

HSA Investments User Guide

SEPTEMBER 2021

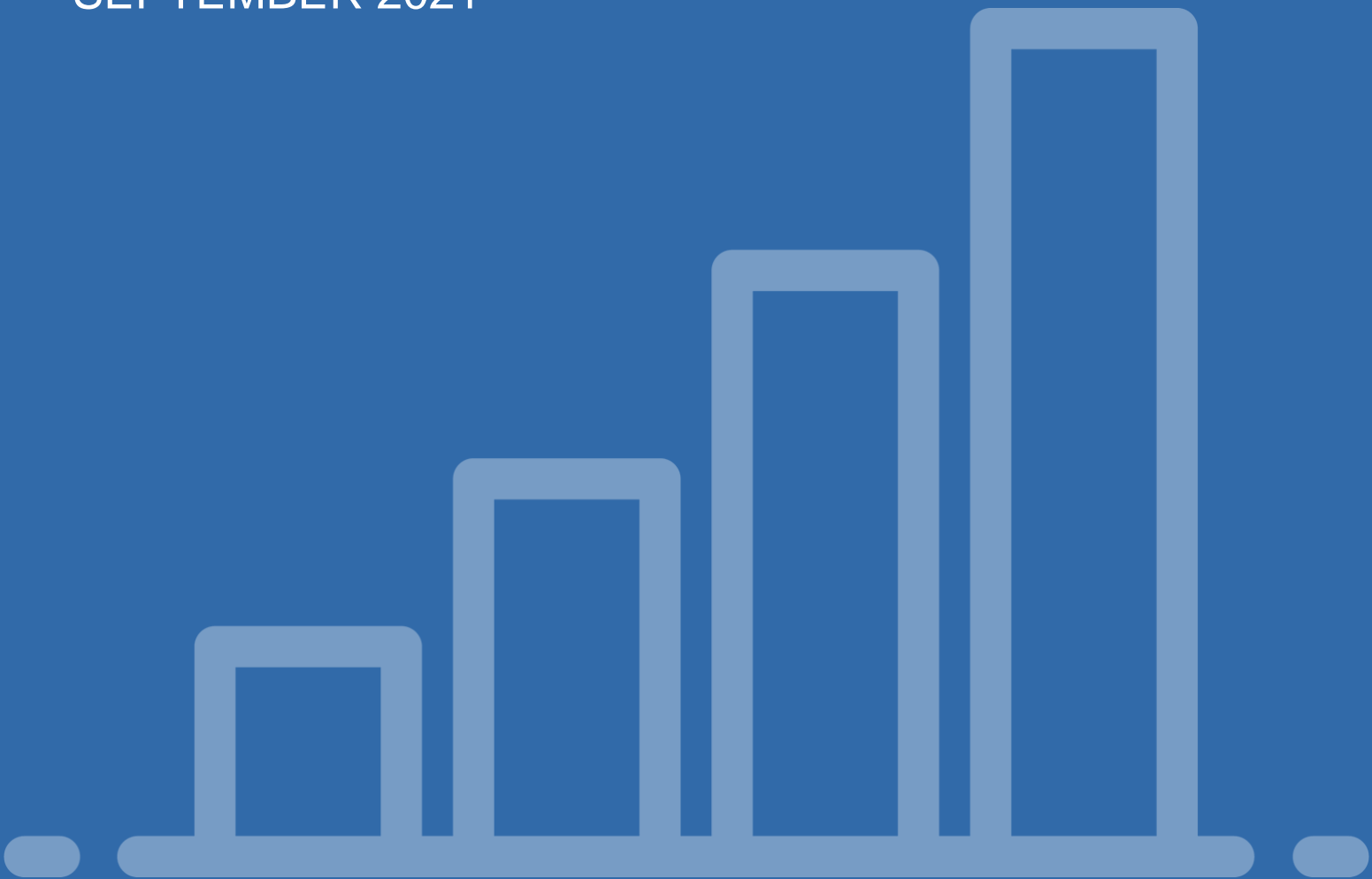


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The balance in your HSA Investment Account is subject to investment risks, including fluctuations in value and the possible loss of the principal amount invested. Investing through the WealthCare Saver investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement(s). For information regarding underlying investment expenses, earnings, and distributions, see the applicable investment prospectus and other publicly available information.

