

Form ADV Part 2A
Firm Brochure
(Amended 5/29/2014)

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This brochure provides information about the qualifications and business practices of HealthEquity Advisors, LLC. (hereinafter "HEQADV" or "firm" or "we"). If you have any questions about the contents of this brochure, please contact us at (801) 727-1174 or at jivie@healthequity.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HEQADV is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for HEQADV is 167105. Registration with the SEC does not imply any level of skill or training.

Item 2. Summary of Material Changes

There are no material changes since the last filing and distribution of this Disclosure Brochure. Assets under management have been updated. Please see Item 4.

Our current Form ADV, Part 2 will be available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. Additionally, we will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV, Part 2. We urge you to carefully review all summaries of material changes, as they will contain important information about any significant changes to our firm, including but not limited to advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

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Item 4. Advisory Business

HEQADV is a fee-based registered investment adviser which provides investment advice to all of its clients exclusively through an interactive website. The firm is registered with the SEC pursuant to Rule 203A-2(f) of the Investment Advisers Act of 1940. Our principal place of business is located in Draper, Utah, and we have been in operation since 2013. HEQADV is wholly owned by HealthEquity, Inc. (hereinafter, "HEQ"), a firm that serves as nonbank custodian to Health Savings Account Plans (hereinafter, "HSA Plans").

As of April 15, 2014, HEQADV manages approximately \$12,781,000 in discretionary assets.

Model Portfolio Management Services/Portfolio Consulting Services

HEQADV is retained by HSA account beneficiaries to manage their account contributions and savings through the following programs:

AutoPilot Program:

Through this program, our firm provides portfolio management services to HSA account beneficiaries using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

By utilizing suitability data already collected by HEQ and administering a web-based interactive questionnaire that determines a risk profile based on a client's goals, objectives, time horizon, and circumstances, our system determines which model portfolio is suitable for each client. Once the suitability of the portfolio has been determined, the portfolio is managed based on the portfolio's objectives, rather than on each client's individual objectives. Nevertheless, clients have the opportunity to place reasonable restrictions on the types of investments held in their account, and the client's account will be managed according to the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. These restrictions are captured and monitored through our web-based system. Clients retain individual beneficial ownership of all securities.

In order to ensure that our initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, we maintain client suitability information in the client's file. We contact clients through our interactive website on a quarterly basis to request updated information regarding the client's financial situation and investment objectives and whether the client wishes to impose or modify existing investment restrictions. In addition, we contact clients through our interactive website at least annually to determine whether there have been any changes in the client's financial situation and whether the client wishes to impose investment restrictions or modify existing restrictions.

GPS Program:

This program allows us to monitor the client's account and make investment recommendations based on the client's previously completed risk profile and the corresponding portfolio selected by our web-based system. Clients are responsible for the implementation of any and all of our investment recommendations, but are under no obligation to follow any of our recommendations.

Services in General:

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and primarily include advice regarding no-load or load-waived mutual funds and exchange-traded funds (ETFs).

While we obtain each client's suitability information, our investment decisions are based on the objectives of each allocation model, not on the individual objectives of each client. All investment recommendations are based on information gathered through our interactive website and or provided to us by HEQ with client's express consent.

Item 5. Fees and Compensation

Our advisory fees for model portfolio management and portfolio consulting services are charged as follows:

AutoPilot Program:

Our annual fee for this program will be charged at a flat .96% of assets under our management. The fee will be directly debited from the client's custodial account on a monthly basis, in arrears.

GPS Program:

Our annual fee for this program will be charged at a flat 0.60% of assets under our advisement. The fee will be directly debited from the client's custodial account on a monthly basis, in arrears.

Fees in General:

Our fees are not negotiable.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

Account Termination:

Clients may terminate the agreement by providing us with a written notice through our internet portal.

Mutual Fund and ETF Fees and Expenses:

All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. Clients can invest in mutual funds or ETFs without the advisory services of HEQADV. In that case, clients would not receive our services which are designed to assist the client in determining which mutual funds or ETFs are most appropriate for each client based on their financial condition and objectives. Accordingly, in order to evaluate the advisory services we provide, clients should review both the fees charged by the funds and ETFs, as well as the fees charged by HEQADV to fully understand the total amount of fees being paid for the services being provided.

Brokerage and Custodian Fees:

In addition to the advisory fees paid to our firm, clients are also responsible for all transaction, brokerage, and custodian fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

Item 6. Performance-Based Fees and Side-By-Side Management

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Our firm provides advisory services to HSA account beneficiaries.

We do not impose any account minimums or minimum annual fees.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Our firm employs the following types of analysis to formulate client recommendations.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals, time horizon and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an

attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy and their performance metrics

As in all securities analysis, a risk of mutual fund and/or ETF analysis is that past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that mutual fund and ETF managers are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We typically purchase securities with the intention of holding them in a client's account for a year or longer. We may do this because we believe the securities to be currently underperforming. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our analysis is incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: We may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

As stated in Item 4 of this Brochure, HEQADV is wholly owned by HEQ, an HSA nonbank custodian headquartered in Draper, UT. HEQ provides typical and customary HSA Plan administration services to HSA account beneficiaries. Although HEQ will refer clients to HEQADV, no referral fees will be exchanged. Certain employees of HEQADV are also employed by HEQ. Moreover, office space and resources, software development services and associated personnel may be provided to HEQADV or shared by HEQADV and HEQ for the development and maintenance of the internet-based service portal.

