



# Frequently Asked Questions

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Investments are Not Insured by FDIC or Any Other Government Agency, Not Bank Guaranteed, Not Bank Deposits or Obligations, May Lose Value. Bell Digital Investing is offered through Eko Investments Inc. and integrated into Bell Online Banking. All investing involves risks, including the possible loss of principal.

# Self-directed investing

## The basics

### What is self-directed investing?

Self-directed investing allows you to start with an empty portfolio and make your own investment decisions without advice or recommendations. It provides tools and resources to help you independently research, analyze and manage your investment portfolio.

### What is stock investing?

Stock investing refers to buying and owning shares of a company's stock with the expectation of generating a profit from the appreciation in stock price and through dividends.

By investing in stocks, people can become owners of companies and benefit from their success. This provides an opportunity for diversification, allowing individuals to spread their risk across different companies and industries. Stock investing has historically been a good protection against inflation.

### What is the difference between stocks and bonds?

Stocks represent ownership in a company, while bonds are debt securities issued by corporations or governments. Stockholders have an equity stake in the company and may benefit from its growth and profitability, while bondholders are lenders and receive fixed interest payments over time. Bonds are considered safer than stocks, but also generally have a lower return.

### How does buying bonds work?

Bonds are being bought through an exchange-traded fund (ETF). Using ETFs to buy bonds offers several benefits compared to purchasing individual bonds. The main advantages are:

1. Diversification: Bond ETFs typically hold a basket of bonds from various issuers and sectors. Investing in a bond ETF exposes you to a diversified portfolio of bonds, spreading your risk across different issuers and maturities.
2. Accessibility: Bond ETFs are traded as stocks, so they are easier and cheaper to buy and sell.
3. Lower investment minimums: Individual bonds sometimes have high face values. Offering bonds via ETFs makes them available to every type of investor.
4. Cost-efficiency: Bond ETFs generally have lower costs compared to actively managed bond funds. This is because they passively track an index rather than relying on active management.

### What is an ETF?

An ETF is like a basket that holds different investments, such as stocks or bonds. It trades on stock exchanges like a single stock. ETFs offer easy access to various markets and are often less expensive than mutual funds. They're a popular choice for investors looking to diversify their portfolios.

### What are the risks associated with stock investing?

Stock investing involves risks such as market volatility, potential loss of capital and company-specific risks. The value of stocks can fluctuate based on economic conditions, company performance, industry trends and other factors.

### How can I minimize the risks of stock investing?

You can minimize risks by diversifying your portfolio, investing for the long term and having a balanced portfolio that includes a mix of different stocks and asset classes, such as bonds.

### How do dividends work?

Dividends are payments companies make to their shareholders as a distribution of profits. Dividends are issued in the form of cash or additional shares of stock. Not all companies pay dividends, and the amount and frequency of dividend payments vary. When you receive a dividend, it will be automatically added to your wallet.

### Can I have multiple portfolios of different types?

Yes, you can pick from pre-built portfolios, hybrid portfolios and self-directed portfolios, and can have as many portfolios as you like simultaneously.

### What is the best way to transfer funds between portfolios?

The fastest way to transfer funds from your wallet to another portfolio is by initiating a withdrawal by selecting the 'transfer to portfolio' option, then selecting a destination portfolio. It only takes a few minutes for the transfer to complete for transfers between wallets. The process can take up to 2 days if you are transferring funds from your wallet to a pre-built or hybrid portfolio.

### How do I get tax or account statements for my investment account?

If you have a tax or account statement available, you can find it by clicking 'Account' and then 'Documents and Statements.' From there, select the statement you're looking for and open or download it.

## Trading

### What types of investments can I make?

You have access to a wide range of investment options, including more than 5,000 fractionable stocks and ETFs. You can buy and sell securities directly through the platform, free of charge and as often as you like.

### Is there a minimum investment amount for buying/selling stocks and ETFs?

There is a minimum investment amount of \$1.

### What are the benefits of using a self-directed investment platform?

- Control: you have full control over their investment decisions, which means you can tailor your portfolios to your specific preferences and objectives.
- Flexibility: you can trade securities at their convenience, without relying on the availability of recommendations.
- Cost effectiveness: Self-directed platforms typically have lower fees than traditional brokerage services, as they do not involve ongoing management fees.
- Variety: Choose from 5,000+ fractionable stocks and ETFs.

