

Looking for Dividends? Buy Brookfield Asset Management Inc.

Description

Many investors love dividend stocks, but I am not always a fan. For investors who are interested in high-yield dividend stocks, a growth stock such as **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) could be an even better investment.

What is wrong with dividend stocks?

There is nothing wrong with dividend stocks, but sometimes I have a problem with companies that pay really large dividends. In most cases, I would prefer that companies use that money to grow their value internally.

What is better than a high-yield dividend company?

This is not to say that you should look for companies that pay no, or really low dividends, I just believe that for the reasons many investors seek large dividends, a safer, growth-oriented stock would make a better investment. These growth stocks see their value increase year-after-year, which will make investors far more wealthy than companies with blockbuster yields and lackluster stock performances. One of my top picks for a growth stock is Brookfield Asset Management Inc.

Brookfield Asset Management

Yes, Brookfield Asset Management is a dividend stock, but the company pays a very modest \$0.21 per share dividend, with the current annual yield at 1.26%. What I love about Brookfield Asset Management is that over the long haul, in good and bad economic times, the company has been able to consistently grow its earnings and revenue. This growth is reflected in the company's stock performance. Over the past 10 years the company's stock has averaged a 23% annual return.

Brookfield's business structure is one of the reasons why it has been such a consistent performer. The company is a global asset manager involved in property, renewable energy, infrastructure and private equity. The company has over \$200 billion of assets under management.

Brookfield has been able to increase profits so significantly over the years because it earns income from different streams. The company manages money for a fee, and invests its own money alongside its clients. Brookfield's focus is on tangible, real assets.

No matter what the economy is doing, Brookfield can profit. In good times its assets increase in value, giving handsome returns. In bad economic times, it can scoop up assets from struggling companies for a great deal, expanding its long-term profitability.

Long-term gains and dividend payments? Sign me up!

Not only does Brookfield Asset Management reward investors with a modest dividend, it rewards with a solid stock return. A 23% annual return more than compensates for the company's modest dividend, and makes the company an ideal investment for those looking for a long-term, consistent increase in

their wealth.

CATEGORY

- 1. Investing

TICKERS GLOBAL

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

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