

HSA INVESTMENT GUIDE

Comprehensive guide to investing your HSA



MAXIMIZE
your earning
POTENTIAL



HealthEquity®

CONGRATULATIONS

on taking the next step in building health savings by investing your HSA dollars in investment funds.¹ Like a retirement account for medical expenses, investing with your HSA can be an effective strategy on your road to retirement. This investing member guide provides helpful insight to help you optimize your investment portfolio and work towards your investing goals. As always, if you have further questions, please call one of our account mentors. They are available every hour of every day at the phone number listed on your card or 866.346.5800.

Let's go!



MAXIMIZE YOUR EARNINGS

The average American couple will need \$301,000* to cover out-of-pocket healthcare costs in retirement. Your HSA can supplement your retirement goals and help you bridge the Medicare gap. By taking advantage of the investment options, you can maximize your tax-free² earning potential and pay for qualified healthcare costs now and in the future.

Options to fit your needs

HealthEquity provides access to investment options to suit your individual comfort level and financial goals:

- **Cash account³**

HealthEquity's standard, low-interest, cash account. This is the default option when opening an HSA.

- **Yield Plus⁴**

Allows members to increase their earning potential with minimal risk. Interest rates vary based on your HSA balance, but are higher than our federally-insured interest rates. Funds invested in Yield Plus are not federally-insured, but remain liquid in your HSA for spending or investing as desired. You can opt in and out of Yield Plus from the 'My Account' tab on the HealthEquity member portal by selecting 'Interest Rates' from the 'HSA' menu.

- **Varying risk mutual funds¹**

HealthEquity provides access to a carefully selected lineup of investments that allow our members to choose the strategy that best fits their needs. Manage your investment portfolio personally or enroll in Advisor™, powered by HealthEquity Advisors, LLC,⁵ for personalized web-based investment advice.

Our complete investment spectrum provides an option for every member regardless of age, HSA balance or investment experience. HealthEquity meets you where you are most comfortable, and provides tools and resources to make investing simpler.

ADVISOR™

powered by:
HealthEquity
ADVISORS, LLC⁵



HealthEquity is proud to be one of the first HSA administrators to provide access to member-level investment advisory services. Advisor™ is a web-based automated investment advisor accessed through the HealthEquity member portal. Based on your personal risk preferences, Advisor™ provides advice on which funds to choose, how to diversify your money amongst those funds, and will even implement the suggested portfolio for you.



Personalized guidance

With Advisor™, a web-based tool, you receive professional guidance and access to convenient online tools to maximize your earning potential. When you sign up for Advisor™ you will complete a simple personal risk profile. Based on this profile, Advisor™ provides guidance and management on:

- How much cash to keep in your HSA
- How much to invest
- How to optimally diversify amongst the available mutual funds to manage risk and maximize growth potential.



Advice is dependent on your personal risk profile. You are able to edit your risk profile settings on the Advisor™ page at any time to become more conservative or aggressive. Advisor™ will adjust your advice based on your changes.

Optimized diversification

As markets fluctuate, Advisor™ watches various risk and fund quality metrics to make sure your HSA investments are optimally diversified. Unlike traditional HSA investment platforms that offer little to no member level advisory services, Advisor™ uses your personal risk profile and dispenses individualized advice on:

- Fund selection
- Diversification
- Risk tolerance
- Continued portfolio maintenance

Monitor your money every hour of every day

You can receive ongoing advice, oversight and portfolio maintenance through the web-based tool Advisor™. No matter the size of your investment portfolio, valuable guidance and management is available to you through HealthEquity Advisors, LLC⁵.

In a class of our own

HealthEquity is one of the first HSA administrators that offers members access to investment guidance through its subsidiary, HealthEquity Advisors, LLC. Advisor™ offers personalized, web-based advice using your age, profile and personal preferences.

Requirements to invest

There is no minimum balance to participate in our federally-insured cash account, or to enroll in Yield Plus.⁴ In order to invest in mutual funds, your HSA cash balance must meet a minimum threshold. Contact HealthEquity member services at 866.346.5800 or visit the Investments section of your HealthEquity member portal to confirm your plan's threshold.⁶



3 OPTIONS FOR INVESTING

HealthEquity offers access to three options for investing in mutual funds: Advisor™ AutoPilot, Advisor™ GPS and Self-driven



AutoPilot

ADVISOR™ AUTOPILOT (powered by HealthEquity Advisors, LLC)⁵ Investments automatically implemented and managed for you

AutoPilot is a full-service option that automatically manages your investments for you. Think of it as your own personal investment chauffeur. Based on your personal risk profile, AutoPilot provides:

- Automatic quarterly re-balancing
- Advisor rotates member from mutual fund to mutual fund as the grades of the many available mutual funds to choose from fluctuate.
- Asset class allocation based on your personal risk profile
- Weekly performance summaries
- Quarterly investment report produced by HealthEquity Advisors, LLC is made available to all HealthEquity investors via the portal

The new Advisor™ pricing that includes both AutoPilot and GPS is 0.05% per month on the average daily invested balance (0.60% per year) with a \$15.00 monthly cap.