### How do I place trades?

To initiate trades, navigate to the 'Portfolio' section and search for the desired stock or ETF. When buying, you can specify either the number of shares or the desired monetary value of the investment.

### Is there a limit to the number of trades I can make?

We do not impose a limit on the number of trades users can make, allowing for unlimited buying and selling of securities.

## Costs and services

### What are the costs?

Self-directed investing is commission-free. We don't charge anything per trade, or to open or maintain your account.

### Can I always take my money out of my investment account?

Yes. We don't have a minimum holding time, and you can deposit and withdraw at any time to your Bell Bank accounts, free of charge. Note that transferring your entire account via ACAT transfer to another financial institution would incur a charge.

### How many stocks or ETFs can I trade?

You have the option to trade around 5,000 fractionable stocks and ETFs. A fractionable stock/ETF is a share that can be divided into smaller fractions, allowing investors to buy partial shares.

### Can I modify or cancel a scheduled transfer?

If you would like to make changes to or cancel a scheduled transfer, please contact our support team at [hello@eko.investments](mailto:hello@eko.investments), and we'll be happy to assist you.

### What emails will I receive?

- Transactional emails - Essential messages related to your account or activity (e.g. account opening and closing confirmations, trade confirmations, required notices). These are required emails.
- Proxy emails - Messages sent by the broker-dealer partner, Alpaca Securities LLC, based on securities in your portfolio and required account notices. These are required emails.
- Engagement emails - Optional product updates, tips, and announcements. You can opt out by messaging "Unsubscribe" to [hello@eko.investments](mailto:hello@eko.investments).

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# Hybrid investing

## The basics

### How does hybrid investing work?

Hybrid investing allows you to have a 100% personalized portfolio based on your risk appetite, investment preferences and investment horizon. To get started, you answer a few questions to determine your investing risk tolerance and goals, and then you receive a personalized portfolio. You also have the ability to further customize your portfolio by adding or removing individual holdings. Please keep in mind that these adjustments will impact the overall risk level of your portfolio.

### What is stock investing?

Stock investing refers to buying and owning shares of a company's stock with the expectation of generating a profit from the appreciation in stock price and through dividends.

By investing in stocks, people can become owners of companies and benefit from their success. This provides an opportunity for diversification, allowing individuals to spread their risk across different companies and industries. Stock investing has historically been a good protection against inflation.

### What is the difference between stocks and bonds?

Stocks represent ownership in a company, while bonds are debt securities issued by corporations or governments. Stockholders have an equity stake in the company and may benefit from its growth and profitability, while bondholders are lenders and receive fixed interest payments over time. Bonds are considered safer than stocks, but also generally have a lower return.

### What is an ETF?

An ETF is like a basket that holds different investments, such as stocks or bonds. It trades on stock exchanges like a single stock. ETFs offer easy access to various markets and are often less expensive than mutual funds. They're a popular choice for investors looking to diversify their portfolios.

### How do dividends work?

Dividends are payments companies make to their shareholders as a distribution of profits. Dividends are issued in the form of cash or additional shares of stock. Not all companies pay dividends, and the amount and frequency of dividend payments vary. When you receive a dividend, it will be automatically reinvested in your portfolio.

### Can I have multiple portfolios of different types?

Yes, you can pick from pre-built portfolios, hybrid portfolios and self-directed portfolios, and can have as many portfolios as you like simultaneously.

### What is the best way to transfer funds between portfolios?

The fastest way to transfer funds from one portfolio to another is by initiating a withdrawal by selecting the 'transfer to portfolio' option, then selecting a destination portfolio. The process can take up to 2 days to complete.

### How do I get tax or account statements for my investment account?

If you have a tax or account statement available, you can find it by clicking 'Account' and then 'Documents and Statements.' From there, select the statement you're looking for and open or download it.

## Risks and returns

### What kinds of returns can I expect?

Based on the historical data, your portfolio is expected to return 6-8% per year. Please be advised that past performance is not a reliable indicator of future returns.

### Is my portfolio actively managed for me?

Yes, your portfolio is actively managed for you. This management includes periodic rebalancing and tax loss harvesting to manage risk and maximize tax benefits. Passive management refers to a 'buy-and-hold' strategy for your portfolio. A buy-and-hold approach is when you buy investments and hold onto them for a long time, instead of frequently buying and selling. The goal is to benefit from long-term market growth and minimize the impact of short-term market fluctuations.

