



Brookfield Asset Management Inc. Should Be a Core Holding

Description

There are plenty of great companies out there, but not many can be considered core holdings. And despite the fact that it doesn't get nearly as much coverage as some of the large oil and telecommunication companies, **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) is one of the most consistently great companies on the market.

As the name implies, Brookfield manages an assortment of assets. It manages over \$200 billion in assets, which gives it a significant war chest to be able to acquire many different kinds of assets. As the company continues to buy great assets and grows its holdings, more investors get interested and put their money into Brookfield so the company can buy other great assets. And the reality is, Brookfield is definitely buying.

Brazil is one target that Brookfield has set its eyes on. Brazil, Russia, India, and China were going to become the fastest-growing economies. Brazil, though, has experienced a significant slowdown in its economy, which has left many assets ripe for the picking by Brookfield.

In a letter to investors, Sam Pollack, the CEO of Brookfield, said, "We have historically been very successful in acquiring large-scale businesses during periods when capital has been constrained." When an economy is flourishing, there is plenty of money. Investors move in herds. What makes Brookfield so great is that it deploys its money when no other investor will, ensuring that it can get assets at the best possible price.

Brookfield intends to invest \$1.3 billion into Brazil. And when the economy does get stronger in Brazil—and it will at some point in the future—the investors that hold Brookfield will enjoy the rewards.

And the thing is, Brazil is just one of many countries that Brookfield invests in. It has its fingers in countries all around the globe and in different industries. This makes Brookfield a diversification machine. For those Canadian investors that are a little too concentrated on Canadian stocks, owning Brookfield is a great way to give your portfolio some diversity.

Brookfield rewards investors

But the real reason you want to own Brookfield is because it rewards investors. Over the past 20 years Brookfield has been able to reward its common shareholders with an average 19% growth every single year. If you had invested \$10,000 in Brookfield 20 years ago, that would be worth \$320,000 today.

Because of its track record, I definitely recommend buying shares of Brookfield. The firm continues to grow, its generating more income from fees, and it is investing in assets that are going to be worth a lot more in the next 5-10 years. Buying now should result in you making a nice return on your investment. And having that diversification outside of just Canada will help protect your portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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Author

jaycodon

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