GPS

ADVISOR™ GPS (powered by HealthEquity Advisors, LLC) Guidance provided by Advisor™, implemented by you

GPS provides portfolio guidance, giving you a suggested route to your destination. GPS gives you recommendations for fund selection and allocation based upon your personal risk profile. GPS provides:

- Recommended portfolio advice
- Recommended quarterly re-balancing
- Recommended fund & asset class allocation
- Weekly performance summary
- Monitoring & email alerts
- Implement advice button

The new Advisor™ pricing that includes both AutoPilot and GPS is 0.05% per month on the average daily invested balance (0.60% per year) with a \$15.00 monthly cap.



Self-driven





SELF-DRIVEN (powered by HealthEquity)

No guidance provided; directed by you

Self-driven is for those who are confident with their own research and investment knowledge. No advice is given with self-driven investments. The member executes all fund and allocation decisions, though mutual fund research and performance data is provided. You will still have access to:

- HealthEquity's investment funds¹
- No fees on trading, no fund minimums
- Quarterly mutual fund report card

HealthEquity offers the Investor Choice fund lineup of low-cost mutual funds with a monthly investment administration fee. Investor Choice is a lineup of mutual funds which provides flexibility for members to reflect their investment philosophies and strategies. Other than the monthly investment administration fee and the respective mutual fund expense ratio there are no trading costs, commissions or fund minimums.

			
	 AutoPilot	 GPS	 Self-driven
Advice type	Full service	Guidance	None
Implementation and timing	Automatic	Member ⁷	None
Advised portfolio rebalancing	Automatic	Member	None
Advised fund rotation	Automatic	Member	None
Advised category rotation	Automatic	Member	None
Portfolio alerts	Yes	Yes	No
Weekly performance summary	Yes	Yes	No
Monthly investment advisory fees	.05% (\$15 monthly fee cap)		None
Monthly investment administration fees	.03% (\$10 monthly fee cap)*		

GET STARTED:

- 1** Log into the member portal.
- 2** Select 'Investments' from the 'My Account' tab.
- 3** Select which investment level suits your investment goals.

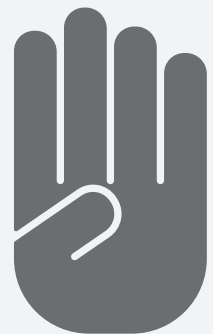
A. **Advisor™** provides investment advice.⁵

B. **Self-driven** allows you to manage your investments and trades yourself.

- 4** Review your mutual fund lineup and accept the terms and conditions.

Before you begin...

In order to invest, your HSA cash balance needs to reach a certain investment threshold. Once you meet this threshold, you are able to invest any additional dollars into your portfolio. Your threshold may vary. Your specific threshold for investing is shown on the signup page.



ADVISOR™ (powered by HealthEquity Advisors, LLC)⁵

If you select Advisor™ you are directed to the Advisor™ investment tool to complete a brief questionnaire to select your desired service level and establish your personalized investment and risk profile. Advisor™ uses this profile to monitor your investments and ensure your portfolio constantly reflects your preferences. Your personal profile assesses:

- How much you would like to keep available as cash in your HSA
- Whether investment balance changes are required to maintain your desired cash amount
- Elect age-based allocation or override and choose your own investment goals ranging from Income to Aggressive Growth
- Your optimism toward the market in the short-term

SELF-DRIVEN

If you select 'Self-driven', continue with these additional steps:

5 Review fund line-up and agree to terms.

Review the available fund lineup and investment terms prior to engaging in the setup process.

6 Invest in selected funds.

Specify your reserve amount and select the funds by indicating your desired percentage allocation and submit trades.

7 Optimize your investments.

Select from two optional investment features:

- Automatic investing: Maximize earning potential by electing to automatically invest any balance above the pre-determined reserve amount.
- Automatic portfolio rebalancing: Maintain your desired level of asset allocation automatically so that it is consistent with your desired risk preference.

