

Health Savings Account (HSA) Investment Choices



Benefits of the HSA Investment Service

The HSA Investment Account allows you a number of different ways to invest for the future, complementing the interest-earning HSA Cash Account.

The HSA Investment Account provides you access to a number of JPMorgan mutual fund options, each investing in different types of securities with distinctive risk and return characteristics. Collectively, this selection of mutual funds has been designed to satisfy varied investment objectives and investment time horizons.

While the mutual funds available through this service are not FDIC-insured and expose investors to the risk of loss of principal, they provide the opportunity to earn higher returns than might be available in the HSA cash account. In addition, HSA investments in mutual funds roll over from year to year and accumulate in a tax-deferred manner.

To access investment account options, you must accumulate a minimum of \$2,000 in your HSA cash account.

JPMorgan Funds: The Strength of a Trusted Leader

- For more than a century, clients worldwide have placed their trust in JPMorgan for investment needs.
- JPMorgan Funds is the 5th Largest US Mutual Fund Family, with more than \$200 Billion in assets managed.¹

Benefits of Available JPMorgan Funds

- High quality funds
- Diverse selection of asset classes, supporting a range of investment objectives
- Low investment minimums
- All funds available to HSA investors at net asset value with no front or back-end load²

The HSA Investment Service offers a range of investment options. You may select from eight mutual funds.

Three of these mutual funds are “asset allocation funds” that provide investors with a highly diversified investment program. Each asset allocation fund invests in a number of core mutual funds to support different investment objectives. The asset allocation funds differ in the classes of mutual funds in which they invest, with holdings in assets such as growth and income stocks, foreign securities, debt securities and cash or cash equivalents.

Asset Allocation Funds	Target Investor
<ul style="list-style-type: none">• JPMorgan Investor Conservative Growth Fund A (Ticker: OICAX) \$500 minimum investment	<ul style="list-style-type: none">• For investors seeking income and capital appreciation. The majority of the fund’s assets are invested in JPMorgan bond funds, with a portion invested in JPMorgan equity and money market funds.
<ul style="list-style-type: none">• JPMorgan Investor Balanced Fund A (Ticker: OGIAX) \$500 minimum investment	<ul style="list-style-type: none">• For investors seeking high total return consistent with capital preservation. Approximately half of the fund’s assets are invested in JPMorgan equity funds and half are invested in JPMorgan bond funds. A small portion is invested in money market funds.
<ul style="list-style-type: none">• JPMorgan Investor Growth Fund A (Ticker: ONGAX) \$500 minimum investment	<ul style="list-style-type: none">• For investors seeking long-term capital appreciation. The majority of assets are invested in JPMorgan equity funds, although a portion is invested in JPMorgan bond and money market funds.

In contrast to the more diversified asset allocation mutual funds, five core mutual funds focus their investments in specific asset classes, as described below, thereby addressing targeted investment preferences of some account holders.

Fixed Income	Target Investor
<ul style="list-style-type: none"> JPMorgan Prime Money Market Fund (Ticker: VMVXX) \$1000 minimum investment 	<ul style="list-style-type: none"> For short-term investors who seek to preserve capital and maintain liquidity. Subject to market conditions, this fund provides the opportunity for regular income superior to the HSA Cash Account, but is not FDIC-insured.
<ul style="list-style-type: none"> JPMorgan Core Bond Fund A (Ticker: PGBOX) \$1000 minimum investment 	<ul style="list-style-type: none"> For long-term investors who seek the total return of a bond portfolio and prefer a high degree of credit quality.
US Equity	Target Investor
<ul style="list-style-type: none"> JPMorgan Small Cap Equity Fund A³ (Ticker: VSEAX) \$1000 minimum investment 	<ul style="list-style-type: none"> For long-term investors seeking diversification of US equity investments through the small cap segment of the market.
<ul style="list-style-type: none"> JPMorgan Equity Index Fund A (Ticker: OGEAX) \$1000 minimum investment 	<ul style="list-style-type: none"> For long-term investors seeking exposure to large cap US companies in a fund that mainly invests in companies that are in the S&P 500 index.⁴
International Equity	Target Investor
<ul style="list-style-type: none"> JPMorgan International Equity A⁵ (Ticker: JSEAX) \$1000 minimum investment 	<ul style="list-style-type: none"> For long-term investors seeking diversification by investing in large companies outside of the US.

How to get started, if you have at least \$2,000 in your HSA Cash account.

STEP 1: ► Request an application form.

You can request an application through the “Request an HSA Investment Enrollment Kit” section of the cardholder web site or by calling the customer service number on the back of your card. An HSA Investment Account enrollment kit will be mailed to you.

STEP 2: ► Sign and return your application form (please include date and social security number) using the enclosed return envelope.

Please ensure all pre-printed account holder information is correct. If any changes on the application form are needed, please indicate on the form.

If you are participating in a group plan, please provide your employer or group plan administrator with the updated information so that database changes made will not be overwritten in the future with out-of-date information.

STEP 3: ► Receive confirmation that you can make investments.

Once a signed application is received and verified, you will be able to transfer funds from your HSA Cash Account to

purchase mutual funds. We will let you know (generally within 1-2 business days) when your account is ready for trading.

STEP 4: ► Transfer funds.

