

Part 2A of Form ADV:

FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Fiducioso Advisors, Inc. maker of Income Discovery (hereinafter “Income Discovery” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (888) 966-9469 or at sales@incomediscovery.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Income Discovery is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Income Discovery is 157342. Registration with the Securities and Exchange Commission does not imply any level of skill or training.

Item 2. Summary of Material Changes

Income Discovery is required to notify clients of any information that has changed since the last annual update of the Firm Brochure ("Brochure") that may be important to them. Clients can request a full copy of our Brochure or contact us with any questions that they may have about the changes.

At this time, there are no material changes to report about the Brochure since the last annual amendment filed on 03/03/2023.

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Item 4. Advisory Business

Income Discovery is a fee-based registered investment adviser which provides investment advice to all its clients exclusively through an interactive website. The firm is registered with the SEC pursuant to Rule 203A-2(e)(2) of the Investment Advisers Act of 1940. Our principal place of business is in Liberty Corner, NJ. We have been in business as an investment adviser since 2011, with Manish Malhotra, President and Chief Executive Officer as majority owner of the firm.

We do not manage client portfolios and do not have any discretionary or non-discretionary assets under management. Our clients for investment advice are financial institutions and their financial professionals who utilize our analytical software, tools, and digital API services.

Retirement Income Strategy Optimization Service

Through interactive software, our firm provides consulting services to financial institutions and their financial professionals. Our primary objective is to help these financial professionals analyze different strategies for generating retirement income using a combination of Social Security claim strategies, systematic withdrawal portfolio model allocations, and longevity risk products (“annuities”). Our software helps financial professionals address and demonstrate the dynamic risk - reward tradeoffs experienced by their clients (“retirees”) during the retirement lifestage.

Our software evaluates different allocations to Systematic Withdrawal Portfolios, Social Security claim strategies, pension payout options, and annuities to find an optimum one. It does so by modeling tax details, a separate tax type of each account, tax-targeted dynamic withdrawal order across accounts, and can include account-by-account glide path strategy analysis. In addition to the optimization capability, the software lets the financial professional analyze a specific retirement income strategy and compare the results side-by-side with previously analyzed strategies. The financial professional has discretion in selecting the retirement income strategies to be shared with their retirees and in determining one of the strategies as *proposed*. Systematic Withdrawal Portfolios are portfolios of asset classes with uncertain returns from which the retiree makes periodic withdrawals to generate the cash flow needed during retirement. Income, fixed, indexed and variable annuities are also supported in the evaluation process.

In addition to interactive software, our firm also provides digital API services, where a financial institution can invoke our services to provide a retirement income analysis. This analysis may be used by a financial professional at the institution in conversations with a retiree or shown directly to retirees via the financial institution’s website. If shown

directly to a retiree online, the retiree will not be able to execute any recommendations through the digital API service. The retiree must separately contact the institution or a representative of the institution to execute a recommendation, as the institution and their financial professionals have the responsibility of collecting and verifying any additional pertinent information before evaluating and implementing the recommendation.

Paycheck in Retirement (“Paycheck”):

Our firm offers a *Paycheck in Retirement* program to financial professionals to provide execution and ongoing management of a retirement income plan for their retiree clients. Our *Paycheck* capability systematizes the execution of an agreed-upon, selected personalized retirement income plan by collecting all financial information, and tracking cash inflows and expenses for inflation adjustments. It then provides disbursement instructions to advisors for meeting expenses and estimated taxes beyond expected cash inflows that encompass a retiree's managed accounts and held-away assets. The *Paycheck* service also monitors plan safety and recommends income adjustments, if necessary.

Services in General:

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and primarily include advice regarding the optimal allocation of different asset classes such as equity, fixed income, and fixed and variable annuity products. Our recommendations are, however, limited by the universe of investment options / asset allocations entered by the financial professional into the optimization program.

All investment recommendations are based on the information provided by a financial professional through our interactive application and are tailored to the underlying retiree. Our services that provide the analytics to power any institution's educational and guidance or advice tools are also based on the information provided by the institution's financial professionals or by the retiree directly. Our firm does not implement any recommendations. Retirees cannot implement any recommendations online; they must contact a financial professional to implement a recommendation. The financial professional utilizing the platform remains solely responsible for collecting account holder suitability information, identifying investment options, as well as for the evaluation and implementation of recommendations derived from our analytical tools.

Certain analytical tools we make available to financial professionals and their retirees focus on factors that do not directly involve investment in securities, such as the analysis of when and how to implement claims for Social Security benefits. Although

such services may not be subject to regulation under the laws and regulations governing investment advisory firms, we apply our Code of Ethics and procedures to information obtained while providing such services to protect any personal information of our clients' retirees.