8 When prompted, confirm your trades and select 'Submit trades'.



Account mentors



HealthEquity team member
Salt Lake City, Utah

**We are available to help,
every hour of every day**

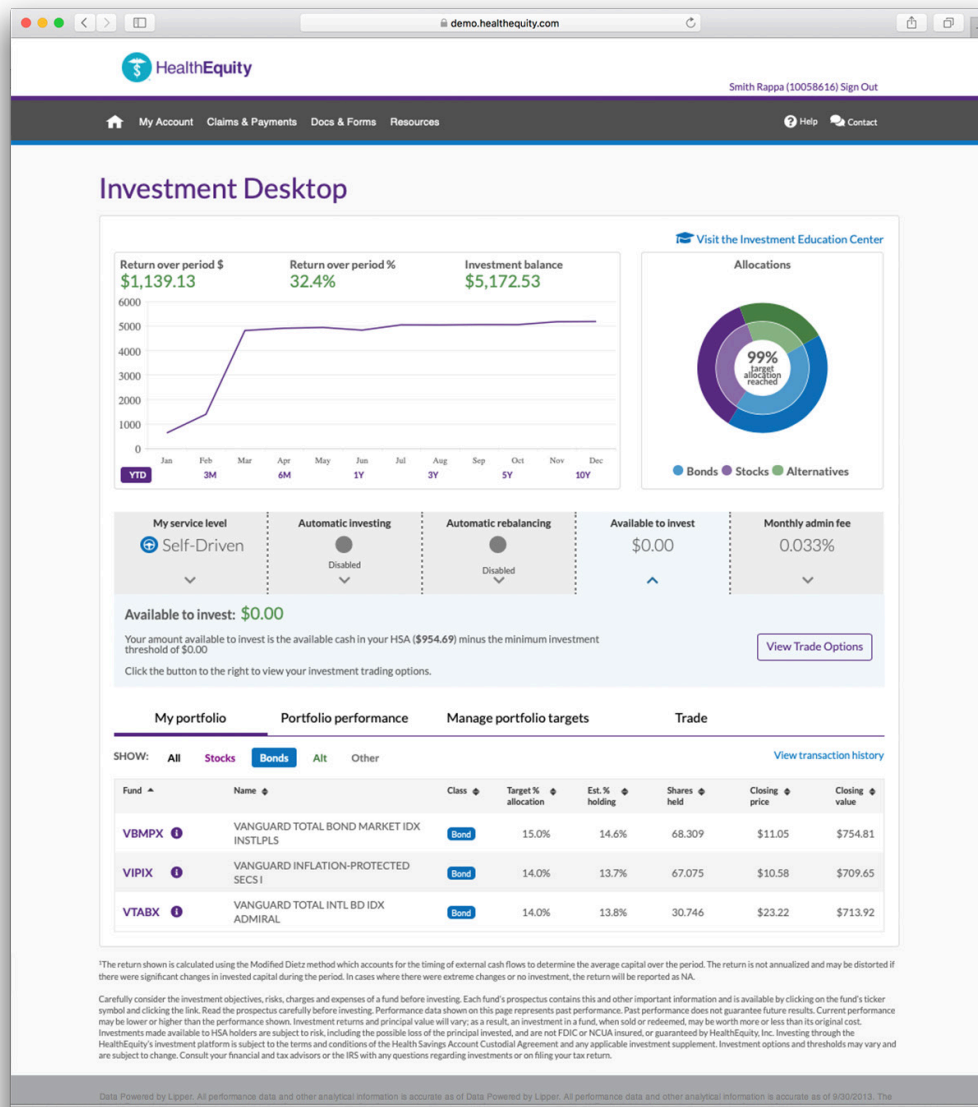
We understand the significance of your benefits selection. Our team of specialists based in Salt Lake City is available 24 hours a day, providing you with insight to help you optimize your health savings account. Call us today.

866.346.5800

HealthEquity.com/HSAlearn

INVESTMENT PORTAL GUIDE

Your online investment desktop is a powerful tool that gives you access to all of your investment account management features. To access your investments, visit www.myHealthEquity.com. The portal is best experienced using current versions of Internet Explorer, Firefox, Chrome or Safari.



HealthEquity Smith Rappa (10058616) Sign Out

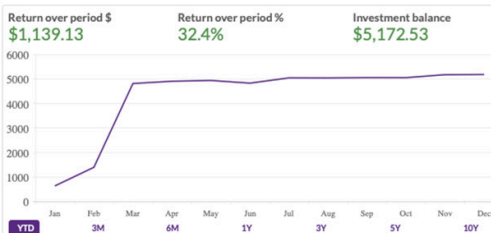
My Account Claims & Payments Docs & Forms Resources Help Contact

Investment Desktop

Return over period \$ **\$1,139.13**


Return over period % **32.4%**

Investment balance **\$5,172.53**



Visit the Investment Education Center

Allocations



● Bonds ● Stocks ● Alternatives

My service level: Self-Driven

Automatic investing: Disabled

Automatic rebalancing: Disabled

Available to invest: \$0.00

Monthly admin fee: 0.033%

Available to invest: **\$0.00**

Your amount available to invest is the available cash in your HSA (\$954.69) minus the minimum investment threshold of \$0.00

