



## 3 Reasons Why Brookfield Asset Management Inc. Is a Top Stock for Income Investors

### Description

A global alternative asset manager focused on real assets, **Brookfield Asset Management Inc.** (TSX: BAM.A)([NYSE: BAM](#)) owns and operates assets in its infrastructure, private equity, property and renewable energy segments.

Here are three reasons to consider Brookfield Asset Management as a part of your income portfolio.

#### 1. High-quality assets

Brookfield invests in high-quality assets for the company and its clients and also actively manages assets for its clients. Brookfield has approximately \$200 billion of assets under management.

The company's emphasis is high-quality, long-life, cash flow-generating assets. It invests in assets that require minimal sustaining capital expenditures with some form of barriers to entry, and characteristics that lead to appreciation of asset values over time.

The breakdown of its high-quality assets is approximately: \$113 billion in property, \$31 billion in infrastructure, \$20 billion in renewable energy, and \$20 billion in private equity. Its assets under management include approximately \$8 billion in cash and other financial assets.

Brookfield's assets under management include large and prominent pension funds, insurance companies, financial institutions, corporations, high net worth individuals, and retail investors. This mix offers diversified exposure for investors.

#### 2. Acquisitions and investments

Brookfield is focusing on quality acquisitions and capital expansions, and it plans to acquire a portfolio of office properties in India (total value of approximately \$800 million). Additionally, it continues to proceed with the acquisition of a port and rail network in Brazil.

Furthermore, it closed the purchase of wind farms in Ireland for \$690 million. Its infrastructure group

announced plans to acquire a natural gas storage facility in California. In Q2, Brookfield invested approximately \$450 million in retail projects in New York.

In July, Brookfield announced that it acquired 611,220 Class A Shares of **Wilmington Capital Management Inc.** Brookfield now owns and controls roughly 17% of the issued and outstanding shares in the class. Wilmington is a Canadian investment and asset management company, which focuses on investments in the real estate and energy sectors.

### 3. Emphasis on real assets

Real Assets are physical or tangible assets that incline to provide a real return. This is frequently linked to inflation. Brookfield has a pure-play emphasis on long-lived, hard assets that produce stable and growing cash flow streams, provide greater current yield, offer protection against inflation, as well as generate appealing risk-adjusted returns.

Brookfield Asset Management Inc. is driving growth through acquisitions and capital expansions. The company is worthy of consideration for any income portfolio.

Its goal is to realize a 12-15% annualized return for shareholders over the long term. Its shares have produced an approximate 20% compound annual return over the last 20 years. Its board recently approved a 7% dividend increase to US\$0.64 per year (payable quarterly) beginning June 30, 2014.

#### CATEGORY

1. Investing

#### TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)

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