WealthCare Saver, a dba of Alegeus Technologies, LLC, is a licensed Non-Bank Custodian of HSA cash accounts.

CapFinancial Partners, LLC ("CAPTRUST") is an investment adviser registered under the Investment Advisers Act of 1940. CAPTRUST acts as investment advisor with respect to the investments available in your HSA. In addition, you may choose to have CAPTRUST manage your HSA account on a discretionary basis.

DriveWealth, LLC, a registered broker dealer and member of [FINRA](#) and [SIPC](#). SOC 2 Type 2, GDPR, CCPA compliant. Registered in all 50 U.S. states.

Welcome

You made a smart choice in selecting a health savings account (HSA)! Now it's time to take advantage of the investment opportunity that comes with your HSA to grow your account and save for your future. We're making it easy for you to get the investment experience that's just right for you, whether you're a new or seasoned investor. Within this guide, you'll learn how to enroll, set up and manage your investments.

HSA investments 101

Planning for healthcare costs in retirement

The average couple can expect to spend \$300,000 on out-of-pocket healthcare costs during retirement, including Medicare premiums, gap coverage, expensive medications, and more¹. Investing your HSA can help you build a nest egg and ensure you have enough money set aside for the future.²

Once your HSA reaches the required minimum balance, you can begin to build wealth and save for retirement by investing your funds, just like a 401(k). But unlike a 401(k), you **never pay taxes** on earnings or withdrawals for qualified medical expenses! HSA contributions offer greater tax savings than 401(k) contributions and give you the potential to save at a faster rate.

Key things to know before getting started

- **Minimum balance:** You will need to accumulate a minimum balance in your HSA cash account before you are able to invest. Any funds above this threshold can be invested. To see your minimum balance requirement, log in to your HSA portal and click on the 'investments' button within your *HSA account summary*.
- **Transferring funds:** If you have unexpected medical costs, you can transfer your investment funds back into your HSA at any time. There are no fees or penalties for withdrawing money from your investments to pay for qualified medical expenses.
- **Industry-leading solution:** Enjoy an innovative and modern investment experience that provides access to different investment account types, real-time investment account opening and trading, and modern investment tools.
- **Online account management:** You can manage your investments online via your mobile phone, desktop computer, or tablet – from the same place you manage your HSA!
- **Flexible options:** Choose from a variety of investment options that fit your needs, whether you're a new or seasoned investor: [Managed](#), [Self-Directed](#) or [Brokerage](#).

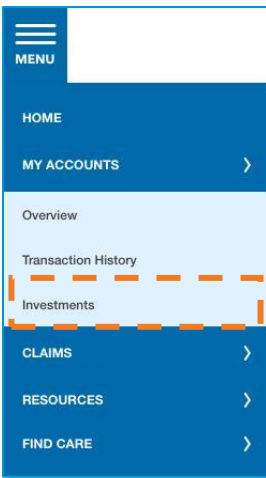
¹Source: <https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>

²Investments in securities through the HSA investment account are:
Not FDIC insured | May lose value | No bank guarantee


Opening an investment account

Follow the steps below to open your HSA investment account.

1. Log in to your HSA portal.
2. Expand the menu and click 'investments' or navigate to your *HSA account summary* and click on the 'investment' button.



3. Click on the 'start investing' button.
***Note:** you can only proceed with the next steps if you have achieved the minimum required balance in your HSA and the market is open (Monday – Friday, 9:30 a.m. – 4:00 p.m. ET).



Hi Madison, welcome to your HSA investment experience!

There's no doubt your HSA is a great way to pay for current-year eligible medical expenses, but did you know it can also be used as a long-term investment vehicle? By investing your HSA, you give your money a chance to grow, maximizing opportunities to boost your savings and prepare for the future, including retirement.

Currently, you have \$6,000.00 available to invest.

Opening an investment account is simple. To take full advantage of all the long-term savings opportunities your HSA delivers, click the button below!

START INVESTING

Able to invest





Hi Duke, welcome to your HSA investment experience!

