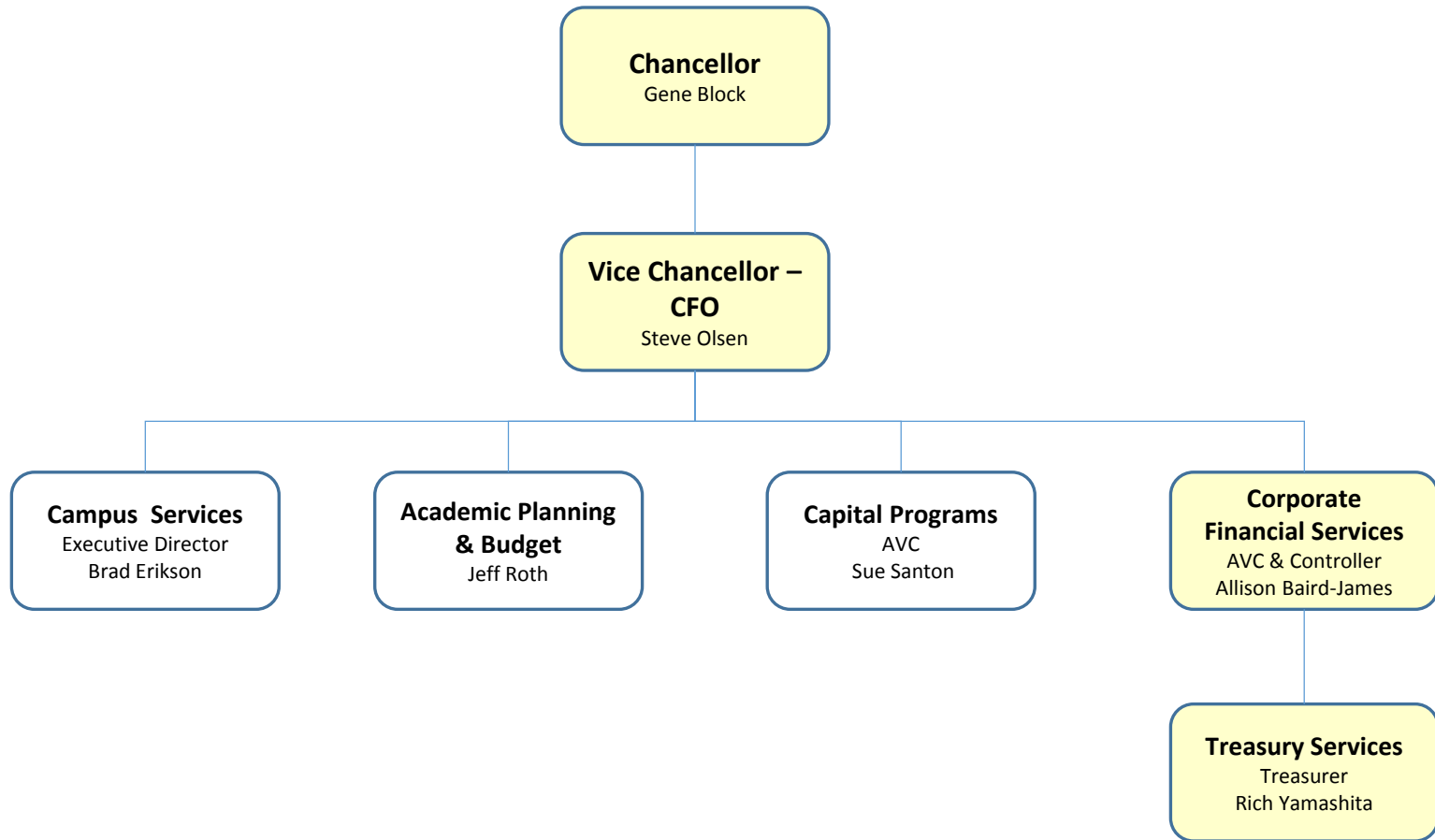


UCLA CORPORATE FINANCIAL SERVICES

OPERATING ABROAD –
UCLA TREASURY AND GLOBAL
OPERATIONS SUPPORT

Rich Yamashita
Treasurer

UCLA Treasury is Under the Vice Chancellor & CFO as Part of Corporate Financial Services



Treasury Provides a Forward Looking Perspective to Influence Strategy and Capital Structure

Treasury's vision...