### What is portfolio rebalancing?

Portfolio rebalancing is the process of making sure your investment portfolio stays in line with your risk level and on track with your goals. Over time, the value of your investments may change, causing the mix of stocks, bonds or other assets in your portfolio to become different from what you originally intended.

Rebalancing involves checking if the mix of assets has shifted too much. If it has, rebalancing makes changes to bring it back in line with your target. For example, if you wanted 60% of your portfolio in stocks but it has grown to 70%, you sell some stocks and use the money to buy other assets like bonds to get it back to 60%. By rebalancing, you keep your portfolio in balance and avoid becoming too heavily invested in one type of asset. It helps you manage risk and stick to your investment strategy. Rebalancing is an ongoing and regular process and is automatically done for you.

### What is tax-loss harvesting?

Tax-loss harvesting is a strategy to help reduce the taxes you owe on your investments. It involves selling investments that have gone down in value to offset or "harvest" those losses against any gains you may have made on other investments. By doing this, you will have to pay less taxes and can bring home more money at the end of the year. Tax-loss harvesting is done automatically for you at the end of every calendar year.

### What are the risks associated with stock investing?

Stock investing involves risks such as market volatility, potential loss of capital and company-specific risks. The value of stocks can fluctuate based on economic conditions, company performance, industry trends and other factors.

### How can I minimize the risks of stock investing?

You can minimize risks by diversifying your portfolio, investing for the long term and having a balanced portfolio that includes a mix of different stocks and asset classes, such as bonds. The portfolios we create are by default well-diversified and balanced, which mitigate risks and optimize your investment strategy. This way, you can have a sophisticated and professionally managed portfolio, without having to be an expert yourself.

## Costs and services

### What are the costs?

Eko charges an annual management fee of 0.50% based on the value of assets in your Investment Account. For example, if you have \$1,000 in your investment account, you will pay \$5 per year. The fee is charged monthly in arrears and automatically deducted from your Investment Account, so you don't need to do anything yourself to pay this management fee.

### When will I get charged for investing?

You will get charged at the end of every month. We automatically sell a small piece of your portfolio to cover the management fee, which is equal to 1/12 of your annual management fee.

### What is the minimum investment amount? Is there a maximum?

You can start investing from as little as \$10. There is no investment maximum.

### Can I always take my money out of my investment account?

Yes. We don't have a minimum holding time, and you can deposit and withdraw any time to your Bell Bank accounts, free of charge. Note that transferring your entire account via ACAT transfer to another financial institution would incur a charge.

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## My portfolio

### What stocks and bonds are in my portfolio?

The portfolio that is created for you consists of 30 stocks and bonds. All stocks in your portfolio are from the S&P 500, and all bonds are within the top 10 most traded bonds in the U.S. Your portfolio is always diversified and in line with your risk appetite. To learn more about your portfolio, and the individual stocks and ETFs in your portfolio, go to the 'Portfolio' section and click on your holdings.

### How are the bonds in my portfolio bought?

Bonds are being bought through an exchange-traded fund (ETF). Using ETFs to buy bonds offers several benefits compared to purchasing individual bonds. The main advantages are:

- Diversification: Bond ETFs typically hold a basket of bonds from various issuers and sectors. Investing in a bond ETF exposes you to a diversified portfolio of bonds, spreading your risk across different issuers and maturities.
- Accessibility: Bond ETFs are traded as stocks, so they are easier and cheaper to buy and sell.
- Lower investment minimums: Individual bonds sometimes have high face values. Offering bonds via ETFs makes them available to every type of investor.
- Cost-efficiency: Bond ETFs generally have lower costs compared to actively managed bond funds. This is because they passively track an index rather than relying on active management.

### **What is the S&P 500?**

The S&P 500 is a stock market index that measures the performance of 500 large publicly traded companies in the U.S. It is widely regarded as one of the most representative and influential benchmarks of the overall U.S. stock market. The companies included in the index are chosen by a committee based on factors such as market capitalization, liquidity, and industry representation.

