



This Stock Is Like Brookfield Asset Management Inc (TSX:BAM) on Steroids

Description

Brookfield Asset Management Inc ([TSX:BAM](#))([NYSE:BAM](#)) knows how to create shareholder wealth. Over the past 15 years, shareholders have received a total return of nearly 1,000%.

What's the magic behind this outperformance? The company is a turnaround specialist.

Brookfield Asset Management focuses on acquiring distressed assets around the world at bargain prices. From there, it has multiple options. It can sell the improved asset to the highest bidder or retain the asset and hoard the newfound cash flows.

Either way, Brookfield Asset Management benefits, but there's a secret way to benefit from its success.

Here's why this stock is special

Brookfield Asset Management is, at its core, an asset manager. That means it doesn't take the full risk of buying these global assets. By investing its money alongside clients, Brookfield Asset Management gains from its bets while earning management fees.

Today, the company manages more than US\$350 billion through vehicles like **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) and **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield Renewable Partners is one of the world's largest investors in renewable power. It focuses on opportunities where capital is scarce to drive excess returns. Brookfield Infrastructure Partners is also one of the world's largest infrastructure investors. It owns assets like utilities, data centers, highways, and pipelines. Having scale in this area is a huge advantage.

By earnings profits from both its investments and portfolio management fees, Brookfield Asset Management gives investors a risk-mitigated way to directly benefit from global, macro trends.

How to leverage your bet

While you can always just buy Brookfield Asset Management stock, there's an under-the-radar way to augment your gains: introducing **Partners Value Investments LP** ([TSXV:PVF.UN](https://www.brookfield.com/TSXV:PVF.UN)).

This is an investment vehicle that's mostly owned by Brookfield's management team and insiders. Roughly half of their stake is owned through this vehicle.

Currently, Partners Value Investments owns 86 million Class A common shares of Brookfield. It also owns a variety of other blue chip stocks like **Apple Inc.**, **The Coca-Cola Co**, **Johnson & Johnson**, and **Procter & Gamble Co**.

Currently, shares trade for less than book value. Brookfield Asset Management stock, meanwhile, trades at 1.75 times book value at writing.

While Partners Value Investments has other securities in its portfolio apart from Brookfield Asset Management, they are all clearly companies that deserve to be trading at their market value. By buying Partners Value Investments, you're essentially buying Brookfield Asset Management shares with some other stocks thrown in for free, including Coca-Cola and Apple.

Which stock should you buy?

Right now, the discount between Partners Value Investments and Brookfield Asset Management isn't that enticing. However, that discount has widened considerably over time.

In 2017, when the discount was at its widest in years, Partners Value Investments opted to repurchase 5% of its own shares, essentially leveraging its bets in a low risk way. That's an option you can't get by purchasing Brookfield shares directly.

Keep an eye on the discount, as this vehicle is one of the only ways you can buy Brookfield Asset Management shares for 5% to 10% off.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:BN (Brookfield Corporation)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
6. TSX:BN (Brookfield)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/27

Date Created

2019/04/14

Author

rvanzo

default watermark

default watermark