

# THE BENEFITS OF LONG-TERM INVESTING



The HSA investment service offers the opportunity to invest for potential long-term savings and tax exempt growth when you do not plan to spend the money in your Cigna Choice Fund HSA on eligible health expenses in the near future. It's an easy and convenient way to start – or add to – your investment portfolio.

## A \$2,000 minimum balance gets you on your way

HSA investment account options provide:

- **Opportunities for long-term investments.** If you are interested in investing for the future, the HSA investment account complements your interest-earning HSA cash account. Investments in mutual funds roll over from year to year, accumulate in a tax-deferred manner and are portable.
- **Low investment thresholds.** To open the HSA investment account, you need to transfer a minimum of \$2,000 from your cash account to the investment account. After the initial transfer of \$2,000, this threshold does not need to be maintained in the investment account. In addition, there is no minimum that needs to be maintained in your cash account.
- **A wide variety of fund options.** You have access to a number of mutual fund options that, collectively, can satisfy varied investment objectives and investment time horizons. While mutual funds expose investors to the risk of loss of principal, they also provide the opportunity to earn higher returns than might be available in the HSA cash account.

## JPMorgan Chase

### A trusted leader

- For more than a century, clients worldwide have placed their trust in JPMorgan Chase for their investment and banking needs.
- JPMorgan Chase links core banking competencies with deep functional expertise in health care to create a comprehensive, end-to-end solution.

### Selection and ease of use

- Diverse selection of asset classes supports a range of investment objectives and time horizons.
- All funds are available to HSA investors at net asset value with no front- or back-end load.
- We have provided two types of automatic transfers from your HSA cash account to your HSA investment account:
  - Auto-sweep – Automatically transfer funds to your HSA investment account when your HSA cash account exceeds a specified balance.
  - Recurring Transfer – Designate an amount and a schedule for automatic transfers from your HSA cash account to your HSA investment account.
- Elections – Designate fund purchase percentages for future transfers from your HSA cash account to your HSA investment account.

You can get information on each fund's investment objectives, strategies, performance and risk profile in the prospectus. Links to fund prospectuses and fact sheets are available in the "Learn About Investments" section of the account holder website, or by contacting the fund directly.

**The HSA investment service offers a range of investment options. You may invest in as many of the following funds as you choose.**

<b>Choice Fund HSA Investment Fund Options</b>		
<b>Fund Name</b>	<b>Symbol</b>	<b>Asset Class</b>
JPMorgan Prime Money Market Fund	VMVXX	Morgan Shares
JPMorgan Limited Duration Bond Fund	ONUAX	A
American Century Diversified Bond Fund	ADFIX	Investment Shares
PIMCO Total Return Fund	PTTDX	D
BlackRock Bond Index Fund	BMOAX	Investor A
Principal Strategic Asset Management Flexible Income Portfolio	PFILX	R4
Principal Strategic Asset Management Conservative Balanced Portfolio	PCBLX	R4
Principal Strategic Asset Management Balanced Portfolio	PSBLX	R4
Principal Strategic Asset Management Conservative Growth Portfolio	PCWSX	R4
JPMorgan Equity Index Fund	HLEIX	Shares
MainStay ICAP Equity Fund	ICAUX	A
JPMorgan Large Cap Growth Fund	OLGAX	A
Royce Premier Fund	RYPRX	Investment Shares
Principal MidCap Blend Fund	PMBSX	R4
BlackRock Small Cap Growth Equity Fund	CSGEX	A
JPMorgan Mid Cap Growth Fund	OSGIX	A
BlackRock Small Cap Index Fund	MDSKX Investor	A
Thornburg International Value Fund	TGVAX	A
BlackRock International Index Fund	MDIIX Investor	A
PIMCO Real Return Fund	PRRDX	D
DWS Global Thematic Fund	SGQAX	A
MainStay High Yield Corporate Bond Fund	MHCAX	A
Templeton Global Bond Fund	TPINX	A
Eaton Vance Global Macro Absolute Return Fund	EAGMX	A
T.Rowe Price Real Estate Fund	PAREX	Advisor
Principal LifeTime Fund 2010	PTASX	R4
Principal LifeTime Fund 2015	LTSLX	R4
Principal LifeTime Fund 2020	PTBSX	R4
Principal LifeTime Fund 2025	LTEEX	R4
Principal LifeTime Fund 2030	PTCSX	R4
Principal LifeTime Fund 2035	LTSEX	R4
Principal LifeTime Fund 2040	PTDSX	R4
Principal LifeTime Fund 2045	LTRLX	R4
Principal LifeTime Fund 2050	PTESX	R4
Principal LifeTime Fund 2055	LTFLX	R4
Principal LifeTime Strategic Income Fund	PLSSX	R4



## How to get started

When you have at least \$2,000 in your HSA cash account, the HSA website accessed through **myCigna.com** via the account tab will include an option for you to open an HSA investment account online in six easy steps.

