



Escape Market Volatility With Brookfield Asset Management Inc.

Description

So far, 2015 has been a very tumultuous year for the markets. One day investors are panic-stricken by oil prices, the next day falling copper prices stoke concerns that we are en route to another recession. If its not the commodities causing concerns it is some weaker than expected U.S. economic data or some crisis in the Eurozone. It is enough to make most investors run for cover.

But, that is not a necessity. If you want an investment that is a proven performer over time, one that has survived recessions to come out even stronger then before then look no further than **Brookfield Asset Management Inc.** (TSX:BAM.A) ([NYSE:BAM](#)).

Brookfield Asset Management Inc.

As the name suggests, Brookfield Asset Management manages assets. The company has about \$200 billion worth of assets under management. The company has a private equity arm and a real estate, infrastructure, and renewable energy division.

While the company is not immune to economic cycles, over the long haul Brookfield Asset Management is a proven performer. Over the past 10 years the stock is up 235%, making the average annual return for investors who have held the stock for this time period over 23%.

The key to Brookfield's performance

Over the years, Brookfield Asset Management has surprised investors by unexpectedly beating revenue and profits forecasts, and a large reason why the company has been able to do this is because of its private equity arm.

Another reason Brookfield Asset Management has been so successful over the years is because it owns a diverse suite of businesses. This diversity means that the company can adjust its focus during different economic times to concentrate on the businesses that make the most money given the economic climate. Even during times of an economic slowdown Brookfield can benefit. This is thanks to its private equity arm, which can scoop up new assets for a great price from struggling companies.

Concerns

A major concern Brookfield Asset Management investors often express is the company's lack of transparency. In the past the company has attracted criticism over its accounting practices, specifically over its property valuation process and its party transactions. While the accounting maneuvers that the company uses are legal, it's hard for investors to sort out where the company is making its money. For investors who want to know every detail of how the companies they invest in are making money, this can be a major turn off.

The future

Brookfield Asset Management has been a consistent, steady performer thanks in part to its business model. The company is not immune to market cycles, and can experience volatility, but over the long haul the company is a proven performer. When market volatility hits there is always concern that investments will plunge and never recover, but with Brookfield you can be fairly certain that as time goes on, even if the stock hits a rough patch or two, over the long run you will profit from your investment in the company.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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