

Have You Considered Brookfield Asset Management Inc. (TSX:BAM.A) Lately?

Description

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is one of just a handful of investments on the market today that represents a collection of well-diversified investments. For those that are unfamiliar with the company, Brookfield is an asset manager that acquires, turns around and sells-off distressed assets around the world.

Over the years, Brookfield has amassed an incredible portfolio of assets that ranges from well-known properties such as Canary Wharf in London and Atlantis Bahamas to large swaths of downtown New York, Toronto, and Sydney. The investments aren't limited to real estate either; Brookfield is also invested in various utilities, energy, transportation infrastructure and sustainable resource elements around the world.

In acquiring those assets, Brookfield operates under a very simple model: identify [distressed assets](#), acquire them at a discounted level, and then turn them around to build value and sell them, or wait until market conditions that caused the asset to be distressed improve enough to where the asset can be turned over for a profit.

As you can imagine, acquiring assets on the scale that Brookfield does requires a massive war chest of funds, and this is where the company pulls apart from the competition, boasting over \$330 billion in assets and a record of operations that spans [well over a century](#).

Earlier this fall, Brookfield announced a series of deals to add to its already sprawling portfolio, which included a US\$11.3 billion deal for a real estate developer with over 10 million square feet of office and apartment space, as well as the 99-year lease of New York's 666 Fifth Avenue tower from Jared Kushner's family business.

The office building carried a massive amount of debt and Brookfield has earmarked near US\$700 million to redevelop the site, which coincidentally is just a few blocks away from another Brookfield site – the Hudson Yards project, which is a collection of mixed use towers rising along Manhattan's West side.

What about results?

Earlier this month Brookfield announced results for the third fiscal of 2018, which continued to showcase the strength of Brookfield. The company reported net income of US\$941 million, or US\$0.11 per share in the quarter, which did come in lower than the same period last year.

Overall, however, the 12-month performance of the company shows a massive improvement over the same period last year, with net income over the trailing 12-month period this year and last year coming in at US\$6,543 million and US\$2565 million, respectively.

Funds from operations came in at US\$1,085 million, or US\$1.07 per share during the quarter, handily

beating the US\$809 million, or US\$0.79 per share reported in the same quarter last year.

When it comes to a dividend, Brookfield offers investors a respectable 1.36% quarterly payout, and while this may not seem that attractive to income-seeking investors at least initially, the long-term prospects for investors in this stock couldn't be stronger.

In my opinion, buy it, hold it and watch it grow while taking pride in knowing that you own landmarks and a diversified portfolio of businesses worldwide.

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