### **Why can I select investment topics?**

We find it important that your portfolio is yours. This is why we allow you to select investment topics that align with your interests and values. There are many different investment topics, from industries such as tech and healthcare, to investing in companies in your region.

### **I have selected 'investment topics,' but I also have stocks from different industries. Why?**

We find it important that you align your portfolio with your interests or values. This way, you can select if you want a portfolio that is slightly focused on areas such as healthcare, regional companies, or tech. However, to ensure your portfolio is still diversified enough, we will always add companies from other industries, as well as bonds. These holdings from other industries create a good balance in your portfolio and ensure you are not too exposed to risk in certain industries.

### **Can I change my risk level or investment areas after I have created my investment account?**

You can simply change your risk level in the 'Account' section. To change your investment areas, please contact the customer support team at [hello@eko.investments](mailto:hello@eko.investments).

### **Is my portfolio diversified?**

We ensure that the portfolio we create for you is diversified in two ways. For starters, your portfolio always consists of bonds and stocks. This makes sure that even when the stock market is down, you are not fully exposed. A second way to ensure diversification is by selecting stocks from a wide range of industries. This way, if one specific industry is struggling, not all your portfolio companies are affected.

### **Can I add or remove stocks/bonds/ETFs to and from my portfolio?**

To ensure you get a diversified portfolio that aligns with your risk preference, we create a portfolio for you. However, you are free to make portfolio changes by adding or removing holdings. Note: Be aware that adding or removing holdings changes the overall risk level of your portfolio.

### **Can I convert my hybrid or pre-built portfolio to a self-directed portfolio?**

Yes, you can convert your hybrid or pre-built portfolio to a self-directed portfolio. However, a self-directed portfolio cannot be converted to a hybrid or pre-built portfolio.

**I have selected 'sustainability' as an investment topic. How do I know the companies in my portfolio are really sustainable?**

We are constantly keeping track of official sustainability reports published directly by companies. Using this data, we can calculate the emissions per \$1 revenue of every publicly traded company, which we compare to the industry average. When you have selected 'sustainability' as an investment topic, a significant part of your holdings will be among the 10% performers in terms of sustainability.

**What happens if I no longer want to use my portfolio?**

You can liquidate your portfolio at any time, and the balance will transfer to either your bank account or another portfolio. Please note that liquidating a portfolio can trigger a taxable event and should be considered carefully.

# Pre-built portfolios

## The basics

### How do pre-made portfolios work?

Pre-built portfolios are carefully constructed by a team of investment experts, allowing you to invest in a diversified set of assets with ease. These portfolios are managed for you, including actions such as portfolio rebalancing and tax-loss harvesting, which are done on your behalf.

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### What is an ETF?

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Dividends are payments companies make to their shareholders as a distribution of profits. Dividends are issued in the form of cash or additional shares of stock. Not all companies pay dividends, and the amount and frequency of dividend payments vary. When you receive a dividend, it will be automatically reinvested in your portfolio.

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Yes, you can pick from pre-made portfolios, hybrid portfolios and self-directed portfolios, and can have as many portfolios as you like simultaneously.

### What is the best way to transfer funds between portfolios?

The fastest way to transfer funds from one portfolio to another is by initiating a withdrawal by selecting the 'transfer to portfolio' option, then selecting a destination portfolio. The process can take up to 2 days to complete.

### How do I get tax or account statements for my investment account?

If you have a tax or account statement available, you can find it by clicking 'Account' and then 'Documents and Statements.' From there, select the statement you're looking for and open or download it.

## Risks and returns

### What kinds of returns can I expect?

Based on the historical data, a diversified portfolio with a medium risk level is expected to return 6-8% per year. Based on your risk appetite, the 6-8% range increases or decreases. A higher risk means the chance of a higher return increases while also increasing the chance of a lower return. Please be advised that past performance is not a reliable indicator of future returns.

### Is my portfolio actively managed for me?

Your portfolio is managed using a 'combination' approach. This means that it combines elements of both active and passive management. The active components include periodic rebalancing and tax loss harvesting to manage risk and maximize tax benefits.

Passive management refers to a 'buy-and-hold' strategy for your portfolio. A buy-and-hold approach is when you buy investments and hold onto them for a long time, instead of frequently buying and selling. The goal is to benefit from long-term market growth and minimize the impact of short-term market fluctuations.

