



How Brookfield Asset Management Inc. Is Reshaping Your Portfolio

Description

Of all the stocks on the market, **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)) represents one of the most interesting investment opportunities for both income and growth-minded investors.

As an asset-management company, Brookfield specializes in identifying distressed assets to acquire, wherever they may be around the world. Once acquired, Brookfield either turns the distressed asset around and operates it, or flips it for a profit to the joy of investors.

This is a model that has worked wonders for the company and has resulted in the company owning and operating some of the most lucrative assets on the planet. That portfolio spans over 30 countries on five continents, including large swaths of downtown New York, Sydney, and Toronto. Brookfield is also the largest landlord of office space in London and owns landmarks that include Atlantis Bahamas and Canary Wharf in London.

Brookfield's management has been key to those acquisitions, and the company maintains a sizable war chest that has billions ready to use for the next big opportunity.

So, where does that great opportunity for investment lie? I wouldn't expect Brookfield to be appealing for just one reason alone, so here are a few reasons.

The many faces of Brookfield provide many opportunities

Brookfield is unique in that the company has spun off segments into separate entities over time, while maintaining an interest in those segments. That growing list of child companies includes many well-known and recognizable names on the market, including **Brookfield Business Partners LP**, **Brookfield Infrastructure Partners LP**, **Brookfield Property Partners LP**, and **Brookfield Renewable Partners LP**.

In each of these cases, the child company was spun off from the parent once a self-sustaining portfolio of assets in that segment was established. This allows the respective child company to focus on generating cash flow, while the parent company remains at arms-length, ready to invest in any

ventures where needed.

The sheer brilliance in this model allows an investment in the parent to benefit from the strength of the children, and because those children are spun-off entities, they can place full focus on some truly lucrative projects, such as the slowly rising city emerging in New York's Hudson Yards thanks to Brookfield's Property Partners arm.

The same could be said of Brookfield's Infrastructure spin-off. Brookfield Infrastructure has a myriad of impressive assets, including toll road operations in both Peru and India as well as an Australian port, which leads to my second point.

Infrastructure is key

One key area of investment opportunity that is often overlooked is infrastructure.

The developing nations of the world are building massive swaths of infrastructure to accommodate their booming economies and rapidly expanding suburbs. In the developed world, the need to replace and upgrade aging infrastructure is growing by the day.

This translates into a massive opportunity for Brookfield. Brookfield's massive portfolio contains a growing number of infrastructure-focused holdings, including 200 hydroelectric plants across both North and South America, ownership of 20% of Ireland's wind farms, and most of the cell towers in France.

Brookfield has recently been in talks with India-based Madhucon Projects Ltd. to acquire toll roads in India for what could be a US\$300 million deal.

In my opinion, Brookfield represents a unique investment opportunity for those investors looking for long-term growth. The company has an impressive record for identifying and acquiring distressed assets, and Brookfield's impressive ability to raise capital more than ensures that the company will continue to capitalize on opportunities for growth, wherever they may be.

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