



## INVESTMENT PHILOSOPHY

Turkish Philanthropy Funds investment philosophy is to invest charitable funds prudently by taking balanced risks aligned with return objectives while the funds are being held for future distribution. TPF's investment portfolio is made up of diversified pools managed by specialized investment managers. Selection of an investment pool will vary depending on the timeframe for giving, level of diversification desired, and charitable goals of the donor.

**Endowed funds** are permanent funds invested for the long-term in a diversified portfolio of publicly traded stocks, bonds, real estate, private equity, hedge funds and cash. Endowed funds are operated under a spending policy set by TPF and guided by the 2010 New York Prudent Management of Institutional Funds Act ("NYPMIFA"). Currently, up to 7% of an endowed fund's value is available for distribution in the form of grants on an annual basis.

**Nonendowed funds** can also be invested for the long-term, but do not have a limitation on distributions and therefore are invested to provide greater flexibility in cash flow needs.

## INVESTMENT PURPOSE AND GOALS

The Investment Committee implements a sound investment policy for TPF that results in suitable investments for each type of investment portfolio. A key goal is to try to achieve investment returns that are high enough to permit annual distributions from endowment funds while generating real, net of inflation results that will maintain the purchasing power of the underlying funds across generations. Accordingly, the Investment Committee has established the following return and risk parameters:

- Assets will be strategically allocated within asset classes and investment styles in order to enhance investment returns.
- The investment program's assets are to be sufficiently diversified to reduce volatility.
- Diversification of assets may be achieved by:
  - ✓ Allocating assets to multiple asset classes,
  - ✓ Allocating assets among various investment styles, and
  - ✓ Retaining multiple investment management firms with complementary investment philosophies, styles, and approaches.

### Goals

- Earn long-term returns sufficient to exceed inflation and grant distributions.
- Earn returns that meet targeted performance benchmarks.
- Achieve these results while taking prudent levels of risk.



## INVESTMENT OFFERINGS

Turkish Philanthropy Funds is pleased to offer donors the opportunity to select an investment pool for their funds. TPF retains final discretion regarding investment decisions. Donors should consider how the timeframe for giving can support their charitable goals. Investment options include:

**Endowed Investment Portfolio:** Under our present investment strategy, TPF has one endowed portfolio. Because we can predict the cash distributions required of endowed funds (7%), assets in the Endowed portfolio can be invested in a greater range of asset classes, some of which are less liquid than others, to help balance risk and return more effectively.

**Nonendowed Investment Portfolios :** TPF has several nonendowed investment portfolios. TPF Fund holders may choose between the below and have the opportunity to change their investment option once a year.

Investment Pool	Target Allocation	Objective	Risk Profile
<b>LONG TERM POOL</b>  American Century Strategic Allocation: Aggressive Fund (TWSAX)	70% to 85% equities, 20% of its assets in bonds, and 1% of its assets in cash equivalents.	The investment seeks the highest level of total return consistent with its asset mix. The fund's asset allocation strategy diversifies investments among equity securities, bonds and money market instruments.	Achieve targeted long-term performance expectations while accepting some level of short-term capital market volatility
<b>INTERMEDIATE POOL</b>  American Century Strategic Allocation: Moderate Fund Investor Class (TWSMX)	50% to 70% equities, 31% of its assets in bonds, and 5% of its assets in cash equivalents.	The investment seeks the highest level of total return consistent with its asset mix. The fund's asset allocation strategy diversifies investments among equity securities, bonds and money market instruments.	Provides liquid public market exposure over an intermediate-to-long-term time horizon
<b>SHORT TERM POOL</b>  American Century Strategic Allocation: Conservative Fund Investor Class (TWSCX)	30% to 50% equities, 47% of its assets in bonds, and 8% of its assets in cash equivalents.	The investment seeks the highest level of total return consistent with its asset mix. The fund's asset allocation strategy diversifies investments among equity securities, bonds and money market instruments. It usually invests 45% of its assets in equities.	Provides liquid public market exposure over an intermediate time horizon given a modest expected level of volatility
<b>MONEY MARKET POOL</b>	Currently this pool is invested in Schwab Money Market Fund (SWSXX), which at present yields .06%.		
<b>EXTERNAL ASSET MANAGEMENT</b>	For funds over \$1million, charitable asset ownership may be passed to TPF and managed by qualified money managers who follow TPF's investment policy and reporting requirements.		

