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**WHAT THEY'RE BUYING: INTERNATIONAL AND U.S. INDEX FUNDS**  
*Compiled by Max Jarman, The Arizona Republic*

Arizona money managers look to sustain portfolio growth.

Stephen Barnes  
Barnes Investment Advisory, Phoenix

Barnes notes that the market has had a "decent run" that has taken some of the overall attractiveness out of many equity securities. He believes there is still room for appreciation but cautions investors to be realistic about their expectations. Barnes is buying Motorola Inc. (MOT), which he sees as a value, and Teva Pharmaceutical Industries Ltd. (TEVA) for its pipeline of new drugs. He also likes the Mexico Fund Inc. (MXF).

Dave Fernandez  
Wealth Engineering LLC, Scottsdale

Fernandez is guarded about the sustainability of the recent run-up in the market. "It's nice to see the market surge, but I'm cautious," he said. Fernandez has been rebalancing his portfolio, taking profits and moving them into cash. He favors international securities, which comprise about 40 percent of his portfolio. He is buying the Pimco Unhedged Foreign Bond fund (PFUIX) and the DFA International Value fund (DFIVX). He also is buying the DFA Emerging Markets fund (DFEMX).

Michael Black  
Michael Phillips Black Wealth Management, Scottsdale  
Black sees the market getting a boost from strong earnings and the potential for legislative gridlock. "Investors like stability, and gridlock means no change," he said. But he believes that the unstable geopolitical situation will continue to provide volatility. Black likes the iShare index funds and is buying the Russell 3000 Value (IWW), the Russell 3000 Growth (IWZ) and the Russell 2000 Growth (IWO) funds.