[View Trade Options](#)

My portfolio Portfolio performance Manage portfolio targets Trade

SHOW: All Stocks **Bonds** Alt Other [View transaction history](#)

Fund	Name	Class	Target % allocation	Est. % holding	Shares held	Closing price	Closing value
VBMPX	VANGUARD TOTAL BOND MARKET IDX INSTPLS	Bond	15.0%	14.6%	68.309	\$11.05	\$754.81
VIPIX	VANGUARD INFLATION-PROTECTED SECS 1	Bond	14.0%	13.7%	67.075	\$10.58	\$709.65
VTABX	VANGUARD TOTAL INTL BD IDX ADMIRAL	Bond	14.0%	13.8%	30.746	\$23.22	\$713.92

*The return shown is calculated using the Modified Dietz method which accounts for the timing of external cash flows to determine the average capital over the period. The return is not annualized and may be distorted if there were significant changes in invested capital during the period. In cases where there were extreme changes or no investment, the return will be reported as NA.

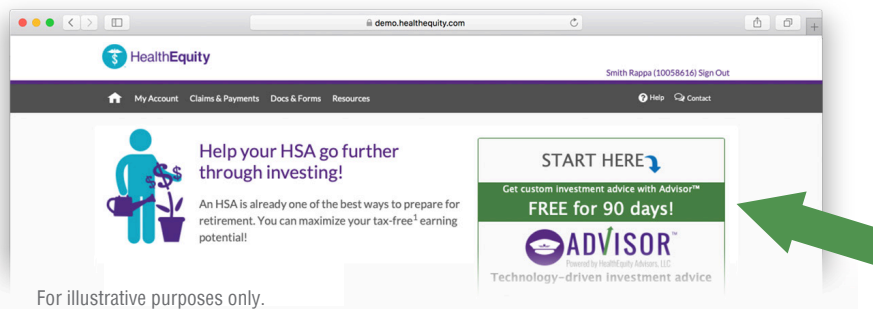
Carefully consider the investment objectives, risks, charges and expenses of a fund before investing. Each fund's prospectus contains this and other important information and is available by clicking on the fund's ticker symbol and clicking the link. Read the prospectus carefully before investing. Performance data shown on this page represents past performance. Past performance does not guarantee future results. Current performance may be lower or higher than the performance shown. Investment returns and principal value will vary; as a result, an investment in a fund, when sold or redeemed, may be worth more or less than its original cost. Investments made available to HSA holders are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity's investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investment options and thresholds may vary and are subject to change. Consult your financial and tax advisors or the IRS with any questions regarding investments or on filing your tax return.

Data Powered by Lipper. All performance data and other analytical information is accurate as of 8/30/2013. The

ADVISOR™

Accessing Advisor⁵ after your first log in:

1. Log into the member portal.
2. Select 'Investments' from the 'My Account' tab.
3. Select 'Access Advisor' from the top right-hand corner of the 'Investment Desktop'.
This will take you to the HealthEquity Advisors™, LLC website.

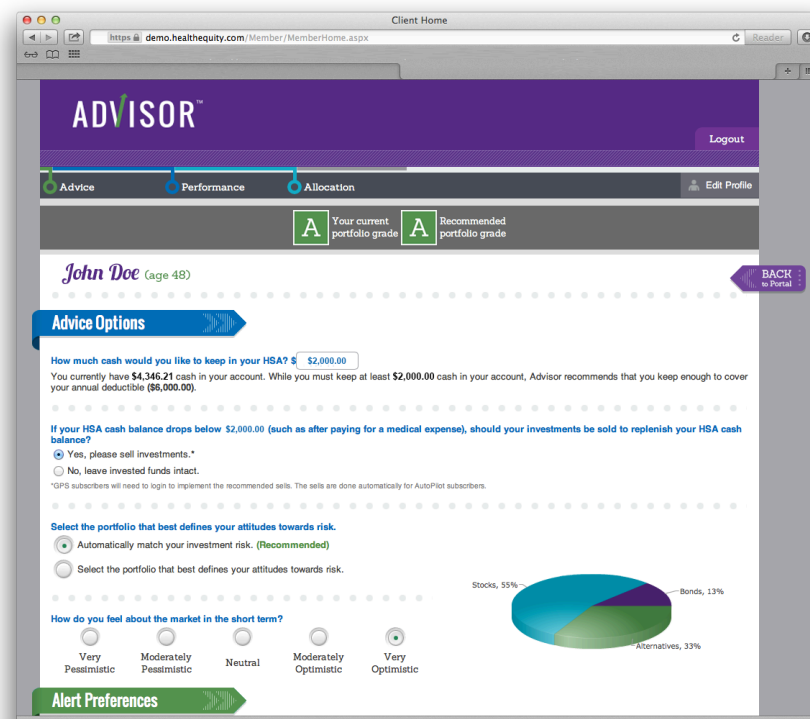


Cancel at anytime...