There's no doubt your HSA is a great way to pay for current-year eligible medical expenses, but did you know it can also be used as a long-term investment vehicle? By investing your HSA, you give your money a chance to grow, maximizing opportunities to boost your savings and prepare for the future, including retirement.

Opening an investment account is simple. Once your HSA balance reaches \$1,001.00, you may choose to invest any HSA cash dollars above this threshold.

Your current balance is \$604.22. Keep saving and once your balance exceeds \$1,001.00, we'll let you know you're eligible to invest.

Unable to invest – minimum threshold not met



Hi Brandon, welcome to your HSA investment experience!

Investing your HSA is a great way to maximize your earning potential, and we can't wait for you to get started. Unfortunately, your investment account can only be opened during market hours – Monday through Friday from 9:30 a.m.- 4:00 p.m. ET (except stock market holidays).

Please return to this page during market hours to create your investment account and take full advantage of all the saving opportunities your HSA delivers.

Unable to invest – outside of market hours



4. Accept the investment account terms and conditions.

Disclosures

According to federal regulations, you must disclose the following accordingly.
For most people, none of these will apply.

I am affiliated with or work for a broker/dealer

I am a 10% shareholder or director of a publicly traded company

I am or an immediate family member is a current or former Public Official

None of these apply (most common)

[Back](#) [NEXT](#)

Disclosure Agreements

Please review the disclosure agreements below in order to proceed.

- ▶ CAPTRUST Relationship Summary
- ▶ CAPTRUST Form ADV Part 2
- ▶ Risks Associated with Investing
- ▶ DriveWealth Privacy Policy
- ▶ DriveWealth Disclosures & Agreements for Opening a Managed Account*
- ▶ DriveWealth Disclosures & Agreements for Opening a Self-Directed or Brokerage Account Type*
- ▶ HSA Investment Terms & Conditions
- ▶ Investment Experience Fees




*Your acceptance of the terms for Managed, Self-Directed and Brokerage account types allows you to open any one of these account types, and gives you the option to change account types should you choose to do so.

By checking this box, you acknowledge that you have read and agree to each of the disclosures and agreements listed above.

[Back](#) [ACCEPT](#)

5. Choose your preferred investment method: Managed, Self-Directed, or Brokerage.

Great!
Please select your preferred Investment account type.

Managed	Self-Directed	Brokerage
0.075% of investment balance charged monthly in arrears Fee example: If you had a \$5,000 investment balance, you would be charged \$3.75 per month	0.033% of investment balance charged monthly in arrears Fee example: If you had a \$5,000 investment balance, you would be charged \$1.67 per month	0.033% of investment balance charged monthly in arrears Fee example: If you had a \$5,000 investment balance, you would be charged \$1.67 per month
Designed for novice investors who prefer to have our advisor tool automatically select and rebalance investments on an ongoing basis in accordance with their age and/or risk profile. This account type delivers a “do-it-for-me” approach to investing.	Designed for intermediate investors who have the desire to self-select from a menu of monitored investment options covering multiple asset classes to diversify their portfolio, and then rebalance their portfolio manually. This account type provides a balance between do-it-for-me and DIY.	Designed for adept investors who desire to perform advanced research and trading across hundreds of individual stocks and ETFs. This account type offers a hands-on, DIY approach to investing.
 Effort to Manage	 Effort to Manage	 Effort to Manage
SELECT	SELECT	SELECT

6. Based on your preferred investment selection, you will be guided through a series of easy steps to either review or self-select funds, enter your investment amount(s) and begin investing.

For more information about the three investment methods, see the ‘how to’ sections below.

How to: Managed account type

What is a Managed account?

The Managed investment path is designed for novice investors who prefer to have our advisor tool automatically select and rebalance investments on an ongoing basis in accordance with their age and/or risk profile. This account type delivers a “do-it-for-me” approach to investing.

Enrolling in a Managed account

If you choose the Managed account type during the investment account opening process, the on-screen prompts guide you through the following steps to complete your enrollment:

1. **Select an amount to invest.** The amount you choose to invest is transferred from your HSA cash account into your HSA investment account after you complete your enrollment.
2. **Fill out a risk questionnaire.** Your answers to the risk questionnaire help the advisor tool determine your risk tolerance and allow it to craft a portfolio for you. You can review the suggested portfolio and either accept as-is or change your answers to the risk questionnaire to receive a different suggested portfolio.

