



## A Vital “Forever” Investment to Own in Your TFSA and RRSP

### Description

**Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a rare breed of investment. It not only offers a rock-solid cash flow stream, which translates into frequent and generous cash distribution increases (around 10% annualized over the past decade), but it also provides investors “peace of mind,” unlike most other high-returning securities out there.

As you may know, the [“Brookfield” name](#) is well known for its effective management of high-quality alternative assets. Such assets, whether they be in real estate, renewable energy, infrastructure, or private equity, serve as vital to any optimally diversified portfolio. Alternative assets offer many benefits for a portfolio of stocks — most notably, the lower degree of correlation that alternative assets have relative to the broader equity markets.

With that in mind, it’s not a mystery as to why many professional money managers flock to Brookfield as their one-stop shop for alternative assets. Of the Brookfield basket of partnerships, my favourite for long-term portfolios would have to be Brookfield Infrastructure. Not to take away from the renewable or property partnerships though, as they’re both also fantastic, well-run businesses and wonderful long-term wealth creators.

### Peace of mind minus a hit to your long-term returns

What has me licking my chops at Brookfield Infrastructure is that it’s arguably the most reliable of partnerships to hold in a worst-case scenario, where we fall into a recession, or heck, even a depression. Most alternative asset managers tend to exhibit a lower correlation to the markets until the markets crash and burn, but infrastructure spending is a necessity, regardless of the state of the economy.

As Fellow Fool [Kay Ng](#) put it: Brookfield Infrastructure is a diversified utility that “stores or transports energy, water, freight, passengers, and data” in addition to operating highly regulated businesses, including toll roads, rails, ports, and all the sort. In simple terms, Brookfield Infrastructure is a grab bag of vital assets that are still necessary in times of economic hardship when cash is tight and growth opportunities are slim. We’re talking absolute necessities for any well-functioning civilization.

Kay thinks Brookfield Infrastructure is a “great stabilizer for any stock portfolio” and that investors ought to “buy and forget” them for decades. I think Kay is right on the money and would encourage prudent investors to reserve a chunk of their TFSAs or RRSPs to hold the name for life.

## Foolish takeaway

While Brookfield Infrastructure is a reasonably safer, less-volatile bet with its 0.69 three-year beta, you can also feel good about the fact that you’re not sacrificing returns relative to most other equities. Brookfield Infrastructure hasn’t just outperformed the indices on a total return basis over the last five years; it’s put it to absolute shame with 140% in gains (including dividends).

Just think about the kind of gains you’ll achieve over an even longer duration of time with dividends (currently yielding 3.33%) reinvested. Unfathomably high, low-beta returns: that’s a key part of smart-beta investing in a nutshell.

Stay hungry. Stay Foolish.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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