- A bridge between external Stakeholders and UCLA's internal businesses
- A provider of decision support from an economic and cash perspective
- An advocate of an enterprise approach (UCLA and system wide perspective)
- A fiduciary and collaborative business partner across business, functional and campus boundaries



... and approach toward objectives

- Influence strategic and tactical decisions through the refinement of liquidity projections and appropriate KPI's
- Use analytics to influence investment (portfolio) asset and debt allocations
- Collaborate with Campus and UC leadership on financial strategy and delivery of efficient banking services
- Enable domestic and global campus and faculty initiatives while mitigating financial risks to UCLA and the UC

We will provide a strategic framework to enable faculty, students and staff to execute on the University's mission across the globe

**“China, Fighting Money Exodus, Squeezes Business
Trying to slow capital outflow, Beijing makes life
tougher for companies and investors” Wall St. Journal;**
3/8/2016

“Venezuelan travelers take 1,400% forex hit”Barrons;
3/9/2016

UCLA is a Global Business Requiring Support at a Local Level

Key Considerations center on the reduction of risk:

- Minimize risk to human life and liberty
- Minimize risk to the University
- Minimize potential for friction and fraud in financial transactions
- Optimize cost and efficiency

Examples	Initial Approach	Potential / Agreed Approach
Establishment of a research center in Cameroon	Construction and ownership of facility	Local construction and ownership / special use
Funding Operation during Greece Crisis	Wire advance / check	Quickly move to cash based solution (only solution at time)
Establishment of China Entity	Entity set up with potential capital commit	Continue research / potential use of loan structure
Grant Funding in USD, Spend in Local Currency	PI waiting to convert at an 'opportune' time	Relieve FX risk through hedge process

Realities of the “Last Mile”

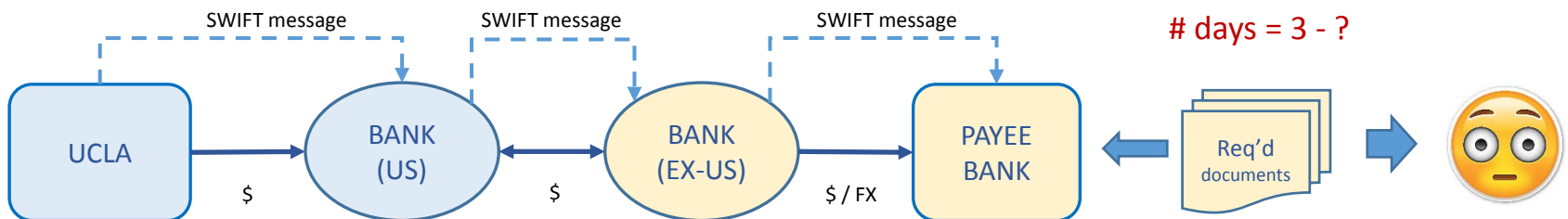


While we can be Innovative in our Approach, our Current Financial “Tool Kit” Requires Planning

Anatomy of a Foreign Funds Transfer - Perception



Anatomy of a Foreign Funds Transfer – Reality Example



CURRENT PAYMENT CHANNELS	RECEIVE	PAY
CHECKS (USD)	Y	Y
WIRE / ACH	Y	Y
PAYMENT CARD	Y	limited
CASH	Y	Very limited

Update: Greece debt crisis and potential impact on UCLA faculty member(

Update from
June 29, 2015

What we know now

- Currently stationed in Greece:
 - UCLA faculty member Dr. Sarah Morris
 - 14 UCLA students will be there as of July 10th and have been advised of the Greek situation
 - UC Merced faculty member (currently investigating)
- Greece implemented capital controls to limit cash outflow. Initial term set of June 29 – July 6
- Greece local bank accounts are limited to EUR 60 per day of withdrawals
- Foreign accounts are exempt from the withdrawal limits
- Credit cards are currently accepted
- Western Union retail services are closed for at least one week

What we do not know

- Financial needs of Prof. Morris and the students
- Their cash vs non-cash expenditures
- A foreign national's ability to exceed withdrawal limits from local bank account