HEQADV is related by common ownership and control to Health Equity Insurance, LLC, an insurance brokerage firm. This firm does not currently conduct any business and no referral will be exchanged between this entity and HEQADV.

James Ivie, Investment Adviser Representative at HEQADV, is also the owner and managing member of Alpine Advisors, LLC, a Utah-registered investment adviser and Alpine Insurance Group, LLC, an insurance agency. No referrals will be exchanged between this entity and HEQADV. No products will be offered or sold by these entities to HEQADV clients.

These affiliations present a potential conflict of interest, to the extent that HEQ and/or its owners and employees may receive additional direct or indirect compensation as a result of its affiliate providing advisory services to HSA account beneficiaries. Potential conflicts of interest may also arise to the extent that certain non-advisory activities may require a significant time commitment from our employees, thus limiting the amount of time they can dedicate to management of the algorithms and methods used by our system to manage client accounts. Moreover, the sharing of physical office space, personnel, and/or information technology systems with certain of our affiliates may result in the sharing of confidential and/or personally identifiable client information with these affiliates.

Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address this conflict:

1. We disclose to clients the existence of all material conflicts of interest;
2. We disclose to HSA account beneficiaries that they are not obligated to use the advisory services of HEQADV;
3. We do not pay or collect referral fees from any *related* persons or entities;
4. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
5. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm;

6. To protect client personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to client non-public information to those employees, affiliates, and vendors who need to know that information to service the client account; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Disclosure:

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to James Ivie, Chief Compliance Officer, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. Our employees may enroll their personal HSA accounts with HEQ and have them managed by HEQADV. As a result, their trades will be aggregated with trades of client accounts through the omnibus trading account utilized by HEQADV. Any potential conflict of interest resulting from this practice is largely mitigated by the fact that largely only widely-available, publicly-traded mutual funds and ETFs are recommended to our advisory clients.

Additionally, to ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. We do not aggregate employee trades with client trades;
3. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by James Ivie, Chief Compliance Officer.

4. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
5. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to disciplinary action or termination.

Item 12. Brokerage Practices

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker-dealer to be used for client accounts. For the execution of client trades, HEQADV maintains an omnibus account at Charles Schwab and Co., Inc., (hereinafter "Schwab"), member FINRA/SIPC. The account is maintained in the name of HEQ, which acts as nonbank custodian for HSA account beneficiaries accounts. Schwab and the omnibus account will be used exclusively by our firm for all client securities transactions. Therefore, in subscribing to the advisory services of HEQADV, the clients are, in effect, directing our firm to use Schwab as the broker-dealer for their accounts. In directing the use of a particular broker-dealer, it should be understood that we do not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

Our firm participates in the Schwab Retirement Business Services (hereinafter, "SRBS") program offered to independent investment advisers by Schwab and its affiliates. As part of the SRBS program, our firm receives benefits that it would not receive if it did not use services of Schwab and/or its affiliates for clients. These benefits include: investment research and monitoring tools, educational resources, access to multiple investment options, including mutual funds through the Schwab Mutual Fund MarketPlace, customized consulting solutions and integrated trust, custody and clearing services. Therefore, participation in the SRBS program results in a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to select the services of Schwab and/or its affiliates for our clients. The factors considered by our firm when selecting a broker-dealer are the broker-dealer's ability to provide professional services, our experience with the broker-dealer, the broker-dealer's reputation, and the broker-dealer's quality of execution services and costs of such services, among other factors.

Schwab and/or its affiliates have agreed to make certain reimbursements to HEQADV whenever certain services typically provided by Schwab and/or its affiliates are provided by HEQ in its role as the nonbank custodian.

Trade Aggregation:

Since an omnibus trading account is maintained at Schwab, we will generally aggregate client trades. Such aggregation allows us to receive volume discounts and to obtain better and more uniform pricing across client

accounts. Transactions will be averaged as to price and will be allocated among our clients by HEQ in proportion to the purchase and sale orders placed from each client account on any given day.

Item 13. Review of Accounts

Under the algorithms and methodologies continuously monitored and updated by David Sicotte and James Ivie, our proprietary technological platform monitors the underlying securities in client accounts and performs reviews of account holdings for all clients at least quarterly. Accounts are reviewed in the context of the investment objectives and guidelines of the model portfolio as well as any investment restrictions provided by the client.

HEQ will provide HSA account beneficiaries with monthly statements, reflecting account holdings and/or investment performance. HEQADV will not provide any additional statements.

Item 14. Client Referrals and Other Compensation

Other than that already described in this Brochure, our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 15. Custody

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Although our firm does not take actual possession of client funds or securities, since we are related by common ownership and control to HEQ, an HSA nonbank custodian, we are deemed by the SEC to have constructive custody of client funds. Therefore, we urge all of our clients to carefully review statements of account holdings and/or performance results they receive from HEQ. Any discrepancies should be reported to HEQ immediately.

Item 16. Investment Discretion

For clients participating in the AutoPilot Program and granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement, risk profile questionnaire, or by means of the designated method on our website.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing or by means of the designated method on our website.

Item 17. Voting Client Securities

Since an omnibus account is maintained at Schwab, clients will delegate proxy voting authority to our firm. Clients may not instruct us to vote a proxy in a particular manner.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting directly at our principal place of business. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

Item 18. Financial Information

As stated in Item 5 of this Brochure, we do not charge any fees to referred clients. Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, and therefore we have no obligation to disclose our firm financials as part of this Brochure.

Our firm has no financial condition that impairs our ability to meet our contractual obligations to you, and have never been the subject of a bankruptcy proceeding.