You are able to cancel Advisor™ at any time by going to 'Edit Profile' and selecting 'Self-driven', which will cancel your subscription to Advisor. Keep in mind that cancelling will not initiate any sales of current investments.

Editing your Advisor™ personal risk profile:

You can edit your profile and investing level of service at any time by selecting 'Edit Profile' in the top corner of the Advisor™ platform. Selecting self-driven will cancel Advisor™ services, but will not sell your investments.



For illustrative purposes only.

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ADVISOR™ PAGES OVERVIEW

Advice page

If you select AutoPilot or GPS, you will have access to the Advice page. Here you will see:

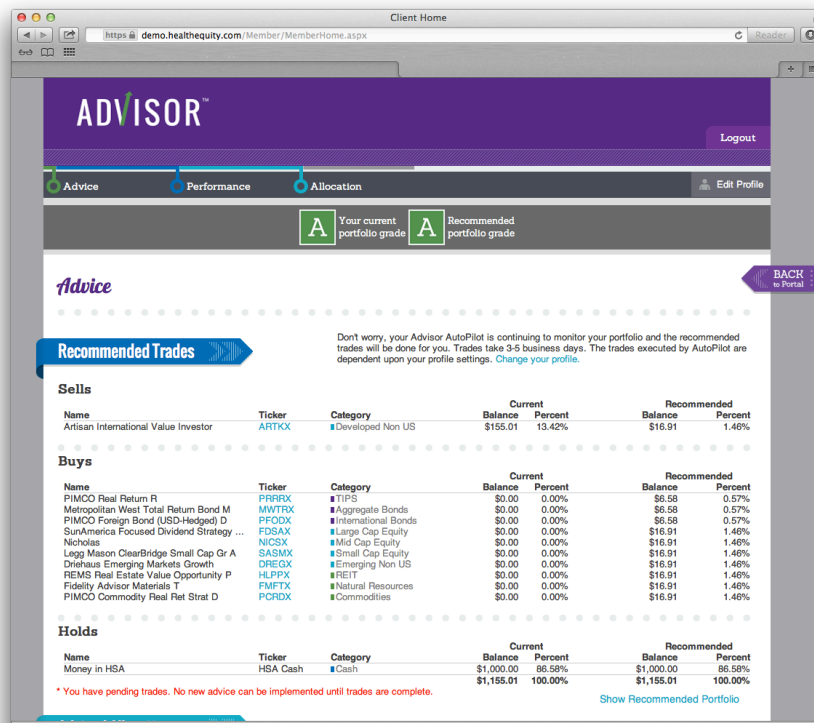
- Your portfolio grade
- The recommended portfolio
- Advised allocation

Portfolio grades are a combination of the weighted peer performance average of multiple funds held in your portfolio and how well you are diversified for risk management. You will see the grade of your current portfolio and the grade of the recommended portfolio. The ultimate goal is to receive an A. Advisor⁵ will help you get there.

Recommended portfolio displays Advisor's™ recommended advice, and by clicking 'Show Recommended Trades,' you will see the Sells (which funds will be sold), Buys (which funds will be purchased), and Holds (funds you should keep) to get you to the recommended portfolio.

If you use AutoPilot, you don't need to take any action.

If you use GPS, you will need to select 'Implement Advice' on the upper right-hand side of the page to confirm the trades.



ADVISOR™ Logout

Advice Performance Allocation Edit Profile

A Your current portfolio grade **A** Recommended portfolio grade

Advice BACK to Portal

Recommended Trades Don't worry, your Advisor AutoPilot is continuing to monitor your portfolio and the recommended trades will be done for you. Trades take 3-5 business days. The trades executed by AutoPilot are dependent upon your profile settings. [Change your profile.](#)

Sells

Name	Ticker	Category	Current		Recommended	
			Balance	Percent	Balance	Percent
Artisan International Value Investor	ARTIX	Developed Non US	\$155.01	13.42%	\$16.91	1.46%

