets. We expect the broadening equity appreciation beyond the Magnificent 7 to continue and would not be surprised to see some weakness in the mega cap tech names in the coming months as valuations there are stretched.

We continue to recommend an overweight to U.S. equities and a neutral allocation to developed international markets. We believe it is also an appropriate time to extend duration in fixed income, although we recommend an underweight to the asset class overall. Whether this turns out to be a genuine soft landing or a softish one, a positive backdrop is set for risk assets in our view. ■

Exhibit F: Fiduciary Trust Asset Class Perspectives

	Asset Class	Attractiveness: Less	Neutral	More	Key Thoughts
Equities	U.S. Large & Mid Cap			●	• U.S. Large & Mid Cap stocks enjoyed their fourth straight quarter of positive returns • While mega cap names trade at lofty multiples, the average stock's valuation is in line with historical averages • Banks look poised to grow earnings as the yield curve steepens, while utilities and certain energy companies offer a chance to benefit from robust data center/AI capital expenditures
Equities	U.S. Small Cap		●		• Small Cap was the best performing asset class in Q3, benefitting from a decline in interest rates • Smaller companies tend to be more heavily indebted than their large cap counterparts and carry more floating rate debt • This space is ideal for active management
Equities	International Developed		●		• Returns in European and Japanese markets have lagged the U.S. this year but kept pace in Q3 • Attractive valuations, higher dividend yields, and quality global companies should make these markets appealing • A potential weakening of the U.S. dollar should benefit investors in these markets
Equities	Emerging Markets		●		• Emerging markets outperformed in the quarter thanks to an end of quarter surge in Chinese stocks after the country announced a series of stimulus measures including cutting rates and lowering bank reserve requirements • Conditions might improve for these markets if interest rate cuts in the U.S. unfold as expected • China and Taiwan are the best performing countries in the MSCI All Country World Index this year
Fixed Income	Investment Grade Corporate Debt/ Municipal Debt	●			• While yields on investment grade fixed income have increased significantly in recent years, we see better relative value in other fixed income sectors • We are maintaining a neutral position on duration as longer-term Treasury yields approach our estimate of fair value
Fixed Income	Structured Credit			●	• We continue to find compelling relative value opportunities with structured credit, especially in residential mortgages • Seasoned mortgage-backed securities with low duration, significant credit support, and low loan-to-values offer attractive yields compared to other securities with similar levels of credit risk • Falling mortgage rates under a soft-landing scenario will help boost home prices and help mortgage valuations
Fixed Income	U.S. High Yield	●			• While defaults are likely to remain low and credit fundamentals are in good shape, the asset class appears fully valued in our view • Option-adjusted spreads, an important valuation measure, remain historically tight
Alts	Private Assets		●		• Select opportunities continue in the private asset arena • We are interested in niche opportunities where less capital is deployed • A weak exit environment has slowed distributions to limited partners and forced many funds to extend their terms
Cash	Cash		●		• Despite a new Fed rate cutting cycle, cash offers solid real returns to more risk averse investors • Cash remains an excellent diversifier to riskier investments like credit and equities

Note: These forward-looking statements are as of October 1, 2024, and based on judgements and assumptions that change over time.

Disclosure related to Bloomberg indices:

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[1] Review and Outlook, Chair Jerome Powell, FederalReserve.gov. Aug. 23, 2024.
[2] "What to Expect on Interest Rates for the Remainder of 2024," Forbes. Sept. 9, 2024.
[3] "U.S. Inflation and Interest Rates," Carl Zulauf (Ohio State University) and Gary Schnitkey (University of Illinois), Farmdoc Daily. June 5, 2024.
[4] "What is a Soft Landing?" Brookings.edu. Sept. 14, 2023.
[5] "Landings, Soft and Hard: The Federal Reserve, 1965-2022,"Journal of Economic Perspectives, Vol. 37, No. 1, Winter 2023.
[6] "The Other Side of Market Concentration Peaks," MFS. July 2024.
[7] "Investors' Risk Appetite Plummets to 16-Month Low in September," S&P Global. Sept. 12, 2024.
[8] "The 2024 Election Is Near: What This Means for Investors," Fiduciary Trust.

