

# HSA Investments Guide

**Congratulations!** You have accumulated enough money in your Bank of America Health savings account (HSA) Cash account that you now have the ability to invest a portion of your HSA Cash account balance into a variety of mutual funds being offered. This self-directed feature of your HSA offers you the opportunity to earn a higher rate of return on your longer term savings, while maintaining your interest-bearing Cash account for everyday health care expenses.

## The benefits of the HSA Investments

Bank of America's goal is to bring world-class financial and investment capabilities to help you manage your health care expenses. The investment portion of your HSA has been designed for simplicity, ease of use, and to give you all of the tools required to meet your self-directed investing needs.

Specifically, the benefits of your investment feature include:

- **no separate trading or administrative fees.** There are no additional administrative fees or commissions assessed to activate or use the investment portion of your account.  
Note: Depending on the funds that you choose to invest in, there may be mutual fund expenses built into the fund price and/or short-term redemption fees. These are determined by the mutual fund companies and are explained in each mutual fund prospectus.
- **a single account to manage, with two parts.** The investment feature of the HSA has been designed as an optional feature for your existing account. Therefore, there is no need to open or manage two separate accounts.
- **allocate your investments across several mutual funds, just like a 401(k).** Much like you do with your 401(k) or IRA, you can allocate the amount that you wish to invest across the available mutual funds. This allows you to easily build and manage an investment portfolio that meets your investing objectives.

## Enabling the HSA Investment Feature

Enabling the investments portion of your HSA is easy. If you have not already enabled the investment portion of your HSA, simply sign in to your account via the Online Portal noted on

your letter. Once you are logged on, you can get to your investments information by:

1. going to the Accounts tab, and click on **Investments**.

Once in the Investments section, follow these steps:

1. Read the important disclosure and click **Continue** to enter the Investments portion of the Website.
2. On the Investments Summary page, click the **Invest now** link.
3. You will be presented with the HSA Investments Terms and Conditions. Please read the HSA Investments Terms and Conditions carefully.
4. Once you have read the HSA Investments Terms and Conditions, if you choose to continue, click the acknowledgement checkbox.
5. Click **submit**. This will take you to the Buy Funds screen to make your first purchase.

## Using Your HSA Investment Feature

**Overview:** Once you have activated the investment portion of your HSA, you will have two components to your account that are defined below:

**Cash account:** This is the portion of your HSA that holds your cash deposits that should be used for everyday health care expenses. The funds in this portion of your account are FDIC-insured to the maximum provided by law and earn interest at a variable rate.

Note: These are the **ONLY** funds that are accessible via your HSA debit card. If you do not have enough funds in your Cash Account to cover a debit card transaction, the transaction will reject at point of service. See more information below about debit card usage.

**HSA Investments:** You can invest any dollar amount over the \$500 minimum balance required to be held in your Cash Account. If your balance falls below \$500 in the Cash Account, you will not be able to make any further investments until you replenish the Cash Account. The funds in this portion of your account **are not FDIC Insured, are not bank issued or guaranteed and may lose value.**

## The Funds<sup>1</sup>

The Bank of America program provides 23 mutual funds offered as investment options.

<b>Fund name</b>	<b>ticker</b>
ThornburgValue	TVAFX
BlackRockEquityDividend	MDDVX
ColumbiaMidCapValue	CMUAX
BlackRockMidCapValueInv	BMCAX
ColumbiaSmallCapValueII	COVAX
ThornburgIntlValue	TGVAX
ColumbiaUSTreasuryIndex	LUTAX
PIMCOLowDuration	PTLAX
ColumbiaLifeGoalIncome	NLFAX
MainstayS&P500Index	MSXAX
ColumbiaMidCapIndex	NTIAX
ColumbiaSmallCapIndex	NMSAX
OppenheimerMainStreetSm	OPMSX
AmericanFundsCapitalWorld	CWGFY
PIMCOTotalReturn	PTTAX
ColumbiaLifeGoalBalanced	NBIAX
JohnHancockLargeEquity	TAGRX
MainstayLargeCapGrowth	MLAAX
ColumbiaMidCapGrowth	CBSAX
InvescoVanKampenMidCapGr	VGRAX
FederatedKaufmannSmallCap	FKASX
MainstayHighYield	MHCAX
ColumbiaLifeGoalGrowth	NLGIX

Funds are subject to change. Please check online for the most current offerings.

## Research

For each fund available for investing as part of your HSA Investments, several research tools are available to you, including the Prospectus, Fact Sheet, and Morningstar Report (© Morningstar, Inc. All Rights Reserved). These materials are accessible from the HSA Website. To access the research materials, simply follow these steps:

1. Sign in to your HSA via the Online Portal noted in your letter.
2. Click the **Investment balance** link in **accounts at a Glance** section.
3. Agree/acknowledge that you are entering the Investments portion of the Website by clicking **Continue**.

