



Market Crash: The Best Ways to Invest \$5,000

Description

This market crash is a good time to invest. If you're low on cash, you may be inclined to invest in a market-wide index fund that imitates the **TSX** index or **S&P 500**. However, other than minimizing your costs and providing immediate diversification, they don't add any value to your investment.

It's much better to invest with these great business managers. I believe this is the best way to invest one's money today for long-term wealth creation.

Market crash: Buy Brookfield Asset Management

No one knows how long this market crash is going to last for. However, you can count on **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) to still be here and thriving in a century.

First, BAM is well capitalized to withstand and take advantage of this market downturn. The company and its four listed affiliates have about US\$12 billion of bank lines that are virtually completely undrawn.

Additionally, BAM also has US\$5 billion of financial and non-core assets that can liquidate quickly if it finds better use of the capital, such as funding strategic investments or taking care of issues.

Second, through one stock, investors gain exposure to a range of critical services, including corporate premises, infrastructure, power, broadband, utilities, etc., which form the backbone of the global economy.

Third, BAM has low corporate debt levels that are roughly 15% of its market cap. Furthermore, no material debt is due any time soon. The case is similar for its private funds and listed affiliates.

Fourth, Brookfield Asset Management is a disciplined value investor. In its recent update for shareholders, it stated, "[E]very contested deal we tried to do over the past five months, we lost. We remained disciplined, which meant that we did not buy a number of businesses as their price rose."

Fifth, the leading global alternative asset manager recently finished raising its latest funds and co-

investments, which totaled more than US\$50 billion. About US\$30 billion remains to be invested. Therefore, it has ample capital to put to work in today's favourable environment for long-term investing.

BAM is about 30% cheaper from its February high, but the long-term business hasn't changed. Therefore, I believe it's one of [the best growth stocks to allow investors to retire early](#) from this market crash.

Buy Berkshire Hathaway

This market crash is also an excellent time to accumulate **Berkshire Hathaway** (NYSE:BRK.A)(NYSE:BRK.B) shares. Other than BAM, Berkshire is another quality company that has ample liquidity to take advantage of the market downturn and come out much stronger.

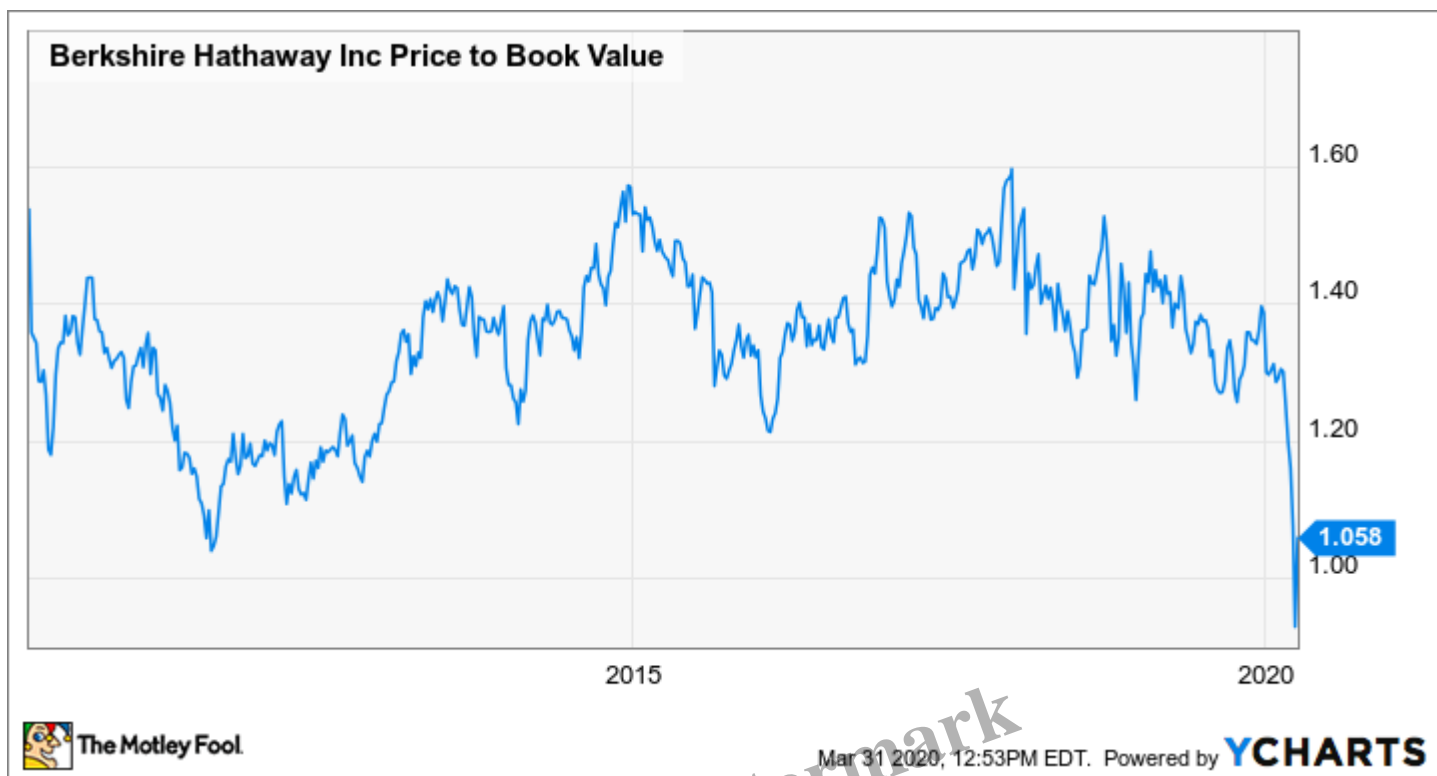
Berkshire's long-term returns have doubled that of the S&P 500. Over 55 years, thanks to the power of compounding, that has amounted to about 2,724,278% *more* in returns for Berkshire shareholders.

At the end of 2019, Berkshire Hathaway had about US\$125 billion of cash and short-term investments in U.S. Treasury Bills.

The businesses that Warren Buffett's company owns are highly diversified and are similar to an ETF but better. Why? Buffett and the investment managers he handpicked are extraordinary investors.

Specifically, Berkshire Hathaway and its subsidiaries consist of operations in insurance and reinsurance, utilities and energy, freight rail transportation, manufacturing, retailing and services.

At the end of 2019, Berkshire Hathaway had about US\$248 billion invested in stocks. Some of its top holdings include **American Express, Apple, Bank of America, Coca-Cola, Delta Airlines, J.P. Morgan Chase, Moody's, and Wells Fargo.**



BRK.B price to book value data by YCharts.

Thanks to the market crash, Berkshire Hathaway stock is about 20% cheaper compared to a month ago. Currently, it trades at close to its book value as shown in the graph above. So, I believe it's an incredible opportunity to buy the diversified and well-managed company today.

The Foolish bottom line

If you're not sure what to do with your money today, consider investing in Brookfield Asset Management and Berkshire Hathaway for long-term [wealth creation](#). I'm sure you'll be glad you did in the future!

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