



Turn to Brookfield Asset Management Inc. for Growth

Description

The overall performance of the market has been anything but pleasant these past few weeks. Whether it's a crash or a correction, investors are being left on the sidelines wondering what is going on and how best to balance their portfolios to minimize losses.

Fortunately, there is hope. **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) is one of a select few types of companies that can thrive during downturns in the market.

Brookfield excels at acquiring distressed companies. It then either holds them until market conditions improve or turns them around to become profitable and eventually sells them. The company already manages \$225 billion worth of assets across several countries.

The model has yielded impressive results for the company. Distressed assets purchased by the company are often done so at a discount prices, and when they are finally sold, it's for a premium. The company has done exceptionally well, and investors that haven't yet jumped on board should consider adding Brookfield to their portfolios.

Brookfield has the financial muscle to acquire assets

Brookfield has a massive \$10 billion war chest that is ready to be used when an investment opportunity arises. Over the years the company has developed a certain skill of identifying distressed assets and knowing when exactly to acquire them.

Brookfield is currently in the process of expanding its private equity business. The company announced earlier this month that it would spin off the private equity arm of the business, Brookfield Business Partners. This represents the fourth subsidiary for the company that will be publicly traded.

The new arm will have assets of approximately US\$7.7 billion and an income of US\$310 million. The parent company will retain a 70% interest from the transaction, eventually reducing this figure through other actions over time.

Brookfield is constantly expanding

Brookfield just paid US\$1.9 billion to the Colombian government for a 57.6% stake in Isagen—the country’s power generator. Brookfield led a small group of investors that all contributed to the deal.

Once the deal has been completed, **Brookfield Renewable**—one of the subsidiaries of the parent company—will have a 25% stake in the company. The remaining partners from the deal will account for the other 32.6% share in the power company.

Brookfield’s stock currently goes for \$40.35. Year-to-date, the stock is down, just like most of the market, by just over 7%. The company has a quarterly dividend that has steadily been raised throughout the years; it pays \$0.16 per share quarterly, giving the dividend a yield of 1.58%. The dividend income is a welcome bonus, but long-term growth is what really counts when investing with Brookfield.

Don’t let the current market performance misrepresent Brookfield; this is a stock that, in my opinion, is highly diversified and an excellent option for long-term growth. The current downturn should be seen as an opportunity to acquire great companies like Brookfield at significant discounts.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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