

## Arizona Republic

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### **WHAT THEY'RE BUYING: INTERNATIONAL STOCKS, GROWTH FUNDS, FOREIGN BOND FUNDS**

*Compiled by Max Jarman, The Arizona Republic*

Valley money managers upbeat, but concerned about real estate hangover  
Keith Baum

Lowry Hill, Scottsdale

Baum is upbeat on the economy and prospects for healthy corporate earnings and believes there are plenty of opportunities left in the market.

He calls the recent dip in stock prices a necessary correction and believes the market is healthier because of it. He sees value in international stocks despite recent volatility.

Baum is buying data-storage firm EMC Corp. (EMC) and Chandler semiconductor manufacturer Microchip Technology Inc. (MCHP). He also likes financial giant Citigroup Inc. (C).

David Fernandez

Wealth Engineering LLC, Scottsdale

Fernandez expects uncertainty over the real estate market, particularly sub-prime mortgages, to create increased volatility in the market.

"We don't know the extent of the damage," he said of the recent blow-up in the subprime market.

Fernandez is taking profits and building up cash. He stayed out of the market after the recent pullback.

He continues to hold the Hussman Strategic Growth Fund (HSGFX) and the Pimco Unhedged Foreign Bond Fund (PFUIX). He also holds the Pimco Commodity Real Return Strategic Fund (PCRIX).

Scott Grady

Wedbush Morgan Securities, Scottsdale

Grady sees the economy continuing to move forward but at a slower pace than in the past two years.

"Visualize a slow but consistent economy not to be misconstrued as a prelude to a recession."

The economy will continue to be stoked by low interest rates and low inflation. A possible Fed rate cut could help.

He is buying Goldman Sachs Group Inc. (GS) and Lehman Brothers Holdings (LEH). Gady also is buying Cisco Systems Inc. (CSCO).

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