



RRSP Investors: 2 Top Canadian Stocks With Global Exposure for 2020

Description

Canadian savers are using their RRSP accounts to hold top stocks that have the capacity to deliver long-term growth.

Getting international exposure is important to diversify the portfolio, but buying stocks on foreign exchanges comes with added risks, including currency volatility and geopolitical uncertainty.

One way to play global economic opportunities is to buy Canadian stocks that have large overseas operations.

Let's take a look at two companies that might be interesting picks for your [RRSP portfolio](#) in 2020.

Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is an alternative asset manager with investments that span the globe in the areas of real estate, infrastructure, and renewable energy.

With a market capitalization of \$70 billion, the company is a powerful force in the sector and has the financial firepower to do deals that only a handful of global companies in the space would be able to secure.

The trend toward negative bond yields makes hard assets more attractive for investors, and Brookfield Asset Management's portfolio should continue to see values increase.

The management team does a good job of identifying opportunities to lock in profits at opportune times and deploys the proceeds into new projects with higher return potential.

The stock is a great way for retail investors to get a piece of some of the planet's top real estate and infrastructure through a reliable and well-managed Canadian firm.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) has bet billions of dollars on emerging market growth, with a specific focus on Mexico, Peru, Chile, and Colombia.

The company has acquired banks and credit card portfolios in the four countries that make up the core of the Pacific Alliance trade bloc. The economic market is home to more than 230 million people and is underbanked compared to more developed economies, such as Canada.

Bank of Nova Scotia continues to see opportunities in the region, investing just under \$3 billion last year to buy a majority stake in BBVA Chile. The deal doubled Bank of Nova Scotia's market share to about 14% in the country.

The international operations already account for roughly 30% of Bank of Nova Scotia's total profits, and that should increase as the company secures additional deals and the operations deliver above-average loan and deposit growth compared to the Canadian business.

The long-term potential is significant in the Pacific Alliance countries. Middle-class expansion should drive higher demand for loans, credit cards, and investment products. At the same time, businesses that are extending their reach into the different markets need a variety of cash-management services.

Bank of Nova Scotia recently raised its [dividend](#). The stock currently provides a yield of 4.8%.

Is one more attractive?

Brookfield Asset Management and Bank of Nova Scotia are market leaders and should both be solid buy-and-hold picks to boost international exposure in your RRSP portfolio.

If you only buy one, I would probably make Bank of Nova Scotia the first choice today. The stock appears somewhat undervalued right now, even after the recent bounce, and provides a great dividend yield.

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