



## \$2,400 in This Stock Can Build a Fortune

### Description

Who says \$2,400 can't build a fortune? With **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)), a few thousand dollars can amass a stock portfolio worth hundreds of thousands, or even millions of dollars.

The math is simple, but it's up to *you* to do the work.

### This stock is special

Brookfield's management team aims for annual equity returns between 12% and 15%. That's easily a market-beating rate, and since 2000, shares have *exceeded* these targets. What made this historical success possible?

As its name suggests, Brookfield Renewable focuses on renewable energy. This is a segment of the market that has experienced truly remarkable growth over the last two decades. In the past five years alone, \$1.5 trillion in capital has been deployed to build renewable energy infrastructure. Over the next five years, the sum should total \$5 trillion, only to accelerate beyond that.

All of this capital needs to go somewhere. Much of it targets low-risk opportunities, such as supplanting higher-cost coal facilities in high-visibility, well-regulated jurisdictions. However, there are often complexities that scare off traditional investors.

The risk with these investments is higher, but then, so are the rewards. Focusing on these opportunities is what's made Brookfield such a successful stock.

For example, the company recently purchased \$1.2 billion in wind assets in Spain for a bargain price. The deal terms were attractive due to temporary regulatory uncertainty in the country, reducing bidding pressure. Yet this project in particular has 100% contracted cash flows, meaning that returns are highly visible.

Attractive purchase prices creates long-term capital gains. Brookfield consistently monetizes its mature

assets at a steep profit. This capital recycling program is a big reason for the stock's rise.

These energy projects also generate reliable cash flow, as evidenced by the Spanish wind power assets. The company redirects much of this cash flow back to shareholders in the form of [dividends](#). The stock currently yields 4.5%.

## The math is simple

So, Brookfield is a fantastic long-term investment opportunity. Its formula for success can be repeated time and time again, likely for decades to come. But how can you use this stock to build a fortune with only \$2,400? The key is consistency.

A \$2,400 investment breaks down to \$200 a month, or roughly \$50 every week. Committing to this investment schedule can be your own personal recipe for success.

As mentioned, Brookfield's executives target annual returns between 12% and 15%. At the bottom of that range, a \$200 monthly investment would turn into \$210,000 after 20 years. At the high end, it would become \$310,000. After 30 years, your money would be worth between \$700,000 and \$1.3 million.

Given the runway of growth Brookfield stock has, these numbers are far from theoretical. But there's no replacement for your own contribution dollars. As the saying goes, it takes money to make money. But with just \$50 per week, you can [amass](#) a \$1 million fortune within a few decades.

Want to ensure you stick to a regular contribution schedule? Try automated deposits. Almost every investment account allows for this. You can, for example, have a recurring transaction that withdraws \$200 from your bank account every month.

With automated deposits, you can continue to buy more shares without lifting a finger. Of course, you shouldn't bank your entire portfolio on a single stock, but Brookfield looks like an ideal cornerstone investment.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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**Date**

2025/08/25

**Date Created**

2020/06/05

**Author**

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