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Better transparency of Istanbul listings

By Ellen Kelleher

Turkey has broken fresh ground by becoming the first country to require companies listed on its stock exchange to allow shareholders to vote via an electronic platform.

From this month, the 398 companies listed on the Istanbul exchange must let shareholders, custodians and intermediaries vote for directors and proxy issues via "e-GEM" – a single electronic platform overseen by the Central Shares Depository known as MKK, a

division of the exchange.

Annual general meetings will be broadcast in real time via streaming video. Shareholders can log in and register votes prior to meetings and change them while the meeting takes place. The platform will also allow shareholders to communicate with each other.

"Investors can watch the general meeting and...ask questions and vote online on the e-GEM system," said Melsa Ararat, director of the corporate governance forum with the Sabanci University School of Management in Istanbul.

The move is seen as a coup for institutional investors with Turkish holdings as it ratchets up the transparency of Istanbul-listed groups and empowers them to embrace an activist

approach. Institutional shareholders hold more than half of the shares traded on the Istanbul exchange, according to the Sabanci University forum.

Bruce Babcock, president of Investor Communications Solutions (ICS) International at Broadridge, a UK-based e-voting specialist, applauded Turkey's move as "a great development" for both institutional shareholders and the corporate governance commu-

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nity. "We now get information from Turkish banks about an AGM in Turkey and enter all the information into our system," Mr Babcock said. "They are creating a central electronic portal from which you can obtain information about meetings."

While electronic voting is common practice across Europe and the US, it is not compulsory and paper filings remain acceptable currency. Outside Turkey custodial banks usually bear responsibility for orchestrating e-voting for institutional shareholders, rather than the company itself.

The development will force Istanbul-based companies to scramble to get records entered into the system in time for the AGM season in March.

Pensions pessimistic over target returns

By Ruth Sullivan

Pension funds are gloomy about achieving the target returns they need to cover their liabilities over the next five years, with Europeans the most downbeat, according to research by Pyramis Global Advisors.

Some 36 per cent of the 600 public and private defined benefit pension schemes polled did not expect to meet their targets. The number rising to 51 per cent in Europe, against 40 per cent in Canada and 29 per cent in the US.

Such low expectations are driving more than half of global investors to rethink their asset allocation with