

Capital Markets Finance Newsletter

AND NOW YOU'RE UP TO DATE.

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Update – TM1 Debt Management Module

The IBM Cognos based online Month-End Funding platform, TM1, is being targeted for rollout in 2013. The IBM team is finalizing the design of the web based debt management system, and is expected to soon load all draw data for all capital projects from external and interim financing. Capital Markets Finance will be working collaboratively with the TM1 team to test the integrity of the data, and will present a working model for campus and medical center input. In the next few months, campus and medical centers will be given an opportunity to access the system and use the various modules to test the functioning of the online month end funding process. We welcome your input, and look forward to working with you to present an efficient and convenient process.

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The Latest on the Private Use Module

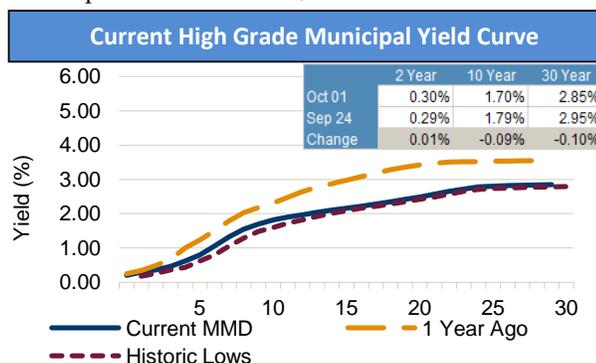
Capital Markets Finance has been working to implement the suggested changes and improve the private use module. Several issues and suggestions have been raised to our attention since the implementation of the new site (<https://ermisp.ucop.edu/privateuse/index>), most of which have now been addressed.

CMF has extended the deadline of all private use forms to October 31st. Please submit all project forms by then and if any issues arise, you can reach out to Allen Yin at allen.yin@ucop.edu.

Market Update

Focusing in on the municipal bond market, tax-exempt interest rates continue to stay at historically low levels. Strong demand for tax-exempt municipal bonds has persisted as municipal bond funds have continued to receive positive inflows and US commercial banking institutions have increased their purchases of municipal debt thus far in 2012. On the supply side of the market, the issuance of refunding bonds has comprised a significant portion of the municipal bonds issued in 2012. As long as low long-term tax-exempt interest rates continue to stay at their levels refundings will continue to be a

major piece of the market. More recently tax-exempt interest rates have declined with US Treasury rates after experiencing an increase shortly after the announcement of QE3 in mid-September. The current MMD AAA GO 30-year index rate is 2.85% and SIFMA, municipal short-term index, is at 0.18%.



(Rates as of 10/1/2012; source Barclays)

“View obstacles as your opportunities to circulate the power of your unbending intent.”

- Wayne Dyer