4. Click the **Fund performance** tab at the top of the page.
5. Click the appropriate icon next to the Investment Name for the research material you wish to access.

You are not receiving any individual investment advice in connection with this program and you are solely responsible for your investment decisions. You may wish to consult with an investment advisor before conducting any transactions.

## **Making Investments (Buy)**

### **How to complete a buy transaction**

To buy shares of a fund or funds, simply follow these steps;

1. Sign in to your HSA via the Online Portal noted in your letter.
2. Click the **Investment balance** link in **accounts at a Glance** section.
3. Agree/acknowledge that you are entering the Investments portion of the Website by clicking **Continue**.
4. Click the **buy Funds** tab at the top of the page.
5. In the **purchase amount** field, enter the total dollar value of the amount you wish to move from your Cash Account into HSA Investments.
6. Next to each available fund listed, enter either the dollar amount **or** percentage of the total Purchase Amount that you wish to buy from each fund. The total of these amounts must equal the value you entered in the Purchase Amount field. If you have elected to allocate your Purchase Amount by percentages, then the total must equal 100%.
7. Click **submit**.
8. Review your transaction on the summary page. If the transaction is correct, click the **Confirm** button. If the transaction is not correct, click the **Cancel** button and start over.

### **Important notes about buying shares**

- Your investments in mutual funds will be held in an omnibus account at the respective mutual fund company in the name of Bank of America, N.A., for the benefit of all HSA account holders.
- Please consider the investment objectives, risks, charges and expenses of the mutual funds carefully before investing. For more complete information, please consult the prospectuses for each mutual fund and your HSA Investments Terms and Conditions, which can be found on the Website and are available upon request. Read these documents carefully before investing.
- Mutual fund buy requests submitted before 3 p.m. ET on active trading days will be processed on the next

active trading day. Mutual fund buy requests submitted after 3 p.m. ET on active trading days will be processed within the next two active trading days. Occasionally for reasons such as early market closes, power interruption, phone line interference, satellite failure, force majeure, or user error, electronic trades do not transmit properly and will be transmitted as soon thereafter as possible unless you are otherwise informed.

## Liquidating Investments (sell)

### How to complete a sell transaction

To sell shares of a fund or funds, simply follow these steps;

1. Sign in to your HSA via the Online Portal noted in your letter.
2. Click the **Investments balance** link in **accounts at a Glance** section.
3. Agree/acknowledge that you are entering the Investments portion of the Website by clicking **Continue**.
4. Click the **sell Funds** tab at the top of the page.
5. In the **sale amount** field, enter the total dollar value of the amount you wish to sell back into your Cash Account.
6. Next to each fund in your portfolio, enter the amount that you wish to sell from each fund. The total of these amounts must equal the value you entered in the Sale Amount field.
7. Click **submit**.
8. Review your transaction on the summary page. If the transaction is correct, click the **Confirm** button. If the transaction is not correct, click the **Cancel** button and start over.

### Important notes about selling shares

- If you enter a sell amount that is equal to the entire balance of that fund, 100% of the assets held in that fund will be sold regardless of market movement which may result in more or less dollars than you requested due to price fluctuations.
- Settlement of dollars back to your HSA Cash Account may take up to 5 active trading days.
- Due to possible market fluctuations your requested transaction may convert from a dollar based trade to a share based trade. Share based trades may result in more or less dollars than you requested due to price fluctuations.
- Many mutual funds adhere to policies and procedures designed to restrict excessive short-term trading activity. Funds may impose a short-term redemption fee on the proceeds of fund shares that are redeemed

within a defined time period of their purchase as defined in the prospectus. In addition, please be aware that two or more purchases and corresponding sales (including manual rebalancing of your entire account) of a mutual fund within a time frame defined in the prospectus may result in restrictions from future trading activity into the fund. Always consult a fund's prospectus prior to engaging in any trading activity to avoid violation of such policies and possible trading restrictions and or fees resulting therefrom.

- Mutual fund sell requests submitted before 3p.m.ET on active trading days will be processed on the same day. Mutual fund sell requests submitted after 3 p.m. ET on active trading days will be processed on the next active trading day. Occasionally for reasons such as early market closes, power interruption, phone line interference, satellite failure, force majeure, or user error, electronic trades do not transmit properly and will be transmitted as soon thereafter as possible unless you are otherwise informed.

## **Change Your portfolio (realign)**

### **How to complete a realign transaction**

To realign your fund portfolio, simply follow these steps:

1. Sign in to your HSA via the Online Portal noted in your letter.
2. Click the **Investment balance** link in **accounts at a Glance** section.
3. Agree/acknowledge that you are entering the Investments portion of the Website by clicking **Continue**.
4. Click the **realign portfolio** tab at the top of the page.
5. Review your current portfolio and the percentage that is held in each mutual fund.
6. Next to each fund in your portfolio, enter the percentage that you wish each fund to comprise of your total investment portfolio in the future. The total percentages entered must equal 100%.
7. Click **submit**.
8. Review your transaction on the summary page. If the transaction is correct, click the **Confirm** button. If the transaction is not correct, click the **Cancel** button and start over.

