

Liquidity Account Explanation

WHAT IS IT?

The Liquidity Account represents a small portion of assets held at AEF. It allows AEF's quarterly administrative fees to be withdrawn without investment disruption. It is replenished annually.

WHERE IS IT HELD?

Liquidity Accounts for each AEF DAF are held in cash equivalents such as money market funds and short-term U.S. Treasuries.

HOW DOES IT WORK?

When a Donor Advised Fund is funded, AEF typically requests within 30-60 days an initial contribution to the Liquidity Account of 1% of the donors' Fund balance. The remaining assets stay in the Investment Account.

- Quarterly, AEF will assess its administrative fee from the Liquidity Account.
- Annually, AEF will request cash from the Investment Account to replenish the Liquidity Account balance to approximately 1% (some Funds may have more or less requested due to current liquidity balances and total Fund size).
- The financial advisor completes this transfer by processing an ACH/EFT to AEF's bank on file.