3. **Review the order and open your account.** After clicking the 'invest' button, your investment account is opened and the investment amount you choose is allocated accordingly among the funds in the suggested portfolio.

The sequence of screenshots illustrates the investment workflow:

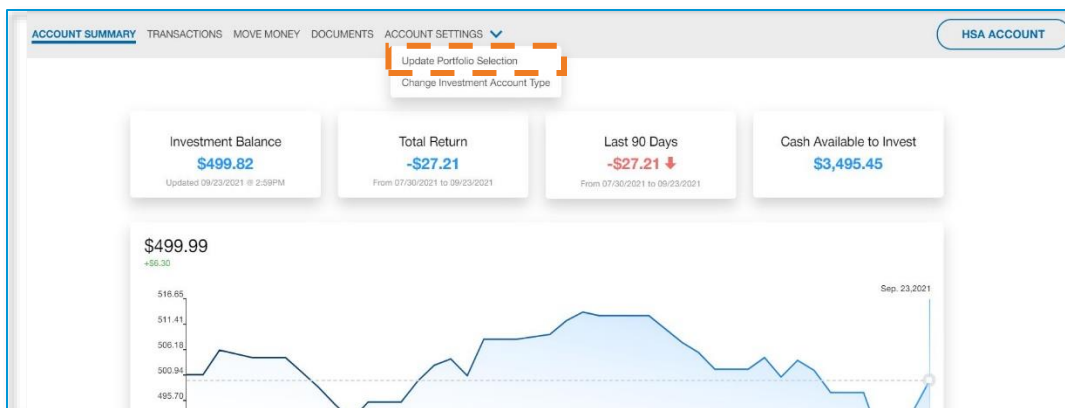
- Account Funding:** Shows the user's current HSA balance of \$8,238.48 and the amount available to invest of \$7,738.48. The user selects the investment amount, and the system displays "You will be investing \$7,738.48".
- Risk Questionnaire:** The user answers questions about their investment goals and risk tolerance. Options include "Moderately Conservative", "Moderate", "Moderately Aggressive", and "Aggressive".
- Portfolio Allocation:** The system recommends a portfolio based on the user's risk profile. It shows a "Recommended Portfolio" with a breakdown of investments in various funds.
- Final Step:** The user reviews the "Total Amount Investing: \$7,738.48" and clicks the "INVEST" button to execute the order.

Managing a Managed account

The Managed account type eliminates most of the work associated with investing your funds. After you accept the suggested portfolio, the advisor tool regularly rebalances your portfolio for you.

Updating your risk questionnaire

To change your answers to the risk questionnaire, click on 'account settings' and select 'update portfolio selection' at any time during market hours. Review your current answers and adjust your selections as needed. The advisor tool then suggests a portfolio that better suits your needs. When ready to accept the suggested portfolio, simply click 'invest'. Buys and sells are executed accordingly to transition from your old portfolio to your new one.



Transferring funds in a Managed account

Follow these steps to move money between your HSA cash account and your HSA investment account.

1. Click 'move money'.
2. Enter the amount you'd like to transfer.
3. Select the account you want to transfer from.
4. Select the account you want to transfer to.
5. Review the transfer request and click 'submit'.

Move Money
Move money to and from your investment account.

Enter the amount you would like to transfer.

2 \$ 0.00

From To

3 Select Account ▼ → 4 Select Account ▼

Note: Transfers from your HSA Investment Portfolio to your HSA Cash Account make take up to 2 business days. You can view the status of your transfer to your HSA Cash Account on your HSA Details screen.

REVIEW

[Close Investment Account](#)

If you're transferring money from your HSA cash account into your HSA investment account, buys are executed according to your portfolio allocations and make take up to two business days.

If you're transferring money from your HSA investment account into your HSA cash account, sells are executed according to your portfolio allocations and the money settles into your HSA cash account within two business days.

How to: Self-Directed account type

What is a Self-Directed account?

