



Brookfield Infrastructure Partners L.P. Is Now My Largest Holding: Now What?

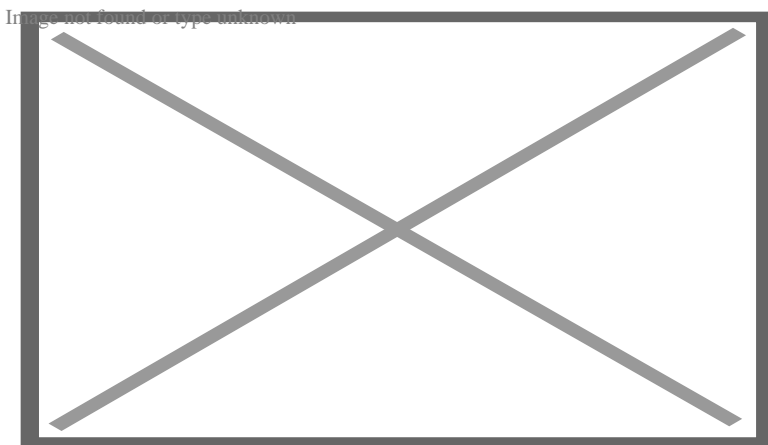
Description

If you take a look at the long-term price chart of **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#)) ([NYSE:BIP](#)), you'll see that the company has been an absolute pleasure for its shareholders to own.

Its share price is not the only thing that has grown. Over time, the company has also increased its payout.

On the Toronto Stock Exchange, Brookfield Infrastructure has delivered an annualized rate of return of 24% since the end of 2014. And its five-year dividend-growth rate is 18%.

Because of the price run-up and my occasional buys of the quality company, Brookfield Infrastructure has become my largest stock holding.



What has driven the business's excellent performance?

Brookfield Infrastructure hasn't disappointed me since I started buying it.

It has continued to pay and grow a good distribution. Management aims to grow its distribution per unit by 5-9% per year.

Underlying this great stock are premier global infrastructure assets that the company has accumulated across five continents and 15 countries over time. The company has 35 high-quality businesses across five sectors. They generate stable, growing cash flows to support its distribution.

Brookfield Infrastructure's portfolio of assets consists of regulated utilities, railroads, toll roads, ports, natural gas distribution, communication towers, fibre backbone, and water desalination, distribution, and irrigation systems.

Additionally, the company uses a value-investing approach. It capitalizes on mature assets and deploys the capital in more attractive opportunities.

In the past eight years, Brookfield Infrastructure has sold 10 businesses, which generated more than US\$2 billion of gross proceeds with a rate of return of more than 25%.

Recent performance

Brookfield Infrastructure's recent performance was outstanding. In the past year, it increased its funds from operations (FFO) per unit by 20%, which has aligned with its annualized FFO-per-unit growth rate since 2009. In the roughly eight-year period, the company has also increased its distribution per unit by 12% per year, according to its U.S. dollar-denominated distribution per unit.

In the past year, Brookfield Infrastructure has invested more than US\$2 billion and expanded its capital backlog to US\$2.4 billion, which indicates that more growth is coming. Some of its growth areas include its investment in telecom towers in India, where the GDP growth rate is expected to be above average at 7%.

What I'm doing with my shares

Brookfield Infrastructure continues to work its magic. So, I'm going to do absolutely nothing and watch my income from this core investment grow over time. Perhaps I will occasionally buy some shares on meaningful dips.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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