Proactive Measures to Protect Your Identity *(continued from page one)*

Author

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Vice President & Director of Wealth Planning

Once you obtain one or more of your credit reports, you should review each of them carefully. Reports can be quite lengthy, but any detail that is incorrect could complicate things for you later or be a sign that there has been an unauthorized attempt to utilize your credit.

Items to pay particular attention to include: your personal information, such as your name, current and prior addresses, phone numbers, and date of birth; credit accounts such as credit cards, car loans, and mortgages; and credit inquiries. The credit inquiries indicate what entities have accessed your credit history for some reason. Entities that you have a credit relationship with, such as a credit card issuer, will access your report periodically to verify that you are still a good credit risk. Beyond that, inquiries should be monitored, as they are usually the first step in establishing new credit, which includes actions like opening a new credit card, obtaining a mortgage, or renting an apartment.

If anything appears suspicious, you should reach out directly to the entity that made the inquiry to see if an account has been established or if there was an attempt to establish an account with your credentials. If you see a problem with your personal information, such as your address or phone numbers, you should contact the credit bureau to correct it.

Please note that knowing your Fair Isaac Corporation (FICO) score is not the same as reviewing your detailed credit report. Your credit report includes your credit history and critical personal information. Your FICO score is a numeric gauge that helps you and creditors assess how good of a credit risk you may be. Your FICO score is based on various elements including your utilization of available credit, payment history, types of credit utilized, new credit inquiries, and length of credit history.

2. **Set Up Your My Social Security Account:** If you have not done so, you should establish your My Social Security account by visiting www.ssa.gov/myaccount/. Obtaining your credit report will help in answering the security questions required by the Social Security Administration (SSA). These questions are designed to ensure that it is you attempting to set up your account in order to prevent fraud. If you answer any questions incorrectly, you will be locked out for 24 hours.

   There are many reasons to set up a My Social Security account, including the ability to easily verify your earnings history, to protect your Social Security benefits, and to establish direct deposit of benefits. The most significant reason, however, is to stop someone else from establishing the account and potentially claiming benefits in your name or redirecting benefits to which you may be entitled. If your identity with the SSA is ever compromised you may not be able to set up an account, which is why anyone over the age of 18 should set up their account now. If you find that you have been the victim of Social Security fraud, you should report it at www.ssa.gov/scam/.

3. **Guard Your Social Security Number (SSN):** Never provide your SSN unless you trust the other party and you are sure that they require it for a valid reason. The fewer databases that contain your SSN, or even your driver's license number, the less likely your identity is to be compromised. Many forms, including medical questionnaires, ask for your SSN but may not have a legally

Learn More:

Access our full library of insights at fidtrustco.com/insights valid reason for requiring it. For example, if your medical provider has your insurance information, they do not have a right to your SSN. Parties that do have either a legal right to or a need to have your SSN include those who must verify your identity under the federal Consumer Identification Program or who are required to report to the IRS. Among those with a legitimate right to require your SSN are employers, banks, investment advisors, insurance companies, and lenders, as well as the credit bureaus and many government agencies, including the IRS and the Department of Motor Vehicles. To protect yourself, do not carry your Social Security card in your wallet.

4. **Freeze Your Credit:** You should seriously consider freezing your credit. Freezing your credit blocks potential new creditors from accessing your credit reports, thus making it unlikely that new credit would be granted on your credentials without your knowledge. After you freeze your credit, you need to "thaw" it, or unfreeze it temporarily, if you decide to apply for new credit, such as a new mortgage or credit card, or if you want to rent an apartment.

   There is no cost to either freezing or unfreezing your credit and it can be done very easily, but you must do it separately with each bureau. Unfreezing your credit allows the potential creditor to have access to your credit information. It is recommended that when you unfreeze your credit file, you instruct it to automatically refreeze after a chosen interval of time, such as a few days or a week. Remember to maintain a list of your usernames and passwords/access codes that you set up when you froze your credit. Freezing your credit does not affect your ability to utilize your current credit cards or stop current creditors, or a limited group of others, from accessing your credit information.

   The act of freezing your credit is easily done online by visiting each of the three main credit bureaus' websites. Once the credit bureau verifies it is you, you can freeze your credit with that bureau. Each bureau will follow up with a letter confirming your decision and may provide you with a PIN number if you did not create one at the time of freezing. It is important to retain any login information and PIN numbers so that you can easily unfreeze your credit later.

