



## 1 Dirt-Cheap TSX Stock to Buy Now

### Description

Recently, **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) ended the year with the best quarter on record. Given the environment, and despite the turmoil and disruption, the company's [investment strategies](#) and the strength of Brookfield's capital structure showed through. Results in the company's asset management business were very strong, with funds from operations (FFO) up close to 20% over the previous year. Total FFO for the year of \$5.2 billion was a record, with realizations in the fourth quarter adding to results.

On a go?forward basis, annualized asset management revenues are about \$6.5 billion, and the company's next round of fundraising for Brookfield's private flagship funds is proceeding as planned. The company has also launched several new strategies, which should all be meaningful in the longer term. These include investing in the energy transition to net-zero carbon, technology, and reinsurance.

### Opportunistic capital deployment

Post year end, Brookfield launched a tender offer to take the company's [property arm private](#). The company did this, as most property securities trade poorly in the market, despite the underlying real estate being valuable. Taking it private will offer Brookfield greater flexibility in managing assets.

Brookfield invests in all of the company's businesses to maintain and grow them, but it seeks to deploy the most capital in businesses or regions at opportunistic points in time, when the opportunity to create greater incremental value exists. This changes constantly, but the company generally tries to stay away from fairly valued markets and invests where capital is in short supply.

### Renewable investments

The company's investing is also driven by themes that generally cross all of Brookfield's funds and are longer term in nature. The company expects low interest rates to continue to drive demand for alternative investments. Brookfield expects low interest rates for several years which should provide an exceptional backdrop for the company's overall business.

Further, the company's exposure to renewable investments positions it well for the future since renewable energy is growing. Brookfield estimates that the global electricity make-up is currently 25% from renewable sources, which is set to grow to 50% or more over the next 30 years. The company also believes that the investment required to accomplish this is in the tens of trillions of dollars.

## Powerful business model

Also, Brookfield believes that the capital from institutions and reinsurers will increasingly drive the credit markets. Alternative managers should have the opportunity to scale up credit as a fixed-income replacement for institutional investors. Many businesses and governments require capital, while businesses that have survived thus far by borrowing heavily now need equity. As long as there are attractive opportunities to invest in businesses and to acquire infrastructure from governments, Brookfield's powerful business model should thrive.

In 2020, Brookfield increased total assets under management to \$600 billion and fee-bearing capital to \$312 billion. Annualized fee-related earnings and target carried interest are now \$6.5 billion on an annualized basis. In total, the company raised approximately \$42 billion across Brookfield's private fund strategies. This included capital for some of the company's flagship funds, and Brookfield also made great progress in raising capital for the company's perpetual core private fund offerings.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. canada
2. Editor's Choice

### TICKERS GLOBAL

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

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing

**Tags**

1. canada
2. Editor's Choice

**Date**

2025/09/09

**Date Created**

2021/07/08

**Author**

nikhilwaterloo

default watermark

default watermark