

## Why Brookfield Asset Management Inc. Needs to Be in Your Portfolio

### Description

**Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) is the largest alternative asset management in Canada and has been in business for well over 100 years. The company has an impressive portfolio of assets in Canada, the U.S., Australia, and Brazil valued in excess of \$230 billion.

If you haven't considered Brookfield as an investment just yet, you may want to consider adding the company to your portfolio.

### Brookfield's business model excels in the current environment

Brookfield is global alternative asset manager, and a very good one at that. This boils down to a fairly simple business model that is actually quite lucrative: Brookfield acquires funding from various limited partners; it takes those funds and invests them in distressed assets, wherever they may be around the globe.

Because those assets are distressed, the price at which Brookfield adds properties to the portfolio is typically at a considerable discount. After the acquisition, Brookfield will either turn the business around and sell it, occasionally dismantling and selling the individual parts, or wait for the market to improve and sell the asset. Either way, Brookfield stands to make a considerable profit.

As to funding, the company has a \$10 billion war chest at the ready for when opportunities arise. Between the immense amounts of funding available and Brookfield's knack for buying distressed assets when the market conditions are just right, the company is well placed for considerable growth.

Brookfield's access to assets around the world is reason enough for investors to invest in the company. The company's availability to locate and invest in assets surpasses even some of the most skilled investors. Take Brazil for example. The country is undergoing a number of problems, and resources are being squeezed to their limits. Brookfield set aside \$1.2 billion to buy distressed infrastructure projects in Brazil.

### Brookfield continues to expand into new areas

Brookfield has been attempting to acquire Australian freight firm Asciano Ltd. for several months now. Asciano operates terminals in Melbourne, Brisbane, Sydney, and Freemantle.

An agreement was finally reached this week, whereby Brookfield, along with Qube Holdings (which was competing with Brookfield to acquire Asciano up until last month), will purchase Asciano for a deal reported to be worth over \$9 billion.

As part of the deal, Qube will get the Patrick Container Terminals business of Asciano, whereas the Brookfield consortium, consisting of the British Columbia Investment Management Corp. and the Canada Pension Plan Investment Board, will acquire the Bulk & Automotive Ports Services businesses. The Pacific National rail business will be split off for acquisition by another consortium.

Brookfield's continued expansion into new areas helps create a diversified portfolio from a single company. Investors are getting access to a wide variety of industries in different countries by investing in one company.

In my opinion, Brookfield remains one of the best opportunities in the market for those investors looking for long-term growth and diversification of their portfolios.

## CATEGORY

1. Investing

## TICKERS GLOBAL

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

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