



## Add These 5 Alternative Asset Investments to Your TFSA

### Description

Investment opportunities that go beyond traditional stocks and bonds are considered alternatives. These include real estate, private equity, renewable energy infrastructure, and venture capital.

Traditionally, these alternative investments have been reserved for accredited or institutional investors. However, **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) has several listed instruments that offer retail investors a chance to add exposure to these niche asset classes. Here's a brief overview of all five Brookfield options listed in Toronto.

### Property

**Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY) is the company's real estate investment trust (REIT) that holds a well-diversified portfolio of properties ranging from office space to multifamily residential units. The company aims to deliver returns on equity in the range of 12-15% and annual distribution growth of 5-8%.

At the moment, the stock offers a jaw-dropping 6.34% dividend yield paid in U.S. dollars. The price is just 13.3 times annual earnings, which makes it one of the most lucrative and well-priced REITs on the Canadian market.

### Infrastructure

Brookfield Asset Management's infrastructure subsidiary, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)), holds a broad mix of critical assets related to energy, water, freight, passengers, and data infrastructure across the world. According to the company's website, management aims for the same 12-15% return on equity and 5-9% dividend growth as the property portfolio.

Since its inception in 2008, the stock has delivered compounded annual total returns of 15%. However, the company's return on equity has been just 4.3% over the past year and the dividend yield is a mere 4.87%.

## Renewable

Brookfield Asset Management was early in recognizing the long-term potential for wealth creation in the fight against climate change. **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is now the largest owner and manager of renewable energy generation assets in the world.

BEP has US\$43 billion in assets under management and has managed to diversify this pot between five sectors in 10 countries. The company now has capacity to produce 17,400 megawatts of power through 880 generating facilities in North America, South America, Europe, and Asia. 75% of the portfolio is concentrated in hydroelectric power stations.

The stock now offers a 6.4% dividend yield and is, in my opinion, one of the best instruments for investors looking to add [green energy exposure](#) to their portfolio.

## Business

**Brookfield Business Partners** ([TSX:BBU.UN](#))([NYSE:BBU](#)) is the company's business development unit. It acquires businesses, improves operations or cuts debt, and accumulates cash flow or sells for a profit.

BBU offers the lowest dividend yield of any Brookfield stock (0.63% at current market price) but has the highest return on equity (roughly 20.5%). The stock also trades at just 11.9 times annual funds from operations, which could indicate undervaluation.

In short, BBU is for growth-seeking investors with patience.

## All four plus asset management

If you've read this article and liked all four options, the parent company's stock may be the best addition to diversify your TFSA. Brookfield holds significant stakes in all four partnerships and earns fees on a separate \$138 billion pool it manages for clients.

Over the past 10 years, BAM stock has quintupled. Currently, it offers a 1.33% dividend yield and trades at just 2.25 times book value. Buying the stock is a convenient way to add a tonne of diversification with a single click.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

## **TICKERS GLOBAL**

1. NYSE:BBU (Brookfield Business Partners L.P.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
4. NYSE:BN (Brookfield Corporation)
5. TSX:BBU.UN (Brookfield Business Partners)
6. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
7. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
8. TSX:BN (Brookfield)
9. TSX:BPY.UN (Brookfield Property Partners)

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