

# 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 It allows AEF's quarterly administrative fees to be withdrawn without investment disruption.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.