The Self-Directed investment path was designed for intermediate investors who have the desire to self-select from a menu of monitored investment options covering multiple asset classes to diversify their portfolio, and then rebalance their portfolio manually. This account type provides a balance between do-it-for-me and DIY approaches to investing.

Enrolling in a Self-Directed account

If you choose the Self-Directed account type during the investment account opening process, the on-screen prompts guide you through the following steps to complete your enrollment:

1. **Select an amount to invest.** The amount you choose to invest is transferred from your HSA cash account into your HSA investment account after you complete your enrollment.
2. **Choose your funds.** Select from a curated fund lineup – be sure to use the resource links next to each fund for additional details and research as you make your selections.
3. **Allocate your money.** Determine how you would like to allocate your money among the funds, by percentage. The total percentage must equal 100%.
4. **Review your selections and open your account.** After clicking the ‘invest’ button, your investment account is opened and the amount you entered is invested according to the allocations you selected.

The first screenshot, 'Account Funding', shows a user's current HSA cash balance of \$5,600.00 and a minimum balance requirement of \$1,000.00. It indicates that \$4,600.00 is available for investment. The user has selected to invest \$2,000.00, and a 'NEXT' button is visible.

The second screenshot, 'Fund Distribution', shows a table of 15 funds with their respective allocations. The total amount invested is \$2,000.00 and the total allocation is 100%. The funds include various equity and bond ETFs from providers like Vanguard and Fidelity.

Fund Name	Resource Link	YTD Return	1 YR Return	5 YR Return	10 YR Return	Market Return %	\$ Amount
BlackRock Bond ETF Vanguard BND		-0.91	-1.06	1.81	8.26	8%	\$500.00
Fidelity Aggressive Bond Shares FASB		-1.76	-1.76	3.97	8.96	8%	\$500.00
Vanguard FTSE Global All-Cap ETF VFTV		18.9	38.89	80.81	170.49	+ 16%	\$200.00
Vanguard Short-Term Government Bond ETF VGST		-0.21	-1	0.59	5.42	5%	\$50.00
Growth ETF Vanguard VUIG		17.44	38.77	175.35	467.17	+ 40%	\$500.00
Fidelity International Bond Index Vanguard FIBD		-1.84	-2.01	2.81	0	6%	\$500.00
Fidelity Developed Market Index ETF Vanguard FDM		8.19	28.24	47.24	87.69	8%	\$500.00
Cash Fidelity US Dividend ETF FIDV		18.44	28.26	107.2	273.76	+ 16%	\$500.00
Vanguard Bond Market ETF VBM		11.3	20.24	78.52	198.34	+ 8%	\$100.00
Vanguard Extended Market ETF VEXM		11.82	42.24	108.63	287.15	+ 16%	\$300.00
Vanguard Total World Bond ETF VBTW		-1.84	-2.01	0	0	6%	\$500.00
U.S. Total Stock Market Index Vanguard VTI		11.39	31.25	106.59	273.93	+ 16%	\$500.00
Emerging Markets Stock Int.ETF Vanguard EEM		-8.05	16.85	36.59	21.34	6%	\$500.00
Cash Fidelity Total Int. Div. Growth ETF FIDG		1.24	22.49	42.69	0	8%	\$500.00

The third screenshot, 'Trade Review', shows the proposed portfolio allocations. The total amount invested is \$2,000.00. The allocations are: Value ETF Vanguard (10%, \$200.00), Growth ETF Vanguard (40%, \$800.00), Core S&P 500 Shares ETF (15%, \$300.00), Total World Stock Vanguard ETF (9%, \$180.00), Vanguard Extended Market ETF (12%, \$240.00), and U.S. Total Stock Market Index Vanguard (14%, \$280.00). An 'INVEST' button is visible.

Managing a Self-Directed account

Unlike the Managed account type, the Self-Directed account type is not automatically rebalanced for you. If you would like to rebalance your portfolio, you may do so at any time within market hours by following these steps:

1. Click ‘move money’ and then ‘reallocate funds’.
2. You can increase or decrease your current election % but your total allocations must equal 100%.
3. When satisfied with your allocations, click ‘invest’. Buys and sells are executed accordingly to transition from your old portfolio to your new one.