   In addition to the three major credit bureaus, there is a fourth, lesser-known bureau, Innovis, where you may also want to consider freezing your credit. Although less critical than the big three, there is no significant downside to also freezing your credit with the fourth bureau. The links to the credit bureau websites to freeze your credit are:

   - Equifax: www.equifax.com/personal/credit-report-services/credit-freeze/, 800-685-1111
   - Experian: www.experian.com/freeze/center.html, 888-397-3742
   - Transunion: www.transunion.com/credit-freeze, 888-909-8872
   - Innovis: www.innovis.com/personal/securityFreeze, 866-712-4546

   Even if your credit is frozen, you need to remain vigilant about periodically reviewing your credit reports because problems can still arise. In addition to your own credit, you should consider freezing the credit of your minor child who is under the age of 16 and assisting disabled or elderly family members to accomplish the same.

   Minor Children: A minor child's identity is among the most lucrative for identity thieves since if a child's identity is compromised it may not be discovered for many years until they apply for credit as an adult. A parent or guardian can freeze their child's credit by contacting each of the above agencies. This process is usually not immediate as the agency will need to review the information you provide, often by mail, to make sure you have the right to request the freeze for the minor.

   - Equifax: assets.equifax.com/assets/personal/Minor_Freeze_Request_Form.pdf
   - Experian: www.experian.com/help/minor-request.html
   - Transunion: www.transunion.com/credit-freeze/credit-freeze-faq#freeze-other-minor-0

   Military Active-Duty Alert: Deployed members of the military are another particularly attractive target for identity thieves. It is recommended that service members place an Active-Duty Alert on their credit file by contacting one of the three major credit bureaus. The first bureau will inform the other bureaus of the alert. The alert is valid for one year, but can be renewed, and will remove the person from prescreened credit card offers for two years unless he or she requests to be put back on the list.

5. **Consider Credit Monitoring Services:** Some choose to sign up for credit monitoring services to help provide timely notice of any suspicious activity. There are several services available to do this, either through the credit bureaus, credit card companies, or other companies dedicated to this service. Some services are free, while others are not. If you choose to sign up for a service, make sure it is reputable and will provide you with whatever types of monitoring you deem important.

   Please remember that signing up for a credit monitoring service is not a substitute for remaining diligent about protecting your identity and reviewing your credit reports. If you are notified that your information was compromised during a security breach and are offered free credit monitoring, there is little downside to signing up for the free period.

6. **Be Cautious and Watch for Phishing or Other Scams:** Remain vigilant as you review your mail, emails, text messages, and phone solicitations. You should examine your mail carefully for indications that your identity may have been compromised, not click on links or open attachments that are not from trusted sources, or provide your personal, banking, or credit card information unless you are completely sure it is prudent to do so.

7. **Be Leery of Unsolicited Mail:**
   Read, but verify, and take appropriate action: If you receive a letter or email from the state indicating you have filed for unemployment benefits when you have not, you will want to take action immediately. The same goes for correspondence from collection agencies on accounts that are not yours or letters from the IRS or Social Security Administration (SSA). Instead of calling back any phone numbers or clicking on any links that may appear in the correspondence, go online to independently verify contact information before you reach out. Be careful not to reveal your personal information until you are sure you are dealing with a legitimate party. Remember that neither the IRS nor the SSA will call you unless you are in a dialogue with them already, and if they do call, they will not ask you for your full Social Security number, bank account information, or credit card number. If you receive a letter saying a credit application you did not submit has been denied, this is a red flag of potential problems.

   Preapproved credit card offers: If you are not interested in receiving preapproved credit card offers, you can opt-out for either five years or permanently. Call 888-567-8688 or visit www.optoutprescreen.com/ to begin the process.

8. **Review Your Credit Card, Bank, and Investment Statements:** Whether you receive these by mail or online, you should review them carefully for unauthorized activity. If your credit card provides it, consider signing up for notifications for "card not present transactions" and other signs of fraudulent activity, so that you can respond quickly in the event of a breach.

9. **Shred Sensitive Information:** "Dumpster diving" is one of the ways that thieves can obtain information about you, so be sure to shred any documents that include sensitive information.

10. **Delete Questionable Emails and Texts:** Along with not clicking on links or attachments in questionable correspondence, it is prudent to immediately delete them and even empty your trash folder.