### Step 1

Read and accept the Electronic Disclosure and Consent Agreement (“eConsent”) to begin the account opening process.

### Step 2

Select how you want to be contacted: email, telephone or mail.

### Step 3

Read and agree to the legal agreements and disclaimers of the HSA investment account.

### Step 4

Make an initial transfer request of at least \$2,000 from your HSA cash account as part of the investment account opening process. Once your investment account is open, usually the next business day, money will be debited from your HSA cash account and invested in the mutual fund selection(s) you choose.

### Step 5

Verify that the initial transfer amount entered in Step 4 is correct.

### Step 6

Print the confirmation for your request to open an account. It will take at least one business day to process your transfer request and open your account.

Once your account is open, you can either manage your account online or through a registered representative.

**Online:** Make transfers to other available mutual funds and direct future investments to the mutual fund(s) of your choice through the HSA website accessed through **myCigna.com** via the account tab.

**Phone:** Transfer funds and place mutual fund orders. Refer to the customer service information on the back of your ID or HSA debit card. There is a \$10 charge for phone-assisted transactions.

## Fees for an HSA Investment Account

FEE	COST
Administrative Fee	No Cost
Inquiries to Registered Investment Representatives	No Cost
Online Trading Fee	No Cost
Phone-Assisted Transaction Fee	\$10.00/call
Mutual Fund Management Fees	See prospectus
Mutual Fund Load Fees (Front- and Back-end)/Sales Commissions	No Cost
Mutual Fund Redemption Fees	See prospectus

The **phone-assisted transaction fee** is the fee for investment-related transactions placed over the telephone using registered investment representatives employed by J.P. Morgan Institutional Investments Inc. All mutual funds have **management fees** that are disclosed by prospectus. These fees include, but are not limited to, shareholder servicing fees and 12b-1 fees. Mutual funds offered were selected based on expense ratios, among other criteria. The Royce Premier Fund has a 1% **redemption fee** for shares held fewer than 6 months. The DWS Global Thematic Fund

has a 2% redemption fee for shares held less than 15 days. The T. Rowe Price Real Estate Fund has a 1% redemption fee for shares held less than 90 days. In addition to early redemption fees, mutual funds have rules to prevent excessive trading, which limit investors in the number of allowed, short-term, round-trip (a purchase or exchange into a fund followed by a redemption or exchange out of the same fund) trades. Investors whose trades exceed these rules are subject to rejection of their transaction(s). Rules vary by mutual fund family.

## Frequently asked questions

### **Is there an ongoing minimum balance required for the HSA cash account and HSA investment account?**

You must have a minimum of \$2,000 in your HSA cash account before you can open an HSA investment account. The required minimum initial transfer amount is also \$2,000. You can invest the initial \$2,000 in any of the available mutual funds you choose, as soon as your investment account is open.

Once your HSA investment account is opened, there is no minimum balance required in either the HSA cash account or investment account. As a general guideline, we recommend you maintain a \$100 minimum balance in the HSA cash account to pay for anticipated medical expenses and account fees.

### **After I make the initial \$2,000 investment, are there minimum amounts required for future contributions to the HSA investment account?**

No. After the initial \$2,000 investment, there are no minimum investment amounts required for future contributions, nor are there minimum investment requirements for the mutual fund options.

### **What fees should I expect to pay for the HSA investment account?**

There is a fee for phone-assisted transactions which is deducted from your HSA cash account. Online mutual fund trading is free.

### **How long does it take to transfer funds or make a trade?**

All transfers and trades requested and accepted prior to 3:30 pm ET during normal trading days will be processed at the close of that day. The transfers/trades will generally be reflected the next business day.

### **How were the various investment choices selected?**

The investment choices for the HSA include a selection of diversified funds that allow account holders access to a variety of asset allocation, fixed income and equity mutual fund options, supporting a range of investment objectives and time horizons. These funds were chosen for performance, management, style and fees.

### **How often can I change my investment option elections?**

You may select a different investment option each time you invest and change your investment elections as often as you like. Please note that most mutual funds have rules to prevent excessive trading. Refer to the fund's prospectus for the short-term trading rules.

### **Can I make deposits directly into my HSA investment account?**

No. You can only make deposits to the HSA cash account. Once funds are available in your HSA cash account, you can transfer funds to the investment account on the HSA website accessed through [myCigna.com](https://myCigna.com). You can also call the customer service phone number on the back of your ID or HSA debit card. There is a \$10 charge for phone-assisted transactions.

### **Can I use funds in my HSA investment account to pay for eligible medical expenses?**

To use HSA investment account assets to pay for medical expenses, you must first redeem mutual fund holdings and transfer them to the HSA cash account. HSA investment account funds cannot be accessed using your HSA debit card or HSA checks.

### **How often will I receive statements and transaction confirmations?**

If there is transaction activity, you will receive a confirmation of the transaction. Otherwise, you will receive a quarterly statement.