Buys

Name	Ticker	Category	Current		Recommended	
			Balance	Percent	Balance	Percent
PIMCO Real Return F	PRFRFX	TIPS	\$0.00	0.00%	\$6.58	0.57%
Metropolitan West Total Return Bond M	MWTRFX	Aggregate Bonds	\$0.00	0.00%	\$6.58	0.57%
PIMCO Foreign Bond (USD-Hedged) D	PFODX	International Bonds	\$0.00	0.00%	\$6.58	0.57%
SunAmerica Focused Dividend Strategy ...	FDSAX	Large Cap Equity	\$0.00	0.00%	\$16.91	1.46%
Nicholas	NICSX	Mid Cap Equity	\$0.00	0.00%	\$16.91	1.46%
Legg Mason ClearBridge Small Cap Gr A	SASMX	Small Cap Equity	\$0.00	0.00%	\$16.91	1.46%
Driehaus Emerging Markets Growth	DREGX	Emerging Non US	\$0.00	0.00%	\$16.91	1.46%
REMS Real Estate Value Opportunity P	HLPPX	REIT	\$0.00	0.00%	\$16.91	1.46%
Fidelity Advisor Materials T	FMFTX	Natural Resources	\$0.00	0.00%	\$16.91	1.46%
PIMCO Commodity Real Ret Strat D	PCRDY	Commodities	\$0.00	0.00%	\$16.91	1.46%

Holds

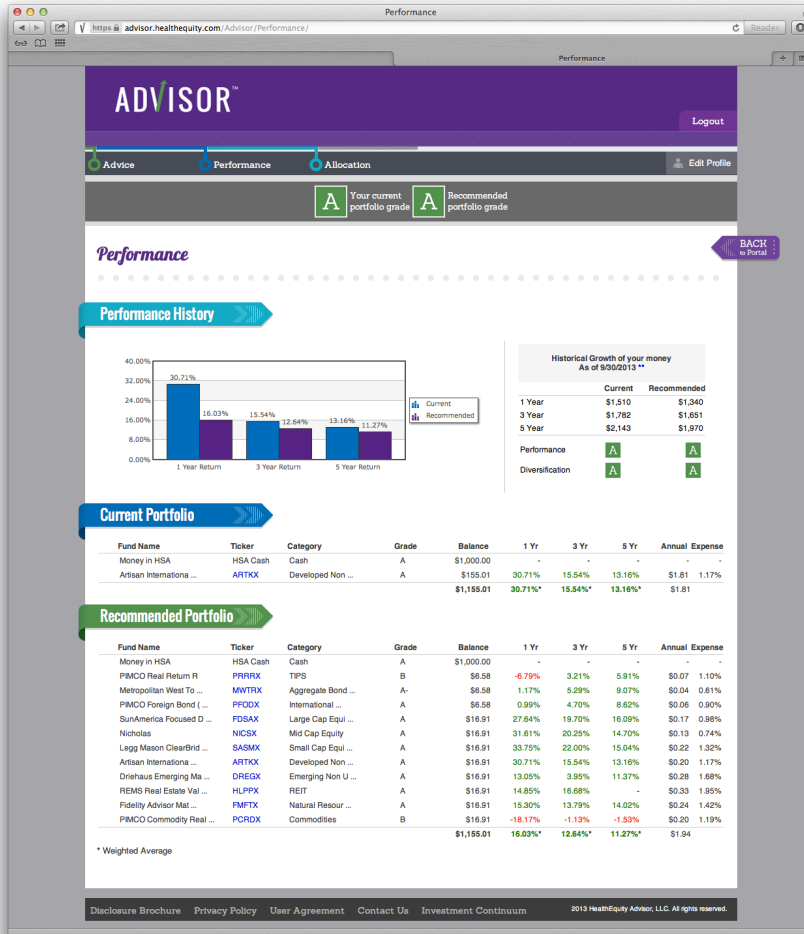
Name	Ticker	Category	Current		Recommended	
			Balance	Percent	Balance	Percent
Money in HSA	HSA Cash	Cash	\$1,000.00	86.58%	\$1,000.00	86.58%
			\$1,155.01	100.00%	\$1,155.01	100.00%

* You have pending trades. No new advice can be implemented until trades are complete. [Show Recommended Portfolio](#)

For illustrative purposes only.

Performance page

The Performance page in Advisor⁵ provides the performance of funds (including current losses and gains), a breakdown of portfolio grades, historical growth of your money, current portfolio information and your recommended portfolio.



The screenshot displays the Advisor Performance page with the following sections:

- Performance History:** A bar chart comparing 1 Year, 3 Year, and 5 Year returns for Current and Recommended portfolios. The Current portfolio shows returns of 30.71%, 15.54%, and 13.16% respectively, while the Recommended portfolio shows 16.03%, 12.64%, and 11.27%.
- Historical Growth of your money:** A table comparing Current and Recommended portfolios as of 9/30/2013.