Transferring funds in a Self-Directed account

Follow these steps to move money between your HSA cash account and your HSA investment account.

1. Click ‘move money’ and then ‘transfer funds’.
2. Enter the amount you’d like to transfer.
3. Select the account you want to transfer from.
4. Select the account you want to transfer to.
5. Review the transfer request and click ‘submit’.

Move Money
Move money to and from your investment account.

Enter the amount you would like to transfer.

2 \$ 0.00

From To

3 Select Account ▼ → 4 Select Account ▼

Note: Transfers from your HSA Investment Portfolio to your HSA Cash Account make take up to 2 business days. You can view the status of your transfer to your HSA Cash Account on your HSA Details screen.

REVIEW

[Close Investment Account](#)

If you're transferring money from your HSA cash account into your HSA investment account, the money transfers in real time and is automatically used to buy funds according to your portfolio allocations.

If you're transferring money from your HSA investment account into your HSA cash account, sells are executed according to your portfolio allocations and the money settles into your HSA cash account within two business days.

How to: Brokerage account type

What is a Brokerage account?

The Brokerage investment path was designed for adept investors who desire to perform advanced research and trading across hundreds of individual stocks and exchange-traded funds (ETFs). This account type offers a hands-on, DIY approach to investing.

Enrolling in a Brokerage account

If you choose the Brokerage account type during the investment account opening process, the on-screen prompts guide you through the following steps to complete your enrollment:

1. After choosing the Brokerage account type, you are directed to the Brokerage account confirmation screen.
2. Click 'submit' to automatically open your investment account.
3. Search for investment instruments within the lists of frequently traded stocks and frequently traded ETFs, or by using the search feature.
4. When you select a stock or ETF, you can see additional information about the instrument, including performance details.
5. Enter the amount in dollars you want to buy – you can buy either full or fractional shares.
*Note: The dollars for buys and sells move back and forth from your HSA cash account accordingly without a sweep account; you don't need to 'fund' your Brokerage account before buying instruments.

6. Review the order and choose to 'edit' or 'buy'.

The image shows a brokerage account dashboard with a congratulatory message: "Congratulations... let's get started investing!". Below this, it states "The amount you have available to invest is \$6,000.00".

On the left, there are two sections: "Frequently Traded Stocks" and "Frequently Traded ETFs". A red circle with the number "3" is placed over the "Frequently Traded Stocks" section. A dashed orange arrow points from this section to the right-hand side of the image.

The right-hand side shows a detailed view of Apple, Inc. (AAPL) stock. At the top right, it says "Price \$146.67". Below this is a line chart showing the stock price over time, with a red circle and the number "4" placed over the chart area. To the right of the chart is a form to "Buy AAPL". The form includes "HSA Dollars Available to Invest \$6,000.00", "Invest in" (set to "Dollars"), "Amount" (set to "\$ 0.00"), and "Est. Quantity" (set to "0 shares"). A red circle with the number "5" is placed over the "Amount" field, and another red circle with the number "6" is placed over the "REVIEW ORDER" button.

At the bottom of the AAPL page, there is an "About" section and a table of financial metrics:

Market Cap	Price-Earnings Ratio	Dividend Yield	Resource Link
2.4T	28.56	0.6	🔗

Managing a Brokerage account

How you choose to build and maintain your portfolio is solely up to you. You can enter the investment experience at any time, and you can buy or sell during market hours.

Follow these steps to sell part, or all, of your holdings in an investment instrument:

1. Select the instrument from your dashboard or use the search tool to find it.
2. Click the arrow to select 'buy' or 'sell'.
3. Enter in dollars how much you want to sell – you can sell either full or fractional shares.
4. Review the order and choose 'edit' or 'sell'.

Transferring funds in a Brokerage account

Unlike Managed and Self-Directed, there is no true 'transfer' of funds in a Brokerage account. If you want to move money from your HSA cash account to your HSA investment account, you must buy investment instrument(s). If you want to move money from your HSA investment account to your HSA cash account, you must sell investment instrument(s).

The money movement for buys happens in real time. The money from sells settles into your HSA cash account within two business days.

