

# Everence Federal Credit Union Health Savings Account Investment Option Agreement



The Account Owner named in the accompanying Investment Election ("Account Owner") is making this Investment Election ("Investment Election") in conjunction with his or her current Investment Health Savings Account ("HSA") with Everence Federal Credit Union ("Custodian"). The Investment Election permits the Account Owner to select one or more mutual funds in which the Account Owner's HSA funds are invested ("Investments"). This Agreement is a supplement to the current Health Savings Account Custodial Agreement that the Account Owner has signed and acknowledged at the opening of his or her HSA.

**Investment products offered are not NCUA/NCUSIF/FDIC or otherwise insured; are not obligations of the credit union; are not guaranteed by the credit union, Everence Trust Company, or Everence Insurance Company; and involve investment risks, including possible loss of principal.**

## Overview

Account Owner may be eligible to make an Investment Election and invest and transfer funds from his or her HSA share account into one or more of several mutual funds. The choice among these available investments is self-directed by the Account Owner. Mutual fund shares will be held by Everence Trust Company through an agreement with Custodian. Everence Insurance Company will provide various administrative services to Custodian with respect to the Investment Election exercised by Account Owner. Account Owner will be able to view Investment balances and Investment transactions, transfer funds in and out of Investments, and liquidate fund shares through the use of his or her current HSA internet online banking login and password or through a designated written form made available to Account Owner by Custodian.

The Investment Election is not linked to the HSA share account for processing checks or debits made to the HSA share account. If there are insufficient funds in the HSA share account to process a check or debit submitted for payment by Account Owner, the HSA share account will be considered overdrawn and the check and/or debit card transaction may be returned regardless of the balance held under the Investment Election. Account Owner must specifically request liquidation of mutual fund shares before such proceeds will be available for disbursement through the HSA share account. **Liquidation of mutual fund shares will not occur automatically to fund the HSA share account.**

The mutual funds that are currently offered for Investments are listed in Appendix A.

## Eligibility for investments

Account Owner must complete and submit to Everence Insurance Company, on behalf of Custodian, an "HSA Investment Election" to exercise his/her Investment Election. After execution of the Investment Election, amounts in the Account Owner's HSA share account over the threshold chosen by the Account Owner will automatically be transferred for purchase of Investments in accordance with the Investment Election. The minimum transfer amount from the HSA share account is \$500. Account Owner must maintain a minimum balance of \$1,000 in his/her HSA share account with Custodian before additional amounts of \$500 or more can be invested. Such Investment Election can be executed electronically through Custodian's online banking Web site or by completing and submitting to Custodian's representative, Everence Insurance Company, the written form designated by Custodian. This form may be obtained by contacting Everence HSA administration at P.O. Box 483, Goshen, IN 46527, (800) 348-7468 ext. 2640.

## Transfers/elections INTO investments

Upon receipt of a duly executed HSA Investment Election, all amounts in excess of the threshold chosen by the Account Owner which are held by Custodian in Account Owner's HSA share account will automatically be invested in accordance with such Investment Election. Account Owner may also submit a manual request to transfer funds from the HSA share account for Investments. The minimum funds transfer amount allowed for Investments is \$500, which may be transferred into one or more of the available investment options. Any funds transfer made manually or pursuant to an Investment Election must be requested in dollar amounts, not units or shares, and will be invested in the mutual funds chosen by Account Owner according to the investment percentages chosen by Account Owner which are in effect at 10 a.m. Eastern time on the investment trading day.

**Investments and trades relating to such investments will occur once a week (“investment trading day”) on Tuesday or the next business day if the investment trading day is a holiday.** Online transaction requests must be received by 10 a.m. Eastern time on the investment trading day. Written transaction requests must be received by Custodian’s representative, Everence Insurance Company, no later than noon on the day prior to the investment trading day to allow time for processing. Amounts designated for such investments will be held in Account Owner’s HSA share account until the investment trading day. Transfer of funds from the HSA share account for Investments will occur after 10 a.m. Eastern time on the investment trading day. Any online funds transfer request for purchase of Investments received after 10 a.m. Eastern time on the investment trading day, or written funds transfer request received after noon on the day prior to the investment trading day, will not be executed until the next investment trading day. Purchases of Investments will be transacted at the market price of the mutual fund at market close on the investment trading day.

It is important to recognize the timing of these transfers and that trades relating to such transfers will occur only once a week; therefore there may be delays in effectuating trade requests. Intervening market fluctuations may impact the value of such trades before such trades are in fact effectuated.

**All transfer and investment requests must be made through Custodian’s online banking website or by use of the written form designated by Custodian and submitted to Custodian’s representative, Everence Insurance Company. No transfer or investment requests can be made by telephone or by verbal instructions to Custodian, Everence Trust Company, or Everence Insurance Company. All transfer and investment requests are self-directed by Account Owner. Custodian, Everence Trust Company, and Everence Insurance Company will not offer any investment advice.**

Funds transferred into or out of Investments are not considered to be contributions to or distributions from the HSA.