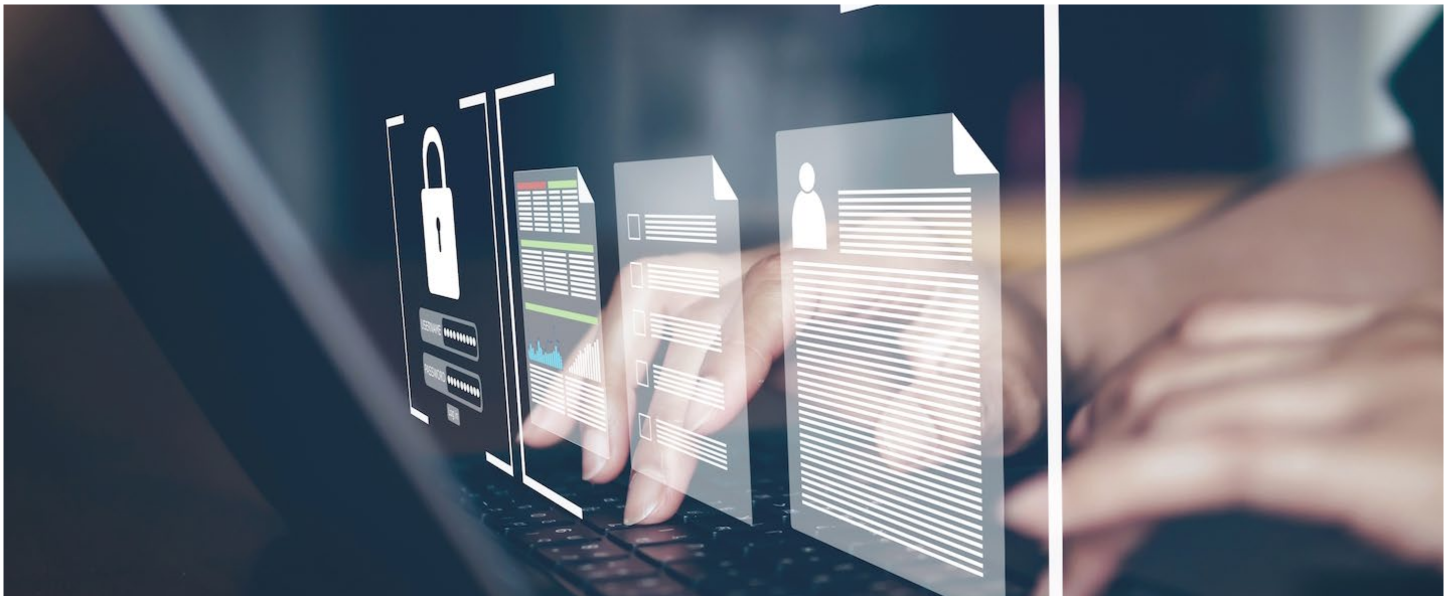
11. **Let Phone Calls from Unknown Parties go to Voicemail:** If it is important and legitimate, they will leave a message.

12. **Use Unique Passwords Online:** Periodically update your unique, hard-to-guess passwords for each of your online accounts, including email, credit, bank, and all other accounts. To keep your detailed login information secure, either use a password-keeper application or maintain a paper-based documentation system. Utilize multi-factor authentication whenever it is available. If you do request and utilize an email allowing you to reset a password, immediately delete it and empty your email trash folder after using it to reset your password. Doing so can help protect you if an unscrupulous party has gained access to your email.

It is always easier to protect and maintain your identity than it is to recover from identity theft. Taking proactive steps today to secure your identity, including reviewing your credit reports and freezing your credit, can ultimately save you significant time and stress. If your identity is compromised, quick and decisive action can help to limit the damage. ■

Key Steps to Take If Your Identity Has Been Compromised

If you think your identity may have been compromised, or you know that you have been the victim of some form of identity theft, there are steps you can take to begin to restore your identity and limit additional headache:



1. **Initiate a Fraud Alert:** If you are concerned that your personal information may have been exposed in a data breach, if your wallet has been stolen, or if you know that you are a victim of identity theft, you should consider placing a Fraud Alert on your credit file. There is no cost to placing a fraud alert, and the type of fraud alert that is appropriate for you will depend on your circumstances.

