



## Why Brookfield Asset Management Inc. Is a Great Investment

### Description

**Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) has always been a great investment opportunity, but few investors actually realize how good of an investment it is and how many assets, many of them well-known icons around the world, that it manages.

Brookfield is focused on identifying and acquiring distressed assets around the world. Once acquired, Brookfield will either turn the asset around to generate cash flow, or hold it long enough until conditions in the market have improved to the point that a sale will generate a profit.

The ability to identify distressed assets has meant that Brookfield has acquired a significant number of properties over the years, many of which were acquired for heavily discounted prices.

### Brookfield's portfolio is second to none

While Brookfield is perhaps most well known for investing in real estate, the company is diversified into other areas of the economy. In total, Brookfield has nearly \$250 billion invested across real estate, infrastructure, power generation, and even public securities.

Over 60% of that portfolio is real estate, and Brookfield's empire of projects includes massive sections of the Toronto, Sydney, and New York skylines. In New York alone, Brookfield's \$5 billion Manhattan West project is a seven-million-square-foot maze of concrete and steel that is slowly rising into the iconic Manhattan skyline.

Brookfield is the largest landlord for office space in London; it owns Canary Wharf, which happens to be one of the biggest development sites in all of Europe.

Brookfield has a myriad of hotels and shopping malls that include many well-known names that most investors would be shocked to know are actually Brookfield properties, such as Atlantis in the Bahamas.

And that's just the real estate.

The opportunity that exists in infrastructure development is significantly bigger and measured in the trillions. Brookfield already manages a mind-numbing 2,000 projects in 30 countries on five continents. Its projects include over 200 hydroelectric plants across North and South America, and it owns 20% of Ireland's wind farms and the majority of cell towers in France.

### How does Brookfield operate?

Brookfield has a record of performing admirably. In the past five years, the stock has soared by over 140%, far outperforming what the market did over the same period. Part of that stellar performance is thanks the unique structure of the company, which allows for segments to grow; upon reaching a certain level, that segment is spun off into another business. Brookfield still maintains a significant holding in that company, but, for the most part, Brookfield allows it to operate, stepping in where needed with financing on larger projects.

Even better, because Brookfield maintains an interest in those companies, their eventual success leads to continued success for the parent company.

The companies that Brookfield has spun off so far include **Brookfield Renewable Partners LP**, **Brookfield Infrastructure Partners LP**, and **Brookfield Property Partners LP**.

In my opinion, Brookfield remains a great investment opportunity for those investors looking to diversify their portfolios with a stock that can provide long-term growth.

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