### **Important notes about realigning your portfolio**

- Realignment requests submitted before 3 p.m. ET on active trading days will be processed on the same day. Realignment requests submitted after 3 p.m. ET on active trading days will be processed on the next active trading day. Occasionally for reasons such as early market closes, power interruption, phone line interference, satellite failure, force majeure, or user

error, electronic trades do not transmit properly and will be transmitted as soon thereafter as possible unless you are otherwise informed.

## **Cancelling a trade**

You are able to cancel a transaction that is in a Pending status only.

### **How to Cancel a trade**

To cancel an investment transaction, simply follow these steps:

1. Sign in to your HSA via the Online Portal noted in your letter.
2. Click the **Investment balance** link in **accounts at a Glance** section.
3. Agree/acknowledge that you are entering the Investments portion of the Website by clicking **Continue**.
4. Click the **Investments activity** tab at the top of the page.
5. Review the current investment activity list for those transactions that are in a **pending** status.
6. For the transaction you wish to cancel, click the **review** link displayed next to the Amount column.
7. Review the transaction to ensure you really want to cancel this order.
8. If you wish to terminate this transaction, click the **Cancel** button.
9. You will be prompted to confirm your cancellation. Click **Yes** if you wish to cancel the transaction; **no** if you wish to leave the transaction as Pending.

## **Using Your Bank of America HSA Debit Card**

The Bank of America HSA Visa® debit card can only access the funds held in your Cash Account. Therefore, if you are expecting to pay for an upcoming health care expense in which you will be using HSA dollars, you will need to ensure there is enough money in your Cash Account to cover it. This may require you to sell investment positions back into your Cash Account. **This will not automatically occur** on your behalf if you have a transaction that exceeds the balance in your Cash Account.

## **Statements and Transaction Acknowledgements**

If you have activated the investment portion of your HSA, **separate** online quarterly statements will be available within the first ten days in January, April, July and October for the previous quarter's activity. If you select to receive quarterly statements in the mail, those will be mailed to you within the first ten days of January, April, July and October for each respective quarter's activity. You will also continue to have access to separate online and/or paper new tab at the top of the screen entitled Investments.

Each time you place a trade (buy, sell, realignment), you will receive an email transaction acknowledgement at the email address you have on file with us. This transaction acknowledgement will be generated once your trade request has been processed.

## Customer Care

Customer Service is available to answer questions and provide services related to your HSA account. Please call us at the phone number referenced in your letter. Note, however, that the Customer Service Center will not be able to provide investment advice or consultation. Please consult your tax and/or investment advisor for investment related advice.

## Important notes about your HSA Investment Feature

- You can only make one Buy transaction per active trading day.
- You can only make a Sell or Realign transaction when you have no other outstanding Sell or Realign transactions that are in a Pending or In Process status.
- HSA Investments balances displayed on the Web site are as of close of business on the last active trading day.

<sup>1</sup>Your investments in mutual funds are held in an omnibus account at the respective mutual fund company in the name of Bank of America, N.A., for the benefit of all HSA account holders. Your investments in mutual funds:

ARE NOT FDIC INSURED	ARE NOT BANK ISSUED OR GUARANTEED	MAY LOSE VALUE
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Please consider the investment objectives, risks, charges and expenses of the mutual funds carefully before investing. For more complete information, please consult the prospectuses for each mutual fund and your HSA Investments Terms and Conditions, which can be found on the Website and are available upon request by calling customer care. Read these documents carefully before investing. You are not receiving any individual investment advice in connection with this program and should consult a financial advisor before investing your cash.

The mutual fund performance data quoted represents past performance, which is no guarantee of future results. Current performance may be lower or higher than performance data quoted. Investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be more or less than their original cost. The performance data quoted also does not reflect the deduction of short-term redemption fees, which may be as high as 2% of the amount redeemed, and that if reflected these fees would reduce the performance quoted.

Many mutual funds adhere to policies and procedures designed to restrict excessive short-term trading activity. Funds may impose a short-term redemption fee on the proceeds of fund shares that are redeemed within a defined time period of their purchase as defined in the prospectus. In addition, please be aware that two or more purchases and corresponding sales (including manual rebalancing of your entire account) of a mutual fund within a time frame defined in the prospectus may result in restrictions from future trading activity into the fund. Always consult a fund's prospectus prior to engaging in any trading activity to avoid violation of such policies and possible trading restrictions and or fees resulting therefrom.

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