   Initial Fraud Alert: You can place an Initial Fraud Alert on your credit file even before you know you have been a victim of identity theft. To place an initial fraud alert, you should contact at least one of the three major credit bureaus and ask them to place an initial fraud alert on your file.

   You can contact all three, but even if you only contact one, they are required to notify the other two. This process will allow you to provide a statement about your circumstances and a phone number where anyone accessing your credit report can contact you. This process puts any potential creditor on notice that additional measures should be taken to verify that it is really you attempting to establish a credit relationship.

   An initial fraud alert lasts for one year, can be renewed if desired, and provides you with a free copy of your credit report. Placing a fraud alert is not the same as freezing your credit, and even if you have frozen your credit, it is still recommended that you put the fraud alert on your file if you are concerned about identity theft. This additional layer of protection would only be seen by a potential creditor after they manage to access your credit report.

   Extended Fraud Alert: If you have been a victim of identity theft, you can contact one of the three major credit bureaus and place an extended fraud alert on your file that will last for seven years. The bureau will ask you to complete a form and require you to submit your Identity Theft Report (see below). It will also notify the other two credit bureaus of your extended fraud alert. In addition, you will be eligible for two free credit reports from each of the three bureaus over the next year and will be removed from marketing lists for prescreened credit offers for five years.

2. **Review Your Credit Reports:** If your identity has been compromised, you should obtain and review every detail of your credit reports. A second review of these may turn up important details that may have been missed previously.

News & Notes

Eric Cunnane, JD, joined FTNE as VP and Trust Counsel

Kevin McAuliffe joined FTC as VP and Client Development Officer

Fiduciary Voted a Top Wealth Manager by Massachusetts Lawyers Weekly Readers

Fiduciary received Best Donor-Advised Fund Award from WealthManagement.com

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For more information about Fiduciary Trust's services, please contact your Fiduciary Trust officer or Sid Queler at queler@fiduciary-trust.com or 617-292-6799

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3. **File an Identity Theft Report:** If you have been the victim of any type of identity theft, you should file an identity theft report by visiting www.identitytheft.gov. This website is maintained by the Federal Trade Commission (FTC) and is a clearing house for fraud reporting.

   Although there are other ways to file a fraud report with the FTC, doing so online and establishing an account allows you to update your identity theft report as you learn more, and provides recommended action steps to address the details of your circumstances including tailored letters that you can send to help remedy your situation. This will enable you to go back in and "check off" the steps you have accomplished. You will need your identity theft report to place an extended fraud alert and to correct some items that are incorrect on your credit reports.

4. **Change Your Passwords:** Periodically updating your passwords is always advisable, but doing so when your identity has been compromised is even more important. Remember to use unique, hard-to-guess passwords. If you have been the victim of an internet crime, consider filing a complaint with the Federal Bureau of Investigation Internet Crime Complaint Center (IC3) at www.ic3.gov/Home/ComplaintChoice/.

5. **Contact Creditors, Banks, and Other Organizations:** As will likely be detailed in the identity theft report recovery plan, you should, at a minimum, contact any organizations where you have accounts or where anyone has attempted to open an account in your name. This may involve closing accounts in some circumstances. If your medical or insurance records have been compromised, you should work to correct the inaccuracies.

6. **Consider Filing a Police Report:** If you have been the victim of identity theft, contact your local police department. They can help you decide if filing a police report is appropriate for your situation.

7. **File Tax Returns as Early as Possible:** Tax-related identity theft occurs when someone assumes your identity with a taxing authority. This can be as simple as filing a fraudulent return with your taxpayer information and claiming a refund for all or part of the taxes you may have paid.

   It is always advisable to file your income tax returns as soon as practical, but if you believe your information may have been compromised you should truly prioritize filing your return as soon as possible. If you are concerned about tax-related identity theft, request a tax transcript from the IRS online at www.irs.gov/individuals/get-transcript.

   If you are a victim of tax-related identity theft or some other identity theft, you should consider completing IRS Form 14039 – Identity Theft Affidavit.

Final Thoughts

It is always easier to protect and maintain your identity than it is to recover from identity theft. Taking proactive steps today to secure your identity, including reviewing your credit reports and freezing your credit, can ultimately save you significant time and stress. If your identity is compromised, quick and decisive action can help to limit the damage. ■