Item 5. Fees and Compensation

We may charge advisory fees and/or software usage fees.

Our advisory fees for retirement income strategy optimization and Paycheck in Retirement services are charged to our institutional clients as a flat per-retiree fee for each household that the financial professional analyzes the strategy for or receives paycheck instructions (with certain minimum fee corresponding to minimum usage) within a calendar year. Since these software-based advisory services are to institutions which require us to provision software and hardware, we may charge minimum fees in advance.

Fees for our services are generally charged quarterly or annually in advance, or monthly in arrears. However, exceptions may be made on a case-by-case basis.

We also charge a maintenance and support fee for customized software. This fee is charged to our institutional clients as a flat annual fee and billed in advance of the calendar year.

Account Termination:

Clients may terminate the agreement by providing us with a written notice at our principal place of business. Each client has its own notice requirements regarding termination, but all have rights to terminate. Upon notice of termination, we will process a pro-rata refund of any unearned portion of our firm's fees charged in advance.

Brokerage and Custodial Fees:

In addition to the advisory fees paid to our firm, clients and/or their retirees remain responsible for all transaction, brokerage, and custodial fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

Item 6. Performance-Based Fees and Side-By-Side Management

We do not charge any fees based on a share of capital gains on or capital appreciation of retiree assets.

Item 7. Types of Clients

Our firm generally provides advisory services to investment firms and professionals such as investment advisers, investment adviser representatives, broker dealers, registered representatives, insurance companies and insurance brokers/agents. It is the responsibility of each such professional to comply with laws and regulations requiring them to obtain, and update periodically, information regarding the financial and other factors affecting each of the customers of the professional.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Our firm employs the following types of analysis to formulate client recommendations:

Retirement Income Strategy Optimization Analysis:

Rather than focusing on securities selection, we assist a financial professional with (i) analyzing or optimizing among different strategies for generating retirement income using a combination of Social Security claiming strategies; pension settlement options; investment product types and their time-varying allocation in each tax-type account (non-qualified, qualified, Roth and Health Savings accounts); annuities, with or without lifetime income guarantees; timing and ordering of withdrawals across all sources of retirement income; and, (ii) addressing and demonstrating the dynamic risk/reward tradeoffs experienced by clients while transitioning to and during retirement. A financial professional can evaluate multiple retirement income strategies in accordance with a client's approach, to find the optimum strategy.

A risk of optimizing asset allocation at a certain point in time is that the ratio of equity securities, fixed income securities, and annuity products will change over time due to stock and market movements and, if not corrected, may no longer be appropriate for the retiree's goals, and it is the responsibility of the investment professionals utilizing our analytical tools to monitor the need for such changes.

Paycheck in Retirement Analysis:

Our analysis encompasses four parts: i) planned distributions; ii) unplanned distributions; iii) Roth conversion estimations; and iv) tax-free capital gains targeting.

The planned distribution analysis estimates budgeted expenses, factoring in each expense inflationary adjustment, for the current year, collects current information about investment accounts and other owned financial products, and generates account-level distribution instructions to meet the customer's budgeted expenses and corresponding

estimated taxes for the specified period. The financial professional edits and affirms the calculations before accepting the distribution instructions.

Account-level distribution instructions for sourcing unplanned expenses are also provided as necessary.

The Roth conversion analysis estimates the amount of qualified monies that can be converted into a Roth account at or under an agreed-upon incremental effective targeted tax rate, factoring in known year-to-date cumulative taxable income and realized capital gains.

Tax-free capital gains targeting analysis estimates the amount of capital gain that could be realized free of federal taxes, factoring in year-to-date cumulative taxable income and realized capital gains.

Monte Carlo Analysis:

Our optimal retirement income strategies are identified as the ones providing better outcome – either the desired retirement income at lesser risk, higher retirement income at same level of risk, or higher after-tax legacy after meeting a desired retirement income - when tested using Monte Carlo simulation using forward-looking expectations. Monte Carlo simulation is a probabilistic approach to analyze a strategy under different set of potential future paths of inflation and asset class returns. The projections or other information generated by Monte Carlo analysis tools regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. The relevant calculations may be impacted greatly if assumed variables such as contributions, withdrawal amounts, inflation rates, expected rate of return, and volatility deviate from expectations.

Web-Based Analysis powered by our Digital API services:

Due to limitations of web-based advice, as described in Item 4, a retiree is not able to execute any recommendations through our digital API services. The retiree must separately contact the institution or a representative of the institution to implement a recommendation.

As stated in Item 4 of this Brochure, our firm does not manage retiree accounts, does not purchase or sell securities, and does not implement any advisory recommendations.