Custodian, Everence Trust Company, and Everence Insurance Company are not liable for any equipment malfunctions that may interrupt the submitting of a funds transfer and share purchase request.

#### **Transfers/elections OUT OF investments**

All transfers out of Investments must be requested by Account Owner in dollar amounts or percentages, not units or shares. Liquidations by dollar amount may not exceed 75 percent of the Account Owner’s current assets in a given mutual fund. If Account Owner requests a dollar amount that is more than 75 percent of the current assets in a given mutual fund, the request will be converted to a trade based on a percent of assets in that fund and may result in a different transfer amount due to market fluctuations. At the time the transfer request is processed, if the fund valuation is less than the transfer request, the fund will be liquidated completely. The proceeds produced by the transfer request will be transferred into the Account Owner’s HSA share account and will generally be available at noon on the second business day following the investment trading day.

Liquidation of fund shares will occur once a week on the investment trading day. The investment trading day is Tuesday or the next business day if the investment trading day is a holiday. Online liquidation requests must be received by 10 a.m. Eastern time on the investment trading day. Written liquidation requests must be received by Custodian’s representative, Everence Insurance Company, no later than noon on the day prior to the investment trading day to allow time for processing. Liquidations of Investments will be transacted at the market price of the mutual fund at market close on the investment trading day. Any online liquidation requests received after 10 a.m. Eastern time or written liquidation requests received after noon on the day prior to the investment trading day will not be transacted until the next investment trading day.

**All liquidations of Investments must be requested online through Custodian’s online banking website or by use of the written form designated by Custodian and submitted to Custodian’s representative, Everence Insurance Company. No liquidation requests can be made by telephone or by verbal instructions to Custodian, Everence Trust Company, or Everence Insurance Company. All liquidation requests are self-directed by Account Owner. Custodian, Everence Trust Company, and Everence Insurance Company will not offer any investment advice.**

Liquidation proceeds must be received and available in the HSA share account before check or debit card transactions will be authorized or disbursement made from the HSA share account.

Custodian, Everence Trust Company, and Everence Insurance Company are not liable for any equipment malfunctions that may interrupt the submission of a liquidation request.

In the event Account Owner has investments in more than one fund, Account Owner must designate the specific fund(s) he/she wants liquidated, in whole or in part, when requesting a liquidation. A liquidation request that is not properly completed cannot be processed and will be returned to Account Owner.

### **Investment elections**

The Investment Election provides a limited number of mutual funds for an Account Owner to select. After making the initial Investment Election, Account Owner directs the liquidations of the Investments. The Investments do not share in the investment performance of other participants. Gains as well as losses can occur. There are no guarantees of performance.

### **All Investment Elections are self-directed by the Account Owner. Custodian, Everence Trust Company, and Everence Insurance Company will not provide investment advice.**

The mutual funds available for investment can change from time to time. Custodian will notify Account Owner in advance if any such change is to take place.

Investment Elections that have been inactive for more than 24 consecutive months shall be deemed null and void. "Inactive" means Account Owner has not invested any HSA amounts under said Investment Election or held any Investments under said Investment Election for a period of 24 consecutive months.

### **Investment election choices**

Account Owner may only elect to transfer funds for the purchase of shares of the mutual fund choices provided. Mutual funds available for the Investment Election are listed in Appendix A. **An Investment Election will not automatically be rebalanced.** The Account Owner may reallocate current investment balances from one mutual fund to another and change the mutual fund and percentage elections for future investments at any time through the Custodian's online banking website or by submitting the written form designated by Custodian to Custodian's representative, Everence Insurance Company.

Any such reallocation or change in elections will take effect the next investment trading day if the online reallocation request is received by 10 a.m. Eastern time for that investment trading day. The investment trading day is Tuesday or the next business day if the investment trading day is a holiday. Everence Insurance Company must receive any written request for reallocation or change in elections by noon on the day prior to the investment trading day to allow time for processing. Any funds purchase requests that are pending at the time elections are changed will be transacted on the next investment trading day according to the new mutual fund and percentage elections.

### **Dividends**

All dividends paid on Account Owner's Investments will be automatically reinvested in the specific mutual fund issuing the dividends. Account Owner does not have the option of receiving a dividend check.

