



Diversify Away From Canada With These 2 Quality Stocks

Description

If you like simplicity, you'll like **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)). It is diversified geographically and by asset type.

By buying the single entity, you get exposure to several of its publicly traded entities, including **Brookfield Property Partners LP** ([TSX:BPY.UN](#))(NYSE:BPY), **Brookfield Renewable Partners LP**, **Brookfield Infrastructure Partners L.P.**, and **Brookfield Business Partners LP**, which Brookfield Asset Management owns large stakes in. They are Brookfield Asset Management's focus investments, including real estate, renewable power, infrastructure, and private equity.

Brookfield Asset Management has operations in more than 30 countries. Since 2012, the company has grown at a double-digit rate, its assets under management have increased at a compound annual growth rate (CAGR) of 13%, and its fee-bearing capital has grown at a CAGR of 20%.

Brookfield Asset Management's fee-bearing capital has grown to +US\$115 billion, and it generates US\$2 billion of annualized fees and target carried interest. As Brookfield Asset Management grows its portfolio of quality assets and as time elapses, its fee-bearing capital will only increase.

Brookfield Asset Management stock has pulled back +9% to under \$48 per share due partly to the Canadian dollar gaining strength on the greenback. It's a good time to buy some shares on the dip.



The best value: Brookfield Property

Out of Brookfield Asset Management's publicly traded entities that offer great dividends, Brookfield Property seems to be the best value. The stock has been pressured by the negative sentiment around retail.

Brookfield Property has roughly 80% of its balance sheet in its core portfolio of office and retail assets. Specifically, for its retail exposure, it has 34% interest in **GGP Inc.**, which owns 126 best-in-class retail properties totaling 123 million square feet throughout the U.S.

The company's opportunistic portfolio is comprised of assets in multifamily, industrial, hospitality, triple net lease, self-storage, student housing, and manufactured housing sectors.

Brookfield Property's core portfolio generates stable cash flows and targets long-term returns of 10-12% per year, while its opportunistic portfolio targets a total rate of return of 18-20%.

The stock has dipped +8% from its 52-week high. So, it's a good time to consider the stock at a +5% yield.

Investor takeaway

If you're looking for a diversified, quality long-term investment, you should consider Brookfield Asset Management now and on any further dips.

If you're looking for decent income, you should consider Brookfield Property, which offers a ~5.1% yield. Management aims to grow its dividend by 5-8% per year, supported by its growing cash flow.

Since Brookfield Property pays out distributions which are taxed differently from dividends and can consist of interests, foreign dividends, and other income, it'd be best to hold it in a retirement account, namely an RRSP or RRIF.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:BN (Brookfield)
3. TSX:BPY.UN (Brookfield Property Partners)

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Author

kayng

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