	Current	Recommended
1 Year	\$1,510	\$1,340
3 Year	\$1,782	\$1,651
5 Year	\$2,143	\$1,970
Performance	A	A
Diversification	A	A
- Current Portfolio:** A table listing funds in the current portfolio.

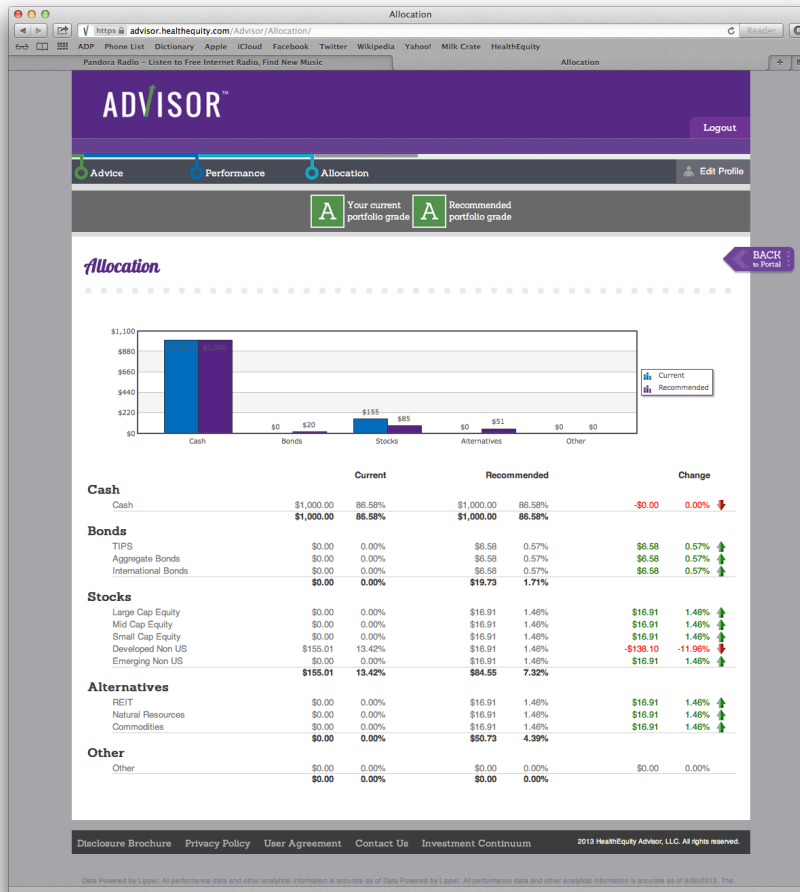
Fund Name	Ticker	Category	Grade	Balance	1 Yr	3 Yr	5 Yr	Annual Expense
Money in HSA	HSA Cash	Cash	A	\$1,000.00	-	-	-	-
Artisan Internationa ...	ARTKX	Developed Non ...	A	\$155.01	30.71%	15.54%	13.16%	\$1.81
Weighted Average				\$1,155.01	30.71%*	15.54%*	13.16%*	\$1.81
- Recommended Portfolio:** A table listing funds in the recommended portfolio.

Fund Name	Ticker	Category	Grade	Balance	1 Yr	3 Yr	5 Yr	Annual Expense
Money in HSA	HSA Cash	Cash	A	\$1,000.00	-	-	-	-
PIMCO Real Return R	PRRFRX	TIPS	B	\$6.58	-6.79%	3.21%	5.91%	\$0.07
Metropolitan West To ...	MWTRX	Aggregate Bond ...	A-	\$8.58	1.17%	5.29%	9.07%	\$0.04
PIMCO Foreign Bond (...)	PFODX	International ...	A	\$6.58	0.99%	4.70%	8.62%	\$0.06
SunAmerica Focused D ...	FDSAX	Large Cap Equi ...	A	\$18.91	27.64%	19.70%	18.09%	\$0.17
Nicholas	NIC5X	Mid Cap Equi ...	A	\$16.91	31.61%	20.25%	14.70%	\$0.13
Legg Mason ClearBnd ...	SASMX	Small Cap Equi ...	A	\$16.91	33.75%	22.00%	15.04%	\$0.22
Artisan Internationa ...	ARTKX	Developed Non ...	A	\$16.91	30.71%	13.54%	13.16%	\$0.20
Dranehaus Emerging Ma ...	DREDX	Emerging Non U ...	A	\$16.91	13.05%	3.95%	11.37%	\$0.28
REMS Real Estate Val ...	HLPFX	REIT	A	\$16.91	14.85%	16.66%	-	\$0.33
Fidelity Advisor Mat ...	FMEFX	Natural Resour ...	A	\$16.91	15.30%	13.79%	14.02%	\$0.24
PIMCO Commodity Real ...	PCRDY	Commodities	B	\$16.91	-18.17%	-1.13%	-1.53%	\$0.20
Weighted Average				\$1,155.01	16.03%*	12.64%*	11.27%*	\$1.94

For illustrative purposes only. Past performance not indicative of future results.

