



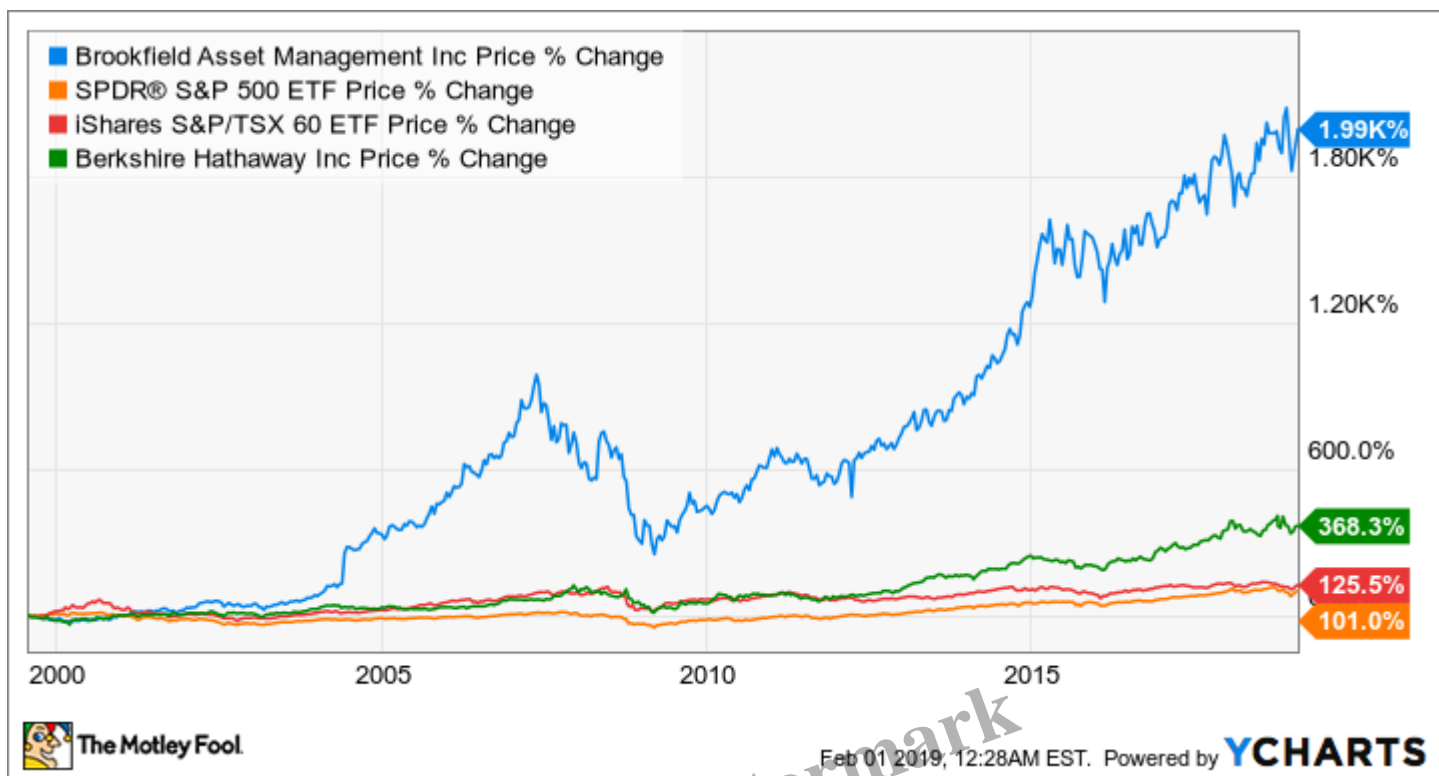
Buy This Stock to Outperform Berkshire Hathaway

Description

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is a leader in global alternative asset management and is one of the largest investors in real assets. It's mostly focused on real estate, renewable power, and infrastructure assets, which generate stable and strong cash flow. It has a listed partnership for each category as well as a listed partnership for its private equity business.

Real assets are sought after

Brookfield Asset Management's long-term returns [greatly outperform the market](#) (and **Berkshire Hathaway**), which is one reason why it has been able to attract large-scale capital from public and private markets for huge transactions that few others can go after.



BAM.A data by YCharts. Brookfield Asset Management's one-, three-, five-, 10-year, and longer-term price gains outperform those of Berkshire Hathaway, the U.S. market, and the Canadian market.

For example, Brookfield Asset Management just raised US\$15 billion for its latest flagship global private real estate fund. The funds way exceeded the US\$10 billion that the company originally intended to raise. This is concrete evidence that there's strong investor demand for what Brookfield Asset Management offers.

A recent study from Willis Towers Watson Global Pension Assets also supports that theory. The study discovered an increased allocation to real assets from 5% in 2000 to 25% in 2017. Brookfield Asset Management estimates that the allocation to real assets will reach more than 40% by 2030!

The advantage of investing globally

Brookfield Asset Management is a top-notch manager that invests globally, such that it can invest in places that are most scarce in capital. Ultimately, this translates to buying quality assets on sale. Further, it's also known to sell mature assets and reinvest the proceeds elsewhere for higher risk-adjusted returns.



How can you be sure Brookfield Asset Management has shareholders' best interests?

Brookfield Asset Management doesn't just invest for its clients; it invests its own money alongside its investors, too. More specifically, it owns 30-68% interests in its four listed partnerships.

As the general manager to the listed partnerships, Brookfield Asset Management earns performance fees (and ample cash distributions). It has more than US\$330 billion of assets under management and more than US\$140 billion are fee-bearing capital. It currently generates about US\$2.7 billion of performance fees per year.

With 115 years of operating experience in real assets, Brookfield Asset Management has developed operational expertise to improve assets it acquires for enhanced returns.

Investor takeaway

Brookfield Asset Management stock is subject to market-wide corrections like any other stock. Investors should take a long-term investment approach with the quality company, aim to buy on dips, and hold the stock for the long haul for [outperforming returns](#). Did I mention that it offers a growing dividend, too?

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)

PARTNER-FEEDS

1. Msn
2. Newscred

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