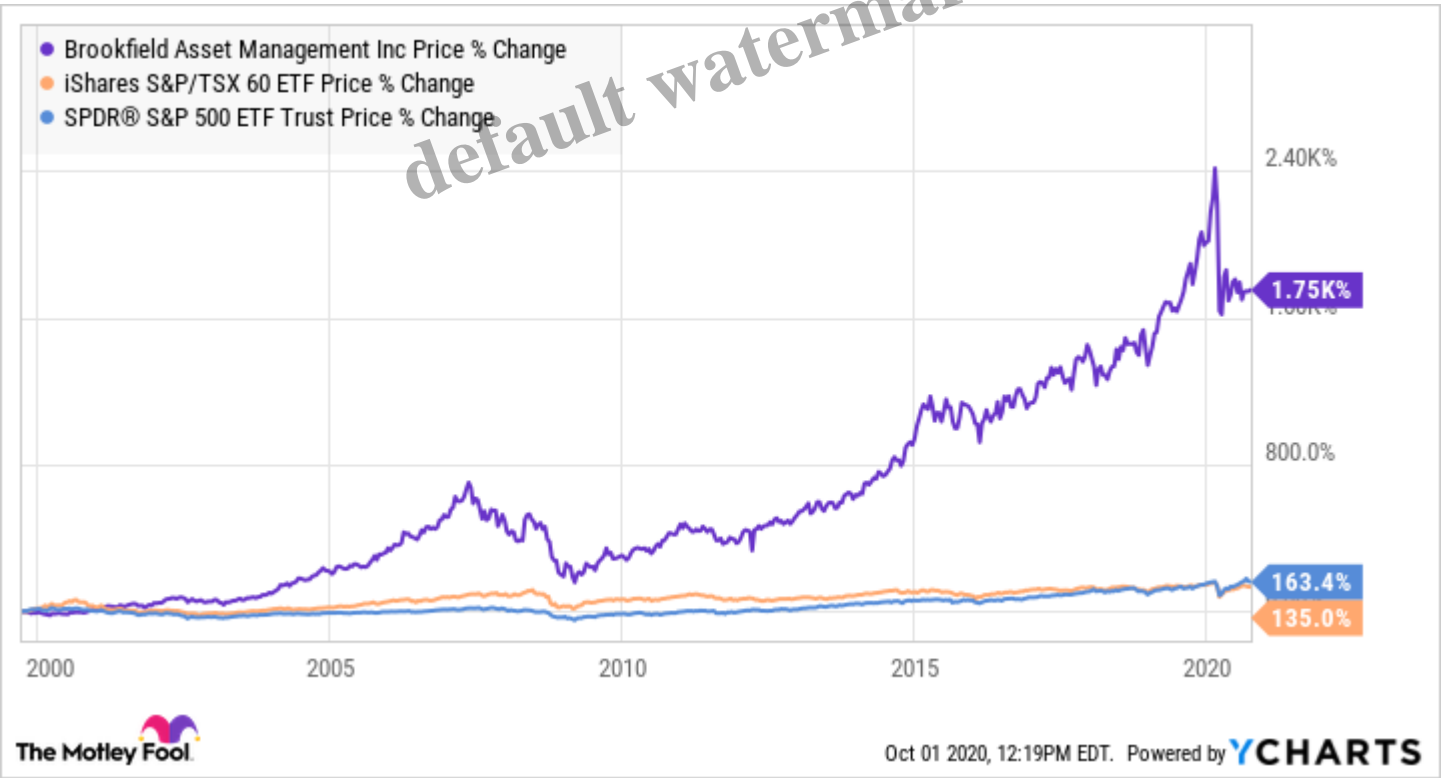




Got \$3,000? Buy This Growth Stock to Get Rich

Description

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) outperforms the Canadian and U.S. stock markets in the long run.



Data by YCharts. The long term stock action comparison of BAM stock and the North American stock markets.

Brookfield Asset Management’s diversified set of global real assets are the backbone of the economy. About 10-20% of its operations, including hospitality, retail malls, toll roads, and short-cycle private equity, have been negatively impacted by the disruptions from the pandemic.

This rare occasion triggered the growth stock to underperform the North American stock markets year

to date.



Data by YCharts. Year to date, BAM stock has underperformed the North American stock markets.

Since falling from peak to trough this year, the growth stock has partially recovered and has consolidated since late March. The time is ripe to load up on Brookfield Asset Management shares to get rich via long-term investment!

Decades of growth ahead

Low interest rates of close to 0% are expected to stay for a prolonged period. Management foresees such an environment to be highly favourable to its businesses, which should drive investors to accelerate their portfolio allocation shift to real assets.

Interestingly, Brookfield Asset Management is a value investor but a growth stock. It aims to buy quality assets at discounts from their intrinsic values. Much of its assets are cash cows. In fewer than 20 years, BAM has increased its assets under management (AUM) from US\$20 billion to US\$550 billion.

With its expanded offerings, including the most recent large acquisition of Oaktree in 2019, shareholders can expect many years of growth ahead.

Get rich from this growth stock

In the last 12 months, Brookfield Asset Management raised US\$48 billion across its renewable/infrastructure, real estate, private equity, and credit funds. It has already invested close to

88% of the funds with a value investing mindset.

It keeps downside protection in mind, while it's also on the lookout to book profits opportunistically. In its next round of flagship funds, BAM aims to raise US\$100 billion!

BAM also earns management and performance fees from its AUM. So, the bigger its AUM grows, the more it earns. In the last five years, its fee-bearing capital and fee-related earnings more than doubled to US\$277 billion and US\$1.3 billion, respectively.

Similarly, its accumulated unrealized carried interest tripled to US\$2.9 billion. (BAM earns gains from its private funds when investors receive a predetermined minimum return. These gains are accumulated as carried interest, which is typically paid to BAM towards the end of the life of a fund after the capital is returned to investors.)

All in all, BAM's actions are driving long-term free cash flow growth.

BAM owns substantial stakes in its subsidiaries. So, the management is investing alongside BAM investors.

Analysts have an average 12-month price target of US\$41.40 per share on BAM stock, which represents near-term upside potential of nearly 23%.

That's just the start. Foolish investors should have their eyes set for the long term, as the company has lots of tricks under its sleeves to make investors wealthy.

In my humble opinion, Brookfield Asset Management is very similar to a younger version of **Berkshire Hathaway** and can [create massive generational wealth](#) for investors today! Accumulate your share of BAM stock this year!

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)

PARTNER-FEEDS

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kayng

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