### **How do I check my investment account balance, review pending transactions and place trades?**

To perform these activities, go to the "Manage Investments" section of the HSA website accessed through [myCigna.com](https://myCigna.com) via the account tab or call customer service.

### **Is there a toll-free number for investment-related questions? What are the hours of operation?**

After you open an investment account, you will have access to HSA-registered investment representatives via a toll-free number. These representatives are available 8:30 am – 6:30 pm ET, Monday – Friday, except holidays.

**For more complete information about any of the mutual funds available within the HSA Investment Service, please visit the accountholder website or contact a J.P. Morgan Institutional Inc. registered representative at 1-866-774-7129. Investors should carefully consider the investment objectives, risks, charges and expenses of the fund. Please carefully read the prospectus, which contains this and other important information, before you invest or send money.**

Target Date Funds: Generally, the asset allocation of each target date fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target date. The target date is the approximate date when investors plan to start withdrawing their money. The principle value of the fund(s) is not guaranteed at any time, including at the time of the target date.

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

Health Savings Accounts are administered by JPMorgan Chase Bank, N.A. Member FDIC.

Mutual funds are introduced by, and the HSA Investment Accounts are offered by J.P. Morgan Institutional Investments Inc., member FINRA and SIPC, and an affiliate of JPMorgan Chase Bank, N.A. This service is available only to U.S. persons (including U.S. citizens and U.S. resident aliens) residing in the U.S.

Neither JPMorgan Chase Bank, N.A. nor J.P. Morgan Institutional Investments Inc. is affiliated with Cigna.

Mutual fund shares are: NOT FDIC INSURED, NOT PRODUCTS OF OR GUARANTEED BY THE BANK and MAY LOSE VALUE.

JPMorgan funds are distributed by JPMorgan Distribution Services, Inc. Affiliates of JPMorgan Chase Bank, N.A. receive fees for providing various services to the funds, including fees for investment management, shareholder servicing, administration, distribution, custody, fund accounting, securities lending and other services.

Bond funds have the same interest rate, inflation, and credit risks that are associated with the underlying investments owned by the Fund. Interest rate risk means that as interest rates rise, the prices of bonds will generally fall, and vice versa. Inflation risk is the risk that the rate of return on an investment may not outpace the rate of inflation. Credit risk is the risk that issuers and counterparties will not make payments on securities and investments held by the Fund.

Certain underlying Funds of the asset allocation funds offered within the HSA investment account may have unique risks associated with investments in foreign/emerging market securities, and/or fixed income instruments. International investing involves increased risk and volatility due to currency exchange rate changes, political, social or economic instability, and accounting or other financial standards differences. Fixed income securities generally decline in price when interest rates rise. Real estate funds may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector, including but not limited to, declines in the value of real estate, risk related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by the borrower. The fund may invest in futures contracts and other derivatives. This may make the Fund more volatile. The gross expense ratio of the fund includes the estimated fees and expenses of the underlying funds. A fund of funds is normally best suited for long-term investors.

The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the Fund's portfolio or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general (or in particular, the prices of the types of securities in which a fund invests) may decline over short or extended periods of time. When the value of a fund's securities goes down, an investment in a fund decreases in value.

Small- and mid- 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.

MSCI EAFE Index is unmanaged and used to represent the overall single strategy market. The Index return is for illustrative purposes only and is not intended as an indication of fund performance or available for purchase.

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 U.S. or other nations.

Certain underlying funds invest in inflation protected bonds ("TIPS"). Unlike conventional bonds, the principal or interest of TIPS is adjusted periodically to a specified rate of inflation (e.g., Consumer Price Index for all Urban Consumers [CPI-U]). There can be no assurance that the inflation index used will accurately measure the actual rate of inflation.

Securities rated below investment grade are called "High-yield bonds," "non-investment-grade bonds," "below investment-grade bonds" or "junk bonds." They generally are rated in the fifth or lower rating categories of Standard & Poor's and Moody's Investors Service. Although high yield bonds have higher return potential, they are also subject to greater risks, including the risk of default, when compared to higher-rated securities.

Arbitrage strategies are highly complex. Such trading strategies are dependent upon various computer and telecommunications technologies and upon adequate liquidity in markets traded. The successful execution of these strategies could be severely compromised by, among other things, illiquidity of the markets traded. These strategies are dependent on historical correlations that may not always be true and may result in losses.

Investors should consider a hedge fund investment a supplement to an overall investment program and should invest only if they are willing to undertake the risks involved. A hedge fund investment will involve significant risks such as illiquidity and a long-term investment commitment.

Real Estate Investment Trust (REIT) portfolios may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographic sector. REIT funds may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrowers.

You can also view an electronic version of this document by logging in to your HSA accountholder website and navigate to Manage Investments, Communications Documents and Investment Disclaimers.



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