Allocation page

The Allocation page in Advisor⁵ displays the structure of your portfolio between cash, bonds, stocks, alternatives and other. This provides a quick overview of your portfolio and its level of diversification.



for illustrative purposes only

Tips:

- Funds that are 'Closed' to new investments can only be sold, not bought.
- There is never a transaction cost associated with investing in mutual funds in your HealthEquity HSA. There is no fee charged to buy or to sell shares.
- Investor Choice funds in addition to the fund operating expense have a monthly investment admin fee of .03% (\$10 monthly fee cap).^{*} AdvisorTM fees are also charged separately.

^{*}The monthly investment administration fee is charged by HealthEquity, Inc.

SELF-DRIVEN

Viewing your portfolio:

- 1 Log into the member portal.
- 2 Select 'Investments' from the 'My Account' tab.

Adding funds to your portfolio:

- 1 From the 'Investment Desktop,' select 'Manage portfolio'.
- 2 Enter the desired target allocation by simply adding the percentage you would like to allocate to each fund here.
- 3 Click 'Save Targets'.

Editing your portfolio:

- 1 From the 'Investment Desktop' select 'Manage Portfolio'.
- 2 Edit the desired target allocation by simply adding the percentage you would like to allocate to each fund here.
- 3 Click 'Save Targets'.

Fund research

Hover your mouse over the fund symbol to see a menu from which you can access a fund's prospectus and research summary.



Buying/selling investments:

- 1 From the 'Investment Desktop' select 'Trade'.
- 2 Enter a dollar amount to buy or sell according to your target holdings and select either 'Review Buy' or 'Review Sell'.
- 3 If you would like to invest outside of your target holding parameters, you can buy or sell shares of any of your portfolio funds individually by selecting 'View Available Trades'.
- 4 Click 'Trade'.

Viewing fund performance:

- 1 From the 'Investment Desktop' select 'Portfolio Performance'.
- 2 Here you can view overall fund performance, investment history and your percent of return. You can edit report dates and you can choose to view all funds or the performance of each fund individually!

IMPORTANT INFORMATION



1. Investments made available to HSA holders are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. HSA holders making investments should review the applicable fund's prospectus. Investment options and thresholds may vary and are subject to change. Consult your advisor or the IRS with any questions regarding investments or on filing your tax return.
2. HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.
3. Health savings account (HSA) cash balances are held at FDIC-insured or NCUA-insured institutions and are eligible for federal deposit insurance, subject to applicable requirements and limitations.
4. Yield Plus is a non-federally-insured group funded annuity agreement. Current interest rates, terms and conditions are available on the member portal.
5. Investments available to HSA holders are subject to risk, including the possible loss of the principal invested and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. HealthEquity, Inc. does not provide financial advice. HealthEquity Advisors, LLC[™], a wholly owned subsidiary of HealthEquity, Inc. and an SEC-registered investment adviser, does provide web-based investment advice to HSA holders that subscribe for its services (minimum thresholds and additional fees apply). HealthEquity Advisors, LLC also selects the mutual funds offered to HSA holders through the HealthEquity, Inc. platform. Registration does not imply endorsement by any state or agency and does not imply a level of skill, education, or training. HSA holders making investments should review the applicable fund's prospectus. Investment options and thresholds may vary and are subject to change. Consult your advisor or the IRS with any questions regarding investments or on filing your tax return.
6. If your HSA cash balance falls below the minimum investment threshold, there are no consequences to your investments. It simply means you will not be allowed to invest any more money until your balance exceeds the investment threshold again. Your investment balance is separate from your HSA cash balance. Medical expenses will only deduct from your HSA cash balance. To use investment funds to pay for claims, you must first sell shares, and funds are then automatically deposited back into your HSA cash balance.
7. Any investing fees are charged to your HSA cash account on the same day each month corresponding to your subscription date, and appear on your monthly statement. If your balance is not sufficient to pay the fees, billing will postpone until more money arrives. Multiple months of unpaid Advisor[™] fees may result in suspended access until an HSA contribution is made. Advisor will not sell investments to settle any unpaid fees, though you can initiate the sale of funds in "Edit Profile" by changing the cash setting to the amount you want available in your HSA cash balance. You are able to cancel Advisor at any time by going to "Edit Profile" and selecting "Self-driven", which will cancel your subscription to Advisor. Keep in mind that cancelling will not initiate any sales of current investments.

HealthEquity does not provide legal, tax or financial advice. Always consult a professional when making life-changing decisions.



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