



## A Top Asset Manager Focused on the Environment

### Description

**Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) has been [growing fast](#). The company has produced phenomenal returns for long-term investors over the last 30 years and continues to do so. Brookfield has illustrated, time and again, that size does not impede growth. The company took advantage of the COVID-19 pandemic to purchase several assets at bargain prices, including the company's own property arm.

### Investing alongside institutional clients who are like-minded

Recently, the company has been using various assets to create or grow perpetual, private, core real estate funds. Brookfield also recently indicated that the company plans to commit over \$2 billion of the company's own capital to the Global Transition Fund and will be investing that alongside institutional clients who are like-minded and have long-term goals. Brookfield appears to believe that this represents a [unique opportunity](#) to create a new asset class while addressing one of society's current greatest needs.

### Beginning of a 30-year movement to net-zero carbon

In addition, Brookfield seems to believe the world is at the beginning of a 30-year movement to net-zero carbon. This transition will affect virtually every business in every country. China, currently one of the largest generators of electricity from coal, has recently committed to being net-zero carbon across the country's entire economy before 2060. The new United States (U.S.) administration has committed to clean energy by 2035, and the European Union (E.U.), the United Kingdom (U.K.) and Canada are all accelerating towards the energy transition.

### Owner and operator of certain essential infrastructure assets

There appears to be no disputing that the world overall is moving from fossil fuels to lower-carbon energy. This transition will benefit all renewables, nuclear energy, and potentially hydrogen. Within the

envelope of net-zero carbon, Brookfield looks set to continue to own and operate certain essential infrastructure assets globally that transport fuel.

## **Laser focused on the duration of cash flows**

Further, Brookfield appears to believe that natural gas will play an important role in this energy transition, particularly in Asia, and potentially serve as a bridge to hydrogen. Brookfield has assured investors that when it acquires these assets, that it will be laser focused on the duration of cash flows. Also, Brookfield has indicated that it will operate natural gas assets while prioritizing contributions to the transition to net-zero carbon and with plans to ensure that the assets continuously do better.

## **Transitioning from carbon-intensