



Investors: Brookfield Asset Management Inc. Should Be in Your Portfolio

Description

Brookfield Asset Management Inc. (TSX:BAM.A)([NYSE:BAM](#)) manages over \$215 billion in assets. The company is the largest alternative asset manager in the country, and has been doing business for over 100 years with a portfolio spanning North and South America, Australasia, and Europe.

The primary focus for the company is on real estate, renewable energy, private equity, and infrastructure. The largest investment platform consists of multi-family, office, retail, hotel, and industrial sector-specific profiles.

Let's look at a few reasons why Brookfield should be a part of your portfolio.

Brookfield acquires companies at the right time

Brookfield has an immense amount of capital—some \$10 billion available for investment. When the financial clout Brookfield has is teamed up with the ability to come in at the right time to acquire distressed assets, the result is mixture of near-perfect business timing and financial muscle that few competitors can match.

Last month, Brookfield announced a \$6.5 billion takeover of Asciano ports and rail in Australia. Asciano both owns and operates Patrick container terminals in Melbourne, Sydney, Brisbane and Fremantle. Just as the deal was announced, Asciano reported a 41.4% rise in net profits. The deal is expected to be completed later this year, pending regulatory approvals.

Brookfield has also set aside over \$1.2 billion to acquire assets in Brazil. This decision comes at a time when Brazil's credit rating was downgraded to junk status, giving further credence to the company being at the right place at the right time. Any companies Brookfield picks up in Brazil from that investment will be worth considerably more once the credit situation in the country improves, at which point Brookfield and investors will reap the rewards.

Brookfield's results show promise

Brookfield currently trades at \$40.72, with the 52-week high at \$48.64. Over the past three months the

stock is down, much like the rest of the market, by just under 4%. Year-to-date, the stock is up by nearly 5%, and over the course of the full year the price is up by approximately 19%. The five-year difference is a very impressive 117%.

Brookfield pays a quarterly dividend of \$0.12. While this may not be the determining factor in buying the stock, the dividend income is always an added bonus to what really should be seen as the primary reason for purchasing this stock—growth. Brookfield exceeded forecasted figures in the most recent quarter, with reported earnings of \$0.727 per share, up over 35% for the same quarter in the previous year.

In my opinion, Brookfield remains a solid option for any portfolio. The company has strong financials, an impressive record of acquisitions, and a willingness to flex its financial muscle where opportunities exist.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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