

A Great Addition to Any Growth-Oriented TFSA

Description

Buying growth stocks on meaningful corrections is a great way to build wealth in your TFSA if you have the risk tolerance to hold on to them, as growth stocks tend to be more volatile than stocks that offer decent dividend yields of 3-4%.

Brookfield Business Partners ([TSX:BBU.UN](#))([NYSE:BBU](#)) is a growth stock that has corrected meaningfully by about 18% from its high on the Toronto Stock Exchange. However, the stock remains in a long-term upward trend. In fact, it has delivered annualized returns of about 15% since late 2016.

It pays a dividend, but keep in mind that that's not the focus of the growth investment, as the stock only yields about 0.7% and doesn't have a history of increasing dividends. The company is clear about its aim for a 15-20% return on its investments with an overall focus on long-term capital appreciation.

Yahoo Finance indicates that the stock had a recent beta of 1.9. So, investors should expect greater volatility from the stock than the general market.

Although Brookfield Business Partners was only listed publicly on its own since 2016 as a spin-off from **Brookfield Asset Management**, it has actually been in the business of investing and managing businesses for more than 30 years with a proven record of success.



Image source: Getty Images.

What Brookfield does

Brookfield Business Partners is a business services and industrials company that invests across multiple industries. Its businesses offer construction services, facilities management and real estate services, water and wastewater services, and much more.

It's a global business with US\$28 billion of assets across the U.K. and Europe (about 39% of assets), North America (32%), South America (18%), Asia Pacific (7%) and the Middle East (3.6%).

It aims to acquire businesses with high barriers to entry or low production costs and then improve the businesses with a focus on profitability and sustainability of margins and cash flows.

It is a value investor that aims to sell interests in businesses when the businesses are fully valued and then recycle the capital for higher returns.

Investor takeaway

Brookfield Business Partners is [a great addition for growth](#) in your TFSA after the recent correction in the stock. Over the long term, it should deliver annualized returns of about 15%.

However, the stock will probably be a volatile ride. And in a market correction, it'll likely experience a bigger drawdown than stocks that offer growing dividends and yields of about 3-4%.

Some investors will find it easier to [invest in Brookfield Asset Management](#), which owns about 68% of Brookfield Business Partners and is much more diversified.

Perform due diligence on Brookfield Business Partners and Brookfield Asset Management and decide which you would invest in your TFSA on dips to boost growth. In the long run, both should deliver double-digit returns.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BBU (Brookfield Business Partners L.P.)
2. TSX:BBU.UN (Brookfield Business Partners)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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