Clients should assure that their retirees understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal that

a retiree should be prepared to bear. Clients will be obligated to obtain and maintain current information regarding financial and other factors impacting their retirees.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Neither our firm nor our employees engage in any other financial industry activities or have any other financial industry affiliations.

Item 11. Code of Ethics, Participation in Client Transactions & Personal Trading

Code of Ethics Disclosure:

The Code of Ethics ("Code") establishes rules of conduct for all employees of the Firm and is designed to, among other things, govern personal securities trading activities in the accounts of employees, immediate family/household accounts and accounts in which an employee has a beneficial interest. A copy of the Code is available to any client or prospective client upon request. The Code is based upon the principle that the Firm and its employees owe a fiduciary duty to the Firm's advisory clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the Firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards maintained by the Firm since its inception continue to be observed by each of the Firm's owners, management (including officers and directors), employees, and any other person who provides investment advice on behalf of the Firm and is subject to the Firm's supervision and control ("Supervised Persons" or "Personnel"). The purpose of the Code is to preclude activities that may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our Firm continues to be a direct reflection of the conduct of each of its Personnel.

Pursuant to Section 206 of the Advisers Act, both the Firm and its Personnel are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means

that the Firm and each of its Personnel has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

The Firm and its Personnel have a specific fiduciary obligation when dealing with its advisory clients to have a reasonable, independent basis for the investment advice provided for the benefit of its client's retirees.

In meeting its fiduciary responsibilities to its clients, the Firm expects each of its Personnel to demonstrate the highest standards of ethical conduct for the continuance of their professional relationship with the Firm. Strict compliance with the provisions of the Code shall be considered a basic condition for such continuance.

The Firm provides investment advice exclusively through interactive tools. The Firm's investment advice is limited to the provision of software-based models or applications providing advice relying on personal information submitted by our clients. As such, the Firm does not directly manage, take custody of, have knowledge of or have any discretionary authority with respect to any of our client's underlying customer accounts.

Consequently, in performing its obligations to its advisory clients, the Firm and its Personnel do not gain access to nonpublic information regarding securities holdings and transactions of our advisory client's retirees or make securities recommendations to clients or have access to such recommendations that are nonpublic. As such, the Firm does not have any "access persons" as defined in Rule 204A-1. Therefore, the Firm does not require its Personnel to seek direct approval for any personal security transaction or to periodically provide a statement of their personal securities holdings. The CCO shall periodically review this determination, not less frequently than annually, and at such time as the Firm does or may have "access persons" under such Rule, revise this Code to comply with and require all reporting and other matters thereunder.

Further, notwithstanding the foregoing, should any Personnel receive or otherwise gain access to material nonpublic information, including information with respect to changes in the recommendations that will be, but have not yet been, published through the Firm's models, no such Personnel shall be permitted to execute securities transactions on the basis of such information prior to publication.

Irrespective of the foregoing description of its advisory services, the Firm recognizes that trading securities while in possession of material, nonpublic information, or improperly communicating that information to others may expose the Firm and its Personnel to stringent penalties. All Personnel, whether "access persons" or not, are subject to the Firm's Insider Trading Policies contained in the Firm's IA Policies and Procedures Manual which is incorporated herein by reference.

Item 12. Brokerage Practices

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

As our firm does not implement investment recommendations for our client's retiree accounts, we do not utilize or recommend the services of any broker dealers. Retirees and/or their selected investment professionals are responsible for selecting brokers and evaluating their execution capabilities. Therefore, retirees should refer to their investment professional's disclosure documents for specific descriptions of their brokerage policies, including the ability to obtain best execution, soft-dollar arrangements (if any) as well as aggregation and allocation practices.

Item 13. Review of Accounts

Financial professionals will receive customized reports for each of the accounts that they have analyzed, detailing optimized retirement income strategy recommendations, account-level distribution instructions and associated risk levels. The generation of these reports will be triggered by each professional's entry of new information into our web-based platform or request through the API. Our firm will not conduct any periodic or ongoing account reviews.

Item 14. Client Referrals and Other Compensation

In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm does not provide cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals).

Item 15. Custody

Custody is defined as any legal or actual ability by our firm to access retiree funds or securities. As we do not manage retiree accounts, we do not have actual or constructive custody of retiree funds or securities.

Item 16. Investment Discretion

As we do not manage retiree accounts, we do not accept or exercise any investment discretion.

Item 17. Voting Client Securities

Our firm does not vote proxies on behalf of clients or their retirees and does not provide clients or their retirees with consulting assistance regarding proxy issues.

We do not advise or act on behalf of a client in legal proceedings involving companies whose securities are held in the retiree's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

Item 18. Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.