## **INVESTMENT OVERSIGHT**

TPF has an Investment Committee composed of board members having specific experience and expertise in financial management and experienced career investment professionals. This group sets investment objectives, selects investment managers assigned to particular portions of foundation portfolios, and monitors performance with the goal of achieving targeted returns while maintaining an appropriate level of risk. The Investment Committee develops sound investment policy and appropriate asset allocations for each of the investment portfolios.

### **The Board of Directors**

The Board provides oversight of the investments and directs the staff to apply the investment policies it has adopted as described above.

### **TPF Staff**

The staff performs accounting and treasury management, including the allocation of gains and losses, initiation of money transfers between investment accounts, overall enterprise financial oversight, and fund reporting.

### **Investment Committee**

The Investment Committee establishes asset class allocations within the investment portfolios, selects institutional investment managers, participates in quarterly Investment Committee meetings, and monitors monthly performance reports.

## **INVESTMENT COMMITTEE**



### **Investment Committee Chair**

**Ozgur Karaosmanoglu**  
**Senior Vice President and Managing Director, Raymond James**

Özgür has more than 30 years of experience in the securities industry. He joined Raymond James in 1993, founding the Global Wealth Management Group not long after. Prior to joining the firm, he was an investment executive with Legg Mason and also worked with Dean Witter as an account executive and operations manager. Ozgur's thorough knowledge of the securities industry combined with his unsurpassed integrity enables him to provide sound investment advice and tailor investment plans to his clients' unique needs and goals. He has served on the Raymond James Executive Council and is a current member of the firm's Chairman's Council. In recognition of his dedication and service to his clients, he was named Broker of the Year by Registered Rep. magazine in 2006. Ozgur has an MBA and a BA in Economics from Tulane University. He is a past chair of the Tulane Associates Board, the alumni fundraising board of the university and has served on their board for twelve years. Currently, he is a member of Tulane's Business School Council. He also serves on the board of Results for Development.

## **INVESTMENT COMMITTEE**



**Ozlenen Eser Kalav**  
**CEO Emeritus, Turkish Philanthropy Funds**

Özlenen is the former Chairman, CEO and President of TPF. She is a founding partner and has served on the board of directors of TPF between 2007 - 2015. Her professional life started at Citibank in 1976 as Middle-East North Africa Division's financial controller, covering over twenty countries. She lived and worked in New York, Tokyo, Manila, Athens, and İstanbul. During her highly colorful career, she served as Chief Financial Officer for North Asia Division of the bank, as Strategic Planning Officer for Asia, Australia, Africa and the Middle East Group, and also as Director of Recruiting for Citibank's Investment Bank and Institutional Banks. In mid-1990s, Ozlenen set up her own business advising foreign investors and institutions in the highly active privatization and M&A markets in Turkey. She holds an MS in Biochemistry from Smith College and an MBA in Finance and Management from Columbia Business School.



**Ersin Karaoglu**  
**Portfolio Manager, Bluemountain Capital**

Ersin works as a portfolio manager at Bluemountain Capital, a multi-strategy hedge fund with \$20 billion of assets under management. In his current role, Ersin is part of a team that focuses on identifying dislocations in pricing of credit and equity securities of North American corporations. He is a co-manager of a \$2 billion market-neutral portfolio that comprises of bonds, loans, stocks, and various index and derivatives products. Prior to joining BlueMountain in 2007, Ersin worked at Deutsche Bank as an associate in the Debt Capital Markets division. In this role, Ersin assisted in the origination of debt issuance and liability management transactions for investment grade companies in the healthcare, retail and forest products sectors. Ersin has an MBA from Columbia Business School and a BA in Industrial Engineering and International Economics from Middle East Technical University.



**Rahmi Sayder**  
**Managing Partner, Newmark Advisory Group**

Rahmi has over 30 years of experience in structuring and advising clients on public and private international debt and equity offerings, cross border acquisitions and strategic partnerships. Along the way, he has also become a financial entrepreneur and founded, developed and co-managed several start-up companies, including a mortgage loan company. Rahmi is a founding partner of Newmark Advisory group, a financial consultancy company established in 1995. Before Newmark, Rahmi set up and ran the asset-backed finance group for Bankers Trust Company. Prior to this, he managed the bank's cross border advisory and finance businesses in Turkey and helped establish Turk Merchant Bank, the country's first investment bank. Earlier, Rahmi worked at Donaldson, Lufkin & Jenrette, New York, advising on mortgage, mortgage-backed and CMO portfolios. He was also employed at today's Assurant in New York where he managed company-wide debt and fixed income portfolios. Rahmi started his career at Exxon Enterprises, the venture-capital division of Exxon Corp. He has an MBA from Columbia Business School and a BS from Columbia University School of Engineering and Applied Science.