

Intercarolina Financial Services, Inc.
Registered Investment Advisor
Form CRS/Relationship Summary
April 26, 2021

Intercarolina Financial Services, Inc. is dually licensed with the Securities and Exchange Commission (SEC) as a broker-dealer and investment advisor (hereinafter: "IA"; "IFS"; "We"; "Us" or "our firm.") It is important that you, as a retail investor, understand that broker-dealer and investment advisor services differ. Free and simple tools are available to research firms and financial professionals at:

Investor.gov.crs. This Form CRS/Relationship Summary, is in regard to the firm's IA activities. A separate summary for the firm's broker-dealer operations should also be provided to you. If you do not receive one, please call us at 336-288-6890. This summary, for our IA, is formatted for conversation starter questions about the firm. These questions are printed in bold italics.

What investment services and advice can you provide me?

As an investment advisor the firm, at your discretion may manage your securities assets on a Fixed fee or percent of assets under management (AUM), via a discretionary or non-discretionary basis and utilize an outside advisor via a wrap account. IA accounts are monitored on a quarterly basis at a minimum and is a part of the standard services provided.

At the time that an IA account is established, the client may endorse a document which authorizes us to manage a client's account on a discretionary basis. Discretionary basis permits the IA to purchase or sell any security at any time for the client's account without limitations. The ultimate decision to purchase or sell securities in a non-discretionary account is the clients'. Upon your request, additional detailed information about our services is available.

The firm is not limited to offering only proprietary products or a limited menu of products.

There are no account size minimums for a retail investor to open or maintain one.

"Given my financial condition, should I choose an investment advisory service? "Should I choose a brokerage service?" "Should I choose types of services? "Why or why not?" "How will you choose investments to recommend to me?" "What is your relevant experience, including your business education and other qualifications?" "What do these qualifications mean?"

"What fees will I pay?"

Fixed fee accounts are based upon a fee schedule as per the account original AUM. Some accounts are based on a percentage of AUM. The percentage is disclosed in the client's IA Agreement. A wrap fee composed of a percentage of AUM charged by the wrap account and the firm. The cost of wrap fee accounts is higher than typical asset-based accounts since they include most transaction fees from the accounts' custodian. When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means. Since AUM accounts are determined by the account size, there may be a conflict of interest when the firm

encourage the investor to increase the AUM in the account. Other fees for your account may be: Custodian fees, commission fees, maintenance fees and fees related to mutual funds and variable annuities. You will pay fees and costs whether you make or lose money and on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Upon your request, additional information is available in regard to: the manner of compensation, methods of fee payment, other fees and expense and advance payment of fees.

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment advisor? How does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you. A conflict example would be, encouraging the client to sell equities, bonds, mutual funds and other investments and add the proceeds to the client's IA account to increase the AUM. This would increase the amount of the fees we would receive.

How might your conflicts of interest affect me, and how will you address them?

Information in regard to this is presented on in Item 10 on page #14 of our firm's Form ADV Part 2A

How do your financial professionals make money?

Our IA Reps. receive investment advisory fees for the amount of the AUM they are managing for clients. Some IA Reps. are registered representatives of our broker-dealer. They receive commissions for their activities in that capacity. Conflicts may arise due to this situation. If the transactions in a client's IA account are performed by the firm's affiliate broker-dealer, the firm's registered representative could charge excessive commissions for the purchase or sale of securities in the client's investment advisory account and receive these commissions as the registered representative assigned to the account in addition to receiving the IA fees for the client's IA account.

"Do you or your financial professionals have any legal or disciplinary history?"

Yes.

Retail investor may visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

As a financial professional, do you have any disciplinary history? For what type of conduct?

A retail investor may locate additional information about our investment advisory services on the internet at www.advisorinfo.sec.gov. You can view our firm's information on this website by searching for our name, Intercarolina Financial Services, Inc. or by using the firm's CRD number 19475.

A retail investor may request up-to-date information and request a copy of the relationship summary by calling 336-288-6890.

Who is my primary contact person? Is he or she a representative of the firm's investment advisor? Who can I talk to if I have concerns about this person treating me?

INTERCAROLINA FINANCIAL SERVICES
Broker Dealer
Form CRS Customer Relationship Summary
June 8, 2020

Intercarolina Financial Services, Inc. is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and Investment Adviser and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at investor.gov **CRS**, which also provides educational materials about broker-dealers, investment advisers, and investing.

We offer brokerage services through our Clearing Firm National Financial Services (NFS). Here are the primary features:

- Investment authority: - Our Accounts is non-discretionary. This means your financial adviser may offer education, advice and recommendations, and you make the yes/no decision on which investments to buy and sell.
- Investment offerings: We offer a variety of investments including stocks, bonds, Cos, mutual funds, exchange-traded funds (ETFs) and annuities. Investments vary by Account type and may be limited based on your account's value. Depending on your account and investment type, you may not be able to purchase certain share classes. Additional investments are offered in other account types or at other firms.
- Monitoring: We may voluntarily review your account to determine whether to recommend an investment to better align your account with your investment goals. However, we do not provide investment monitoring with our Accounts.
- Account minimums: There is no minimum required to open or maintain an Account.

Margin: With a margin loan, you borrow money from Our clearing firm National Financial Services (NFS) using securities in your account as collateral. NFS offer margin loans in eligible, non-retirement Accounts and certain advisory program accounts.

What fees will I pay?

What you pay will vary depending on the services and investments you choose. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Fees and costs you pay in your Account include:

- Fees and costs when you make trades, including commissions (stocks, bonds, ETFs, bonds). For the purchase of investments such as mutual funds and variable annuities, you pay sales charges or commissions. The more trades in your account, the more you pay us. As a result, we have an incentive to encourage you to trade more often in your account.
- Ongoing fees and costs depending on the investments you own. Mutual funds, ETFs and annuities carry built-in operating expenses and ongoing fees, such as management fees and trail commissions, that are in addition to any initial commissions or sales charges you pay. Your financial adviser can help you evaluate internal costs and fees and their impact on what you earn from your investments.
- Other fees and costs. Accounts are subject to certain additional fees and costs for services, including (if

applicable) cash management fees, annual account fees, wire fees, estate service fees, account transfer and/or termination fees and margin interest.

What are our legal obligations to me when providing recommendations as a broker-dealer or when acting as a registered investment adviser? How does our firm make money and what conflicts of interest do you have? When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

Mutual funds and annuities pay us ongoing service fees (12b-1s) or trail commissions. Most mutual funds and annuities also pay us for distribution, marketing, networking, shareholder accounting and other services. These payments create an incentive for us to recommend these investments over others, such as stocks, bonds and ETFs.

Your financial advisor's compensation creates conflicts of interest when: . Providing advice on rollovers or transfers, withdrawals, discounts, margin loans, trades, investment types and other services. . Helping you choose one service over another. A financial advisor typically earns more in upfront fees and commissions through brokerage services and more over time through investment advisory services. While such conflicts exist, we have policies and review processes designed to mitigate these conflicts.

Do you or your financial professionals have legal or disciplinary history? Yes. Intercarolina Financial Services and certain of our financial advisors have legal and disciplinary history. Please visit www.investor.gov/CRS for a free and simple search tool to research our firm and your financial advisor. Here are some questions about conduct you can ask your financial advisor: . As a financial advisor, do you have any disciplinary history? For what type of conduct?

For more information about our brokerage or to obtain a copy of this relationship summary, contact your financial advisor, visit www.intercarolina.net or call 336-288-6890. Here are some additional questions you can ask your financial advisor: . Who is my primary contact person? Is he or she a representative of a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?