



## 3 Reasons to Add Brookfield Asset Management Inc. to Your Portfolio

### Description

If you're looking for a company that is going to generate income for you while you sleep, then you're going to want to look at **Brookfield Asset Management Inc.** (TSX: BAM.A)([NYSE: BAM](#)). An asset management company is one that grows its business by acquiring different businesses, thus diversifying where its income comes from.

Brookfield Asset Management is the kind of company that invests in big assets. For example, it has access to railroads in Australia, pipelines, massive stakes in real estate, clean energy holdings, and many others. As these holdings generate revenue, that money flows up to the main company, which then turns around and further invests in other assets.

Here are three reasons to add Brookfield Asset Management to your portfolio:

#### 1. Its holdings in real estate

Brookfield Asset Management owns 70% of **Brookfield Residential Properties Inc.** (TSX: BRP)(NYSE: BRP). This company is a developer and homebuilder of properties around North America. It is the sixth-largest residential properties company across the continent.

It was recently announced that Brookfield Asset Management was looking to acquire the remaining 30% of this company. That would make it a wholly owned subsidiary, a strong position for the company. Right now, the company is offering \$23.00 cash per share, but based on where it's priced right now, Brookfield Asset Management will likely need to offer more to own the entirety of Brookfield Residential Properties.

But it should do this as soon as possible. BRP has a lot of assets in the United States and the number of pending home sales has increased. If this trend continues, BRP could become more valuable.

#### 2. It can survive tough times

There are whispers that Europe is going to be hit by a recession. It's likely that \$80 a barrel oil might help to prevent that, since most people will have more money to buy goods. But if Europe hits tough

times, that could drag other parts of the world with it.

Brookfield Asset Management is in a position to weather that easily, primarily because of its diversified portfolio. If its BRP holdings were to suffer (which I don't think it will), the company generates enough revenue from other sectors that it would survive. This diversification keeps you in a very good position as you're not likely to lose much value for your stock.

### 3. Dividends

If a stock isn't paying you dividends, it better be because it's investing tons of money into its future growth so it can pay you even greater dividends. Brookfield Asset Management has, historically, paid dividends on time and with quite a bit of growth.

Even during the recession in 2008 and 2009, it increased its dividend to investors. Because of its smart assets, the company is able to bring in revenue, which directly correlates to the amount it gives out to its investors.

I can't harp on it enough: Its diversification makes it possible for these dividends. Other companies need to hoard cash to fund new operations. Brookfield Asset Management has the diversification it needs that it can reward investors while still growing the business.

But Brookfield Asset Management doesn't have the best dividends. If you're looking for that, you'll want to check out the report below.

#### CATEGORY

1. Investing

#### TICKERS GLOBAL

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

#### Category

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