### What is portfolio rebalancing?

Portfolio rebalancing is the process of making sure your investment portfolio stays in line with your risk level and on track with your goals. Over time, the value of your investments may change, causing the mix of stocks, bonds, or other assets in your portfolio to become different from what you originally intended.

Rebalancing involves checking if the mix of assets has shifted too much. If it has, rebalancing makes changes to bring it back in line with your target. For example, if you wanted 60% of your portfolio in stocks but it has grown to 70%, you sell some stocks and use the money to buy other assets like bonds to get it back to 60%. By rebalancing, you keep your portfolio in balance and avoid becoming too heavily invested in one type of asset. It helps you manage risk and stick to your investment strategy. Rebalancing is an ongoing and regular process and is automatically done for you.

### What is tax-loss harvesting?

Tax-loss harvesting is a strategy to help reduce the taxes you owe on your investments. It involves selling investments that have gone down in value to offset or "harvest" those losses against any gains you may have made on other investments. By doing this, you will have to pay less taxes and can bring home more money at the end of the year. Tax-loss harvesting is done automatically for you at the end of every calendar year.

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Stock investing involves risks such as market volatility, potential loss of capital and company-specific risks. The value of stocks can fluctuate based on economic conditions, company performance, industry trends and other factors.

## How can I minimize the risks of stock investing?

You can minimize risks by diversifying your portfolio, investing for the long term and having a balanced portfolio that includes a mix of different stocks and asset classes, such as bonds. The portfolios we create are by default well-diversified and balanced, which mitigate risks and optimize your investment strategy. This way, you can have a sophisticated and professionally managed portfolio, without having to be an expert yourself.

## Costs and services

### What are the costs?

Eko charges an annual management fee of 0.50% based on the value of assets in your Investment Account. For example, if you have \$1,000 in your investment account, you will pay \$5 per year. The fee is charged monthly in arrears and automatically deducted from your Investment Account, so you don't need to do anything yourself to pay this management fee.

### When will I get charged for investing?

You will get charged at the end of every month. We automatically sell a small piece of your portfolio to cover the management fee, which is equal to 1/12 of your annual management fee.

### What is the minimum investment amount? Is there a maximum?

You can start investing from as little as \$10. There is no investment maximum.

### Can I always take my money out of my investment account?

Yes. We don't have a minimum holding time, and you can deposit and withdraw at any time to your Bell Bank accounts, free of charge. Note that transferring your entire account via ACAT transfer to another financial institution would incur a charge.

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### Where do I go if I have questions about my investment account?

If you have questions about your investment account you can contact your financial institution, or email [hello@eko.investments](mailto:hello@eko.investments). Support is available from 8 a.m. to 5 p.m. CT, Monday to Friday, holidays and weekends excluded.

## My portfolio

### **What are the holdings in my portfolio?**

Your portfolio consists of a set of ETFs, comprising both stocks and bonds. The variety of ETFs in your portfolio ensures that your portfolio is diversified, while also focusing on the things you care about. To learn more about your portfolio, and the individual ETFs in your portfolio, go to the 'Portfolio' section and click on your holdings.

### **Is my portfolio diversified?**

We ensure that the portfolio we create for you is diversified in two ways. For starters, your portfolio always consists of bonds and stocks. This makes sure that even when the stock market is down, you are not fully exposed. A second way to ensure diversification is by selecting ETFs that contain stocks from a wide range of industries. This way, if one specific industry is struggling, not all your portfolio companies are affected.

### **I have selected a Sustainable Portfolio. How do I know my portfolio holdings are really making an impact?**

When you have selected an ESG portfolio, we ensure it aligns with your values by prioritizing contributions to environmental, social and governance (ESG) factors. We meticulously monitor sustainability reports from companies and ETF issuers to uphold these standards and ensure keeping your portfolio aligned with your principles.

### **Can I convert my hybrid or pre-made portfolio to a self-directed portfolio?**

Yes, you can convert your hybrid or pre-made portfolio to a self-directed portfolio. However, a self-directed portfolio cannot be converted to a hybrid or pre-made portfolio.

### **What happens if I no longer want to use my portfolio?**

You can liquidate your portfolio at any time, and the balance will transfer to either your bank account, or another portfolio. Please note that liquidating a portfolio can trigger a taxable event and should be considered carefully.