

HealthEquity®

15 West Scenic Pointe Drive, Suite 100
Draper, UT 84020

«First_Name» «Last_Name»
«Street1»
«Street2»
«City», «State» «Zip»

February 26, 2020

Dear «First_Name»,

We are following up regarding the recent communication you received about the transition of the custodianship of your health savings account (HSA) from BNY Mellon to HealthEquity. HSA funds that are currently invested will be automatically liquidated by BNY Mellon one day prior to the transition. As some of your HSA funds are currently invested, your invested funds will be liquidated. Any assets in investment funds will be transferred to the Schwab Retirement Government Money Fund™ (the “Money Market Fund”) on HealthEquity’s platform. Your account will not be invested (*i.e.*, you will not receive interest or investment earnings) during the period from liquidation until investment in the Money Market Fund.

No action is required by you regarding the liquidation of your current investments. If you would like to liquidate your investments on your own, in advance of the transfer, you will need to do so before May 20, 2020 (the “Liquidation Date”). If you do not liquidate your investments on your own, you agree to be subject to the investment terms applicable to the Money Market Fund, which terms will be sent to you prior to the Opt-Out Date and are also available at www.healthequity.com/bnymellon/members/, and you agree that you understand and are willing to bear the risks associated with investing in the Money Market Fund.

When you log into the HealthEquity platform for the first time after the transition of your HSA is complete on May 22, 2020, you’ll see your invested HSA funds in the Money Market Fund. At that point you will have the opportunity to select new investments. In order to invest additional HSA funds, you will need to agree to HealthEquity’s investment terms and choose an investment allocation. For a step-by-step tutorial that explains how to invest your HSA dollars, please visit www.healthequity.com/HowToInvest.

What investment options are available?

HealthEquity offers 23 low cost, diversified Vanguard funds.

- 11 Asset classes
- 6 target date funds

- 21 of 23 available funds are Morningstar Medalists
- 13 Morningstar Gold Medal Funds

Our investment options empower members to get more out of their HSA. Several investing tools are available, enabling members to choose control or convenience.

1. **Self-driven:** We provide easy access to fund data, research and fund prospectus so you can direct your own investments.
2. **Advisor™ GPS:** Get portfolio guidance from our subsidiary, HealthEquity Advisors, LLC (fees apply)
3. **Advisor™ AutoPilot:** Let automated technologies manage your HSA portfolio (service provided by our subsidiary, HealthEquity Advisors, LLC; fees apply)

Account holders must maintain a minimum cash balance of \$1,000¹ in their HSA before they can invest. Investments on the HealthEquity platform will be subject to investment fees (expense ratios) charged by the funds, plus a monthly investment administration fee² equal to 0.03% of your average daily investment balance (capped at \$10.00 per month). In addition, if you choose to use the Advisor™ service offered by HealthEquity Advisors, LLC, you will be charged a monthly advisory fee of 0.05% of your average daily advised balance (capped at \$15.00 per month). Investments 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 may not be suitable for everyone and before making any investments, review the fund's prospectus.

If you have any questions about your account, please call HealthEquity Member Services at 844.351.6849. We are available 24/7.

Thank you,

HealthEquity Member Services

¹Your employer may have negotiated an alternative minimum cash balance required for investing.

²Waived for the Money Market Fund.

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 adviser or the IRS with any questions regarding investments or on filing your tax return.