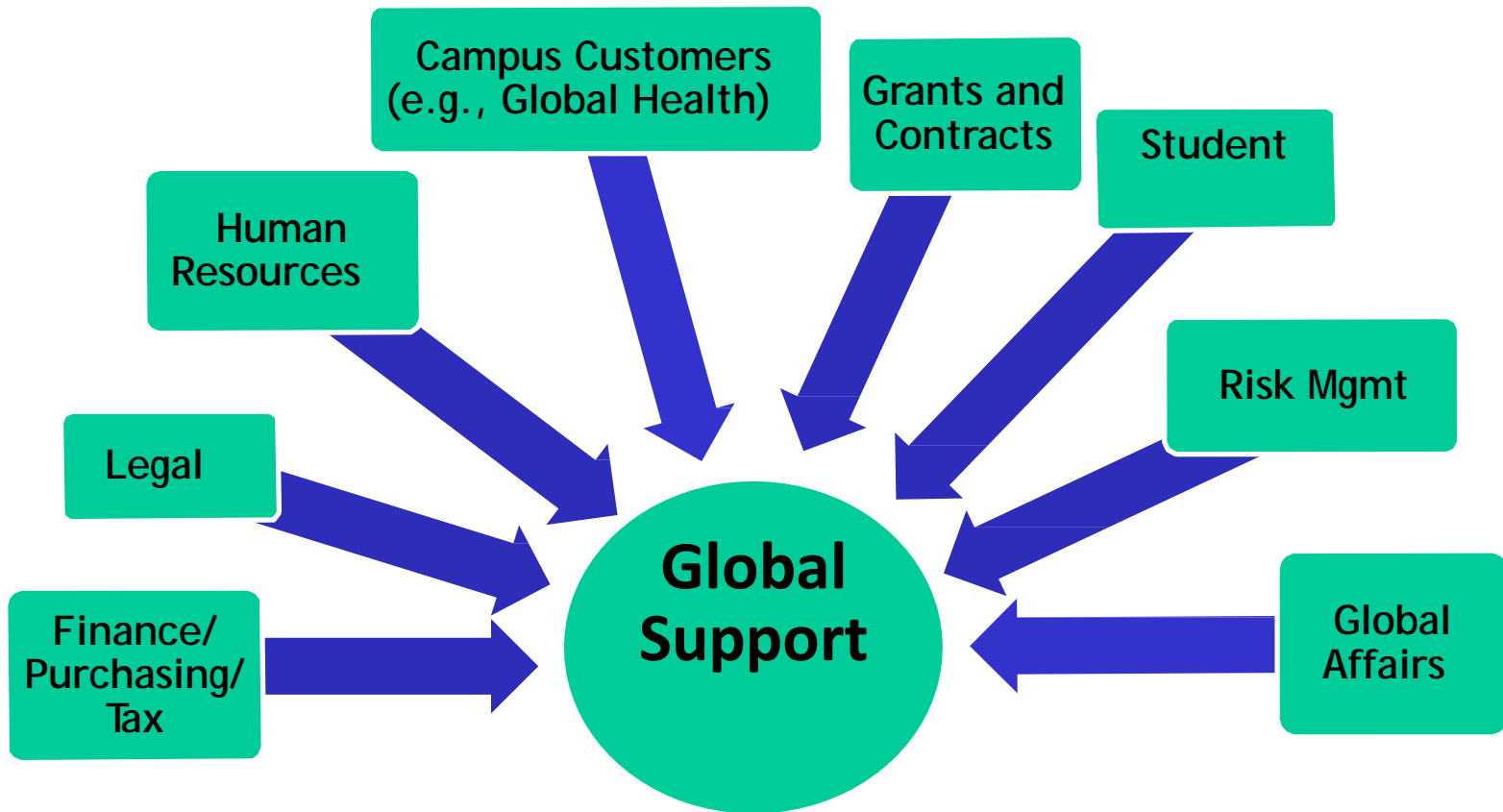
What we can do

- Issue foreign (non-Greek) based credit cards (if not already done)
- Consider potential for Prof. Morris to open a Euro account in London
- Consider cash advances for new faculty/ staff travel to Greece

Our “Toolkit” will Evolve, Driven by A Look Forward in Anticipation of Your Needs

PAYMENT CHANNELS	TODAY	FUTURE (potential)
CHECKS (USD)	Y	Y
WIRE / ACH	Y	Y
PAYMENT CARD	Y / limited	Y
CASH	Limited / very limited	Very limited
CASH VIA AGENT (Western Union)	Not available	Available
PAYPAL	Not available	Available
MOBILE PAYMENT/ACCEPTANCE	Not available	Available
CHECKS FOREIGN CURRENCY	Not available	Limited available
WIRES FOREIGN CURRENCY	Limited	Available
BITCOIN / CRYPTOCURRENCY	Not available	Research needed

We are Building a Collaborative Framework to Proactively Support Global Initiatives



Collaboration with our Faculty and Supporting Teams will Help Anticipate Need and Focus Effort

We can build the bridge ahead of time so it will be ready when you get there.....

But it will be helpful to first know where to build the bridge.....



The Bridge to Nowhere.... San Gabriel Mountains, CA

What we Need from you and Next Steps



We need your help to collect information to determine where we have critical mass of activities



Next Steps: Interviews with Faculty/PIs and Support teams

Topic / Area	Concern	Investment
Banking services	BUS-49 (credit quality), service breadth, accessibility	Consider sovereign rating and leverage UC relationships
Movement of funds	Timing, cost, effectiveness	Alternative payment methods (e.g. mPesa, MTN, boleto, etc)
Country presence	Permanent establishment, tax, statutory requirements	Leverage consultant expertise on retainer