

# ***CAROLINA INVESTMENT ADVISORS***

## **DISCLOSURE BROCHURE**

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**CAROLINA INVESTMENT ADVISORS, LLC  
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**DISCLOSURE STATEMENT:**

As a Registered Investment Advisor, our firm is required to file with the Securities and Exchange Commission and the state of North Carolina's Department of State's Securities Division and to make the information contained in that registration available to actual and prospective advisory clients. This is a summary of information related to our personal financial planning and asset management activity. This information is frequently referred to as a "brochure."

**DESCRIPTION OF SERVICES:**

We provide various levels of personal financial planning for a fixed or hourly fee, as well as asset management services to manage and supervise all or a portion of a client's investment portfolio for a fee based on a percentage of assets under management. We do manage accounts on a limited discretionary basis, however we do not take custody or hold personal securities or funds of any kind. We do not assume the responsibility of continuously monitoring the performance of client investments unless we are retained by the client for asset management services.

**COMPREHENSIVE FINANCIAL PLANNING:**

Comprehensive personal financial planning is provided to clients pursuant to a written agreement and fee schedule. In general, the client agrees to complete our data gathering questionnaire and provide other relevant information and authorizations. We agree to prepare a written plan which describes the current situation, identifies needs and opportunities and makes recommendations to help the client achieve his or her goals. Comprehensive personal financial planning is primarily an analytical process designed to help the client articulate and quantify goals, organize financial data, identify needs and opportunities and identify possible alternative courses of action. It includes an analysis of the goals and objectives, assets, liabilities, current net worth, income taxes, cash flow, investments, employee benefits, estate and gift tax planning and risk management. The effects of any recommendations will be illustrated including the effect of certain financial products will have on any plan recommended to the client. The financial planning process will result in a written plan that includes the analysis, recommendations and their effect with the aid of financial projections.

While comprehensive financial planning includes investment advice concerning securities, it also includes investment advice with respect to products that may not constitute "securities" such as certificates of deposit, life insurance and annuities. It also takes into consideration tax and estate planning issues which may not constitute "investment advice." We do not assume the responsibility of continuously monitoring the performance of the client investments unless we are retained by the client for asset management services.

**SPECIALIZED ANALYSIS:**

In addition to comprehensive financial planning, we provide specialized services which focus on particular client needs. These services are provided on a time basis pursuant to a written agreement. The types of services listed below are representative of those which may be requested by clients.

- Financial plan updates
- Analysis of life, health and disability insurance, risk management
- Estate liquidity and survivor income analysis
- Financial planning for closely held businesses
- Retirement plan design and analysis
- Employee benefit plan analysis
- Analysis of investment portfolios

**ASSET MANAGEMENT:**

Asset management services provide continuous supervision and management of all capital assets under management on the client's behalf. Asset allocation techniques are utilized to provide safety through diversification as well as potentially increased long term total return with decreased portfolio volatility. Assets generally managed include, but are not limited to stocks, bonds, mutual funds, REITS, trusts and annuities. Clients have the option to select accounts that invest in commissionable or non-commissionable investment instruments. Clients also have the option to select accounts that are managed on a fee only or a fee and commission basis.

**FEES, REFUNDS CANCELLATION, ARBITRATION:**

For a comprehensive financial plan, clients are billed at \$275 per hour, the total amount of which is due upon acceptance and receipt of the completed financial plan. Clients may cancel and be billed for actual hours up to our receipt of the client's intent to cancel the financial plan. Upon 30 days written notice, either party may terminate the management agreement and the management fee will be prorated for the quarter in which the cancellation notice was given and any unearned fees will be returned to the client.

**ASSET MANAGEMENT FEES:**

Clients pay a quarterly fee, in advance, based on the aggregate amount of assets under management. The fee is based on the market value of the assets as of the last business day of the preceding calendar quarter. If management of the account commences at any time other than the first day of the calendar quarter, the initial quarterly fee is prorated based on the number of days remaining in the relevant billing period. With respect to 529 plans, we set up a relationship between the client and Fidelity Investments, on the direct, no-load side i.e. no commission. Although we receive duplicate confirms and statements and actively manage the accounts, we do not charge any fees or generate any commissions for the implementation and management of any 529 plans, per our philosophy regarding this

issue [the monies are more important to the beneficiaries of the 529's]. These accounts are not included in our "assets under management," and thus not subject to fees per our investment advisor contracts.

**OUR FEE STRUCTURE IS AS FOLLOWS:**

<i>ASSET RANGE</i>	<i>ANNUAL SERVICE FEE</i>	<i>QUARTERLY FEE</i>
\$0 - \$1MM	1.5%	0.375%
\$1,000,001-2MM	1.00%	0.250%
\$2,000,001+	0.75%	0.1875%

Fees may be negotiated and may vary based on the type of account, account size, historical relationship with the client and other factors.

**OUR INVESTMENT STRATEGY:**

Many types of investment strategies are considered and are uniquely developed and implemented according to our clients goals, tolerance for risk, time horizon, as well as the other factors taken into consideration during the financial planning process.

Carolina Investment Advisors was formed as a full service financial planning firm for the medical profession exclusively. We have since expanded our services to include individuals and companies outside the medical profession, however the foundation on which our firm was built relies on a conservative, long term approach to financial planning. We still abide by the philosophy of our President & CEO who says that through prudent planning, the tortoise will most always win the race.

**PORTFOLIO REVIEW SCHEDULE:**

Accounts under management are monitored daily. Further, a formal review is conducted with all clients on an annual basis minimum, unless the customer wishes otherwise. Finally, our advisors are available to discuss any financial issues with our clients at any time.