

## Money Managers' Top ETF Picks for 2009

### Billy Fisher

01/06/09 - 09:44 AM EST

Most investors are happy to have turned the page on 2008. Now money managers are looking for them bounce back in the new year. Here are some managers' top ETF picks for 2009 and beyond.

**Maximizing utility:** Alan Rosenfield, managing director and founder of [Harmony Asset Manager](#) anticipating adversity for the market in 2009. "We like the long term, but are nervous about the s he says. "I think we might see a lot of sideways action in the months ahead."

One of Rosenfield's top picks for the next 12 to 18 months is the **Vanguard Utilities ETF**([VPU Q on VPU - Stock Picks](#)). This ETF has 84 holdings and a yield of 3.7%. "We think it's cheap, has a yield and it's defensive," he says.

Although the potential for inflation has taken a backseat to the slumping economy, Rosenfield believes could emerge as a byproduct from a spike in the nation's money supply. "As an [investor](#), you have to be careful about what you are buying," he says. "Over the long term, you have to be concerned about

Rosenfield says the **PowerShares DB Agriculture Fund**([DBA Quote - Cramer on DBA - Stock P](#) now trades 39.8% below its 52-week high achieved in late February, will be a prime beneficiary if equities quickens.

**Bullish on agriculture:** Tony Welch, a portfolio manager at [Sarasota Capital Strategies](#) who speaks about ETFs, is also bullish on the agriculture front. Welch recently took a long position in the **Market Vectors Agribusiness ETF**([MOO Quote - Cramer on MOO - Stock Picks](#)). "Agribusiness is definitely a long term play," he says. "A lot of the stocks in this ETF were beaten down by hedge [fund](#) liquidations so there is a discount in it now."

Another pick that Welch says will do well in the long run is the **iShares MSCI Emerging Markets ETF**([EEM Quote - Cramer on EEM - Stock Picks](#)). "It's very diversified for an emerging market fund," he says. "It's volatile, but it hasn't done much worse than the **S&P 500**."

**Golden opportunity:** The uncertainty that was ever-present in the market in 2008 could have a long-term hangover effect in 2009. This doubt could make gold a good bet going forward. Tom Lydon, president and portfolio manager for [Global Trends Investments](#), says the **Market Vectors Gold Miners ETF**([GDX Quote - Cramer on GDX - Stock Picks](#)) is the best way to play this theme.

"Gold should continue to gain momentum as investors look for safe havens in challenging markets and a weaker U.S. dollar," he says. "Production costs for gold miners have also been declining, leading to higher margins for gold mining companies."

Another theme that Lydon likes for 2009 is the potential for a strong infrastructure build-out from a new administration. Lydon sees the **iShares S&P Global Infrastructure Index**([IGF Quote - Cr](#)

[Stock Picks](#)) as being an efficient way to invest in infrastructure.

"Don't let 'global' fool you -- 26% of this fund is in the U.S., the largest country weighting in the fund. "Proposed improvement projects cannot be outsourced, so they'll directly benefit the U.S. economy and many of the people who have lost their jobs in recent months."

**Treasury bubble?** David Vomund, president and founder of [Vomund Investment Management](#), is bullish that the recent rush into Treasuries, which has pushed ETFs such as the **iShares Lehman 20+ Year Treasury Bond Fund** ([TLT Quote](#) - [Cramer on TLT](#) - [Stock Picks](#)) higher, is sustainable over the long term.

Vomund likes the **UltraShort Lehman 20+ Year Treasury Fund** ([TBT Quote](#) - [Cramer on TBT](#)). "With yields so low, I can't imagine what those who are buying T-bonds are thinking," he says. "T-bonds are parabolic now, but when this bubble bursts, as it surely will, momentum players will exit and prices will plummet just as fast as they rose."

Vomund's other pick for 2009 is the **iShares S&P U.S. Preferred Stock Index** ([PFF Quote](#) - [Cramer on PFF](#) - [Stock Picks](#)), which includes preferred shares of **Wells Fargo** ([WF Quote](#) - [Cramer on WF](#) - [Stock Picks](#)), **Citigroup** ([C Quote](#) - [Cramer on C](#) - [Stock Picks](#)) and **JPMorgan** ([JPM Quote](#) - [Cramer on JPM](#) - [Stock Picks](#)) among its holdings.

"The best way to profit from stabilization in our financial system is to own preferred [stocks](#) tied to high-yield sectors," he says. "About 85% of this ETF's holdings are financial companies, and the 11% yield makes it especially attractive."

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IDC calculates the Market Cap for the basic symbol to include common shares only. Year-to-date mutual fund returns are calculated on a monthly basis by Value Line and posted mid-month.

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