



## Own Brookfield Asset Management Inc. to Avoid Market Volatility

### Description

We can all look back and fondly remember how amazing the markets did during 2014 with the perpetual rise in equities. Now that we're in 2015, it seems that the market is more volatile than it's been in a long time. One day the market is crashing because oil is losing value and then the next the market is up as if nothing at all is wrong in the world.

For the most seasoned investor this can cause anxiety, so I can imagine that the average investor really doesn't know what to do right now. It's during these volatile times that investors can find really great companies to buy at reduced prices — something I'll touch on at the end of this article.

If you want to avoid the brunt of the market volatility, one company you should consider is **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)). Rather than owning one company, it makes investments in a plethora of different sectors, which makes it a diverse investment by default.

In essence, Brookfield takes investors money and then turns around and buys assets from other companies. It has a private equity division, a real estate arm, and significant investments in infrastructure and renewable energy. On top of that, it's sitting on a war chest of \$13 billion that it can use to buy up other companies and assets.

This strategy has worked for Brookfield and its investors. Over the past 10 years, the company has grown by at least 19%, beating the market every time. By being diversified, the company can stomach all sorts of rises and drops.

### Brookfield gets to be the buyer

Because the market is so volatile, Brookfield can deploy that \$13 billion to pick up depressed assets that might otherwise do very well in the market. One key sector that it may target is the oil market. There is no denying that the market is hurting with oil prices so low. But it's only been a few months, so while these companies are hurting, they can likely survive for some time.

However, if oil prices continue to linger this low, these companies are going to start experiencing some financial problems. And that's when Brookfield gets to sweep in and collect what assets it wants. Or it

can simply provide financing to these companies. Since it is a buyers market, Brookfield gets to be picky with what it buys and also drive the terms.

Because of all this, I believe that you should start a position in Brookfield Asset Management. The company has strong investments, it has a considerable sum of money to invest, and it could start making really smart investments in the near future.

But if you want to create your own Brookfield, you can try and find assets that are undervalued and invest in them directly. One company that I would definitely suggest you check out is this Canadian tech company that used to be at the top of the world.

## CATEGORY

1. Investing

## TICKERS GLOBAL

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

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