

WHAT IS A LIQUIDITY ACCOUNT?

A **liquidity account** represents a small portion of assets held at AEF. It enables AEF's quarterly administrative fees to be withdrawn without investment disruption. It is replenished annually.

HOW DOES IT WORK?

Within 30 to 60 days of a donor-advised fund being funded, AEF will request an initial transfer to the liquidity account totaling 1% of the fund's balance.

Annually

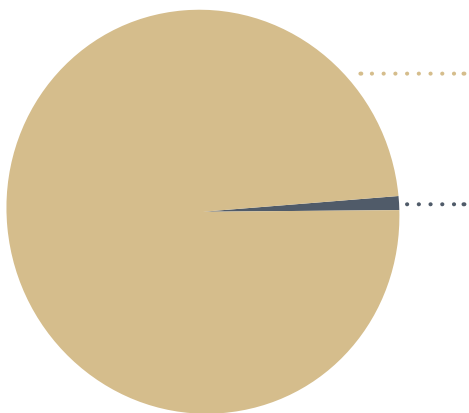
- AEF will request cash via a letter of authorization (LOA) from the donor-advised fund's investment account to replenish the liquidity account's balance to approximately 1% of the investment fund's current assets. The financial advisor will complete this transfer by processing an ACH/EFT to AEF's bank on file. LOAs are expected to be fulfilled within 10 days via electronic funds transfer.
- If the liquidity account is identified as having excess funds, the financial advisor will be notified and the funds will be transferred to the investment account.

Quarterly

- AEF will assess administrative fees from the liquidity account.

INVESTMENT & LIQUIDITY

YOUR DONOR-ADVISED FUND'S COMPOSITION*



Investment Account

99% of total value of DAF (Typically held with donor's chosen financial advisor)

Liquidity Account

1% of total value of DAF (Held at AEF)

*Actual percentage may vary depending on liquidity balance and outstanding liquidity results.

WHEN ARE FUNDS TRANSFERRED?

- To provide initial funding of the donor-advised fund's liquidity account
- To cover a grant recommended by an AEF donor
- To replenish the liquidity account as is required annually

HOW DO I TRANSFER FUNDS?

Transferring funds is easy. The following process will ensure a seamless transfer.



AEF emails/
faxes LOA



Advisor
receives LOA



Advisor
liquidates
investments,
raises cash



Advisor transfers
funds to AEF
within 10 days



AEF
credits
liquidity
account

FAQS

Q: When will I receive the initial funding request?

A: The initial funding request will occur 30 to 60 days after the investment account is established.

Q: Why is transferring funds to a liquidity account necessary?

A: Liquidity transfers are necessary to open your donor-advised fund, to cover annual administrative fees and to pay grants from your fund.

Q: Should I proactively transfer funds into the liquidity account?

A: No. Please do not proactively transfer funds. Instead, wait for AEF to send you an LOA requesting the funds.

Q: When will I receive the LOA for an AEF-approved grant recommendation?

A: You will receive the LOA typically within 5 to 7 days of grant submission. AEF will send the LOA to the donor-advised fund's authorized recipients at your firm.

Q: When do LOAs need to be fulfilled?

A: All LOAs must be fulfilled within 10 days of receipt.

Q: When will I receive the annual replenishment request?

A: AEF will send annual replenishment requests annually beginning in May.

Q: What if the liquidity account has excess funds?

A: Annually beginning in May, you will be notified and the excess funds will be transferred to the investment account.

Q: What balance is held in a liquidity account?

A: AEF typically holds 1% of the balance of the AEF donor-advised fund in a liquidity account.