Your initial funds transfer must be at least \$2,000. Funds will be debited from your HSA Cash Account in the amount you specify and invested in the mutual fund selection of your choice.

When you are ready to do so, you can contact us to initiate additional investments, or to sell some or all of your mutual fund holdings for transfer back to your HSA Cash Account.

STEP 5: ► Receive your mutual funds trade confirmation and statement.

You will receive a trade confirmation in the mail detailing the number of shares purchased and fund share price at the time your trade was executed.

Statements will be mailed to you detailing the total mutual fund investment(s) on a monthly basis provided there is activity in the account for that particular month. Otherwise, account statements will be provided on a quarterly basis.

Frequently Asked Questions

What is the ongoing minimum balance required for the HSA Cash Account and HSA Investment Account?

The minimum balance required to open an HSA Investment Account is \$2,000 in the Cash Account. This is also the required minimum initial transfer amount. This initial \$2,000 transfer can be allocated among several mutual funds, subject to meeting individual fund minimums noted in the accompanying table.

Once an HSA Investment Account is opened, there is no minimum balance required in the HSA Cash Account. You are encouraged to maintain sufficient balances in the Cash Account so funds are readily available to pay for anticipated health care expenses and account fees. As a general guideline, a \$100 minimum balance is recommended. You may elect to keep a different amount in your HSA Cash Account depending on your expected needs.

After the initial \$2,000 investment amount is contributed, are there minimum amounts required for future contributions to the HSA Investment Account?

Yes. After the initial \$2,000 investment, the minimum amount required for future contributions for each fund is \$25.

Are there additional fees for an HSA Investment Account?

Account holders with an HSA Investment Account will be charged a bank administrative fee of \$2.50 per month. These fees will be debited from your HSA Cash Account on the first day of the following month. After September 30, 2005, when online trading is available, you will be charged \$10 for each trade executed by phone.⁶ Please note that 2% early redemption fees do apply for the JPMorgan International Equity Fund, for redemptions made within 60 days of purchase.

How can I determine the appropriate fund choices to select?

You should carefully read the Fund prospectus which includes information on the Fund's investment objectives, risk, as well as charges and expenses along with other information before investing or sending money.

You should consult a financial advisor to determine appropriate investment options.

Do I need to deposit funds into the HSA Cash Account before moving funds into HSA investment options?

Yes. You can only make deposits to the HSA Cash Account. Once funds are available in the HSA Cash Account, you can request a transfer to the Investment account by calling HSA Investment Account customer service.

How can HSA investment options be used to pay for eligible expenses?

HSA Investment Account funds cannot be accessed using a debit card. If you wish to use HSA Investment Account assets to pay for expenses, you must redeem mutual fund holdings and transfer the proceeds to the HSA Cash Account before paying for eligible expenses.

How often will statements and transaction confirmations be provided?

We will send quarterly statements to all HSA Investment Account holders. If there is transaction activity, we will also send a confirmation and monthly statement.

How often can I change the investment option election?

You may select a different investment option each time you invest, subject to meeting the minimums for each mutual fund. Please note that if you wish to exchange mutual funds in the Investment Account, you can make no more than two "roundtrips" (defined as a purchase or exchange into a fund followed by a redemption or exchange out of the same fund) within a 60 day period. This does not apply to the JPMorgan Prime Money Market Fund.

How do I check Investment Account balances, review pending trade transactions and place additional trades?

To perform these activities, call HSA Investments customer service.

Where can I get more information about the HSA Investment service?

More information on the investment service is available by accessing the "Learn About Investments" section of the cardholder web site or by referring to the customer service information on the back of your card.

DISCLAIMER

Investors should carefully read the Fund prospectus, which includes information on the Fund's investment objectives, risk, as well as charges and expenses along with other information before investing or sending money. Prospectuses are available on the HSA Investments web site.

An investment in the JPMorgan Prime Money Market Funds is not insured by the FDIC or any other government agency. Although money market funds strive to preserve the value of the investment a \$1.00 per share, it is possible to lose money by investing in a money market fund.

HSA Cash Account balances are held by JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. acts as settlement bank for HSA mutual fund transactions. Mutual funds are introduced by, and HSA investment accounts are provided by J.P. Morgan Institutional Investments Inc., member NASD and SIPC, a broker dealer affiliate of JPMorgan Chase Bank, N.A. Due to mutual fund operating regulations, this service is available only to US persons residing in the US.

JPMorgan Funds are distributed by JPMorgan Fund Distributors, Inc. Affiliates of JPMorgan Chase Bank, N.A. receive fees for providing various services to the fund. Indices do not include fees or operating expenses and are not available for actual investment.

1 Source: JPMorgan Funds

2 Early redemption fees may apply.

3 Small capitalization funds typically carry more risk than stock funds investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

4 "S&P 500" is a registered service mark of Standard & Poor's Corporation, which does not sponsor and is in no way affiliated with the Fund.

5 International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. The Fund is also subject to the additional risk of non-diversified "regional" fund investing.

6 J.P. Morgan Institutional Investments Inc. and its affiliates ("JPMorgan") may receive compensation including, but not limited to, sales loads or distribution or 12b-1, transfer agency, recordkeeping, custody, administration, investment management or other fees.

NOT FDIC-INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE