



Liquidity Account Explanation

WHAT IS A LIQUIDITY ACCOUNT?

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 It allows AEF's quarterly administrative fees to be withdrawn without investment disruption and is replenished annually.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?

Within 30-60 days of a DAF being funded, AEF will request an initial contribution to the Liquidity Account for 1% of the donor's 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% (actual percentage dependant upon current liquidity balances and total Fund size.)
- The financial advisor completes this transfer by processing an ACH/EFT to AEF's bank on file.

DONOR-ADVISED FUND (DAF)