Maximizing Your HSA investment account

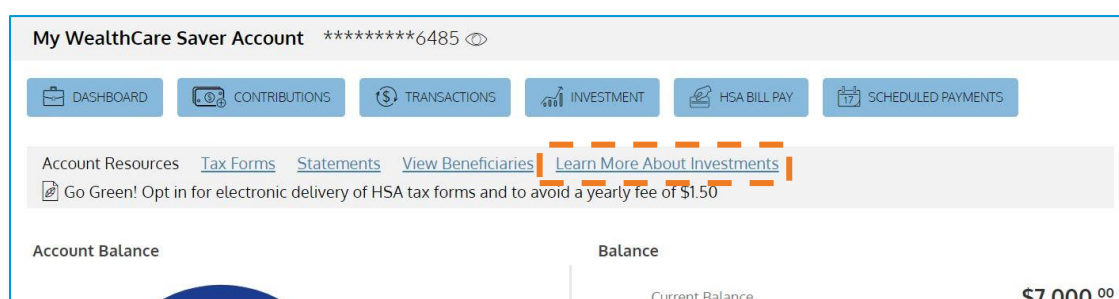
Account statements on demand

You can view your investment statements at any time by selecting 'documents', then expanding the 'monthly statements' to choose which statement you want to view.

Tools and education

You have access to a variety of educational tools and resources designed to help you better understand the benefits of investing your HSA funds as well as provide information about the various investment options available to you.

Simply log in to your HSA portal, navigate to your HSA account summary and click on the 'learn more about investments' link.



Switching or closing accounts

Zeroing out your investment balance

You must zero out your investment balance by selling all your investments (per the steps below) before switching investment account types or closing your investment account.

To zero out your investment balance in the Managed account type:

1. Click 'move money'.
2. Enter your total investment balance.
3. Select the account you want to transfer from as your HSA investment account and the account you want to transfer to as your HSA cash account.
4. Review the transfer request and then click 'submit'.

To zero out your investment balance in the Self-Directed account type:

1. Click 'move money' and then 'transfer funds'.
2. Enter your total investment balance.
3. Select the account you want to transfer from as your HSA investment account and the account you want to transfer to as your HSA cash account.
4. Review the transfer request and then click 'submit'.

To zero out your investment balance in the Brokerage account type:

1. Click into an instrument within your portfolio from your dashboard.
2. Change setting from 'buy' to 'sell'.
3. Check the 'do you want to sell your entire position?' box.
4. Review order and sell.
5. Repeat until you have sold all your positions.

Keeping trade confirmations

Once you close an investment account you are unable to access it again. If there is anything you want to save, such as your transaction history or trade confirmations, make sure it is saved prior to closing your investment account.

Switching account types

You must zero out your investment balance before switching investment account types.

To switch account types, follow these steps:

1. Click 'account settings'.
2. Click 'change investment account type'.
3. Click 'submit'.



Do you want to change your Investment Account Type?

In order to change your account, you will need to liquidate your existing investments. You will then be able to select a new investment account type.

You will no longer have access to this investment account and your account will be closed. If you do want to close your account, please ensure you have saved any necessary documents, disclosures, etc.

Note that you will not be able to cancel after clicking "Proceed."

PROCEED

Note that by switching your investment account type, you are closing your current investment account. Once you click 'submit' to switch your investment account type, you can no longer access your investment account. The investment account is immediately closed in real time, which means you are unable to cancel the investment account closure request.

Closing your account

You must zero out your investment balance before you can close your investment account.

To close a Managed account type:

1. Click the 'move money' menu item.
2. Click the 'close investment account' link at the bottom of the screen.
3. Click 'submit' on the next screen.

To close a Self-Directed account type:

1. Click the 'move money' menu item then click 'transfer funds'.
2. Click the 'close investment account' link at the bottom of the screen.
3. Click 'submit' on the next screen.

To close your Brokerage investment account:

1. Click 'account settings'.
2. Click 'close investment account'.
3. Click 'submit'.

Regardless of which investment account type you have, once you close your investment account, you can no longer access it. The investment account is immediately closed in real time, which means you are unable to cancel the investment account closure request.

