



## 1 High-Growth Canadian Stock on Sale!

### Description

**Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) owns real estate extensively in most parts of the world. Despite COVID-19, it does not appear that Brookfield's view of the value of the [real estate portfolio](#) has changed.

The conviction Brookfield has in the attractiveness of real estate funds has been enhanced by the company's recent success with [perpetual private real estate funds](#) that it now has in North America, Europe, and Australia. Although the immediate impact of Brookfield's property arm purchase transaction will be an increase to the size of the company's balance sheet, the company expects this to quickly reverse.

### Highest quality real estate

In addition, Brookfield expects that over the next five years it will end up with fewer real estate assets than it has today, because of the transaction and the flexibility it will offer to the company. In time, Brookfield also expects to re-create the fee streams in the private markets, benefiting the company's clients who have a desire to own the highest quality real estate.

With all Brookfield's funds performing well during last year, the company's balance sheet appears to be in extremely good financial shape. Brookfield's alternative investment management franchise is now one of the pre-eminent businesses around the world, and the company is onto the next phase of growth for Brookfield.

### Addition of new products

Further, it appears that Brookfield has widened the moat of the company's business globally and continues to add new products for the company's clients. With interest rates low, alternatives are the investment category that offers an attractive return for Brookfield's clients, and the company is innovating to provide clients with new products.

Furthermore, Brookfield is also scaling up the size of the company's large flagship funds. The large fund size differentiates Brookfield and therefore enhances the company's returns. In addition, Brookfield's clients appear to be looking for income replacement with less volatility, and the company continues to add perpetual core-plus products to the investment platform.

## Net-zero carbon emissions

New areas of focus for Brookfield are investing in the transition of the economy to net-zero carbon emissions, reinsurance, technology investing, where the company is moving from venture into full-scale technology private equity investing. Limited partnership secondaries, where Brookfield's clients are increasingly looking for scale managers, also represent a great growth opportunity for Brookfield. Each of these areas has the potential to provide a meaningful opportunity for Brookfield's clients and for the company's business.

Also, climate transition to net zero is real and accelerating around the world. Overall, Brookfield is already net negative across the company's entire \$600 billion of assets under management on an avoided emissions basis. Brookfield is now measuring the emissions of the company's portfolio companies in detail.

Having transformed Brookfield's own business from a very intensive generator of carbon decades ago to net-zero carbon today, the company appears well-positioned to assist other companies with this change.

With decades of expertise and the access to capital that Brookfield possesses, the company plans to raise capital from clients to assist other companies in moving to net-zero carbon.

### CATEGORY

1. Investing

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1. canada

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