



Here's a Good TSX Alternative to Investing Directly in Chinese Stocks

Description

When you manage more than US\$285 billion in assets on a global basis like **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) does, you've got your hands in a lot of pies.

China, a country with an expanding middle class whose economy also happens to lead the world, is a particularly attractive pie.

To benefit from this growth, many investors are investing in large Chinese companies such as **Alibaba Group Holding Ltd.** ([NYSE:BABA](#)) led by Jack Ma, who in my opinion is one of the smartest CEOs in the world. A second way to bet on the Chinese economy is through exchange-traded funds (ETFs), which have the added benefit of diversification.

A third way to play China is to buy shares in Brookfield, one of the [best](#) alternative asset managers in the world, and more important, a made in Canada success story.

First Brookfield took Manhattan

In recent years, Brookfield has made a lot of money on New York commercial real estate, which has skyrocketed in value. Having sold off some of its New York assets for significant profits, Brookfield is turning its focus to China.

In March, Brookfield announced a 50/50 joint venture with GLP, a Shanghai real estate asset manager with US\$46 billion in assets under management that provides global logistics solutions to some of the world's biggest companies.

Under the terms of the agreement, the joint-venture partners will ultimately install enough rooftop solar panels on the rooftops of buildings owned by GLP to generate one gigawatt of power, the equivalent of powering 750,000 homes for an entire year.

That's a lot of power.

China enters the spotlight

Brookfield has spent the past 15 years putting the infrastructure in place in Asia to tackle some really big projects, and this joint venture is just one of them.

Currently, about 1% of the company's assets are held in China. CEO Bruce Flatt expects that within 25 years, a third of its assets will be located there.

"What China has accomplished over the last 25 years is incredible," Flatt recently told *Forbes*. "China is going to be a major driver of global growth. By and large, China's economic transition has been done in a methodical way such that it's a place where we feel comfortable investing."

According to *Forbes*, Brookfield has 30 investors constantly searching for and evaluating Chinese investment opportunities from its Shanghai office, with another 120 working in the country to ensure its Chinese expansion goes well.

The bottom line on Brookfield's Chinese investment

Bruce Flatt thinks in decades, not years or months. This move is just as cold and calculated as all the [others](#) he's made over the past 16 years as Brookfield's CEO.

Flatt is betting that China is going to need a distributive generation of power (smaller renewable power sources interconnected through smart grids), such as its joint venture with GLP. Putting solar panels up one building at a time, China gets the electricity it needs to power its thriving economy.

Owning Brookfield stock seems like a very smart way to invest in China without losing your shirt.

CATEGORY

1. Investing

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2. NYSE:BN (Brookfield Corporation)
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