### **Disclosures**

- Each Account Owner makes his or her decision about whether to invest in a particular mutual fund. Custodian has no discretion in selecting Investments for Account Owner.
- Account Owner's invested funds are held in omnibus accounts through Everence Trust Company. Everence Trust Company is the owner of record for the omnibus accounts and, through Everence Insurance Company, maintains a separate accounting system used to allocate investments to the individual Account Owners.
- Investments will be in Class A Shares with sales charges (load) waived.
- Custodian receives no commission or other compensation from the mutual funds in which Account Owners may invest.
- Custodian receives no commission from Account Owners as the result of the purchase or sale of mutual funds.
- Account Owners have access to the current prospectuses of the funds available for Investments at account opening. Account owners should carefully read the prospectuses before investing in any mutual fund.
- Account Owners cannot receive the actual fund shares of their Investments if they terminate Investments. Upon termination, all proceeds of liquidated Investments will be transferred to the Account Owner's HSA share account.
- Investment products offered are not NCUA/NCUSIF/FDIC or otherwise insured; are not obligations of the credit union; are not guaranteed by the credit union, Everence Trust Company, or Everence Insurance Company; and involve investment risks, including possible loss of principal.

- Investments are not available for the Standard HSA.
- The Custodian, Everence Trust Company, and Everence Insurance Company are not liable for any gains/losses of any of the investments of an Account Owner. The Account Owner elects all liquidations of Investments and chooses the mutual funds for Investments.

### **Fees associated with investments**

Account Owner will not be charged any transaction or account fees with respect to making an Investment Election or any investment transaction. Custodian may charge fees for the HSA share account in accordance with the HSA Custodial Agreement and HSA Disclosure Statement. The mutual funds that are made available to Account Owner may pay certain fees to Everence Trust Company. Additional information about these fees will be made available upon request.

### **Terminating investment election/closing investments**

Account Owner may elect to terminate his/her Investment Election and close the Investments at any time by directing the Custodian's representative, Everence Insurance Company, in writing or through Custodian's online banking website to liquidate the remaining Investments. All proceeds will be transferred to Account Owner's HSA share account.<sup>1</sup> If at any time Account Owner chooses to close his or her HSA share account, the Investments must first be liquidated and the proceeds transferred to the HSA share account before the HSA share account can be closed. A request to terminate an Investment Election and close the Investments will be effectuated the next investment trading day if the request is received by the cutoff time for that investment trading day.

Custodian, Everence Trust Company, and Everence Insurance Company are not liable for any gains/losses due to liquidation of Investments.

### **Reports and account information**

Custodian, through its representative, Everence Insurance Company, will provide to Account Owner a statement evidencing the balances of investments held on behalf of Account Owner and a summary of activity pertaining to such investments. Such statement shall be provided on a quarterly basis for each quarter in which there is investment activity or investment balances. Account Owner may access investment information through Custodian's online banking website.

### **Indemnification**

Account Owner agrees to indemnify and hold harmless Custodian, Everence Trust Company, and Everence Insurance Company, their affiliates, and their respective directors, officers, employees and agents from and against all claims, actions, costs and liabilities, including attorneys' fees, arising out of or relating to: (1) their reliance on this Investment Option Agreement, and (2) Custodian's or Everence Insurance Company's performance of instructions from Account Owner.

### **Amendments**

Account Owner acknowledges that this Investment Option Agreement can be modified at any time by Custodian and within thirty (30) days of its modification Account Owner will receive a written notice. Any such amendment or notification shall be effective as of the date established by Custodian in such written notice.

<sup>1</sup>Liquidation also occurs whenever someone chooses to switch from an Investment HSA to a Standard HSA.

## REVISED APPENDIX A

### Available Mutual Funds

The following mutual funds are available for investment of HSA funds, as of April 29, 2016:

Praxis Genesis Portfolios

Conservative A

Balanced A

Growth A

Praxis Impact Bond Fund A (formerly Intermediate Income Fund)

Praxis Value Index Fund A

Praxis Growth Index Fund A

Praxis International Index Fund A

When investing, you should consider the investment objectives, risks, and the charges and expenses of each mutual fund carefully before investing. This and other information about the Funds is in the prospectus. Current prospectuses for all listed mutual funds at the time the Investment Election is made together with all supplements and amendments to such prospectuses can be accessed on the Praxis Mutual Funds' website, [www.praxismutualfunds.com](http://www.praxismutualfunds.com), at your local Everence Federal Credit Union branch or by contacting Everence HSA administration at P.O. Box 483, Goshen, IN 46527, (800) 348-7468 ext. 2460. Read the prospectus carefully before you invest.

**Investment products offered are not NCUA/NCUSIF/FDIC or otherwise insured; are not obligations of the credit union; are not guaranteed by the credit union, Everence Trust Company, or Everence Insurance Company; and involve investment risks, including possible loss of principal.**

**Execution**

By completing the Investment Election either electronically or in paper format, Account Owner represents that he/she has received this Investment Option Agreement, has had an opportunity to read this Agreement, and agrees to be bound by its terms. Everence Federal Credit Union health savings accounts are administered by Everence Insurance Company. Please retain the first four pages of this document, and mail or fax this execution page back to Everence:

Everence HSA Administration  
PO Box 483  
Goshen, IN 46527  
Fax: (574) 537-3627

By signing below, I agree to the terms and conditions of this Investment Option Agreement.

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Signature of account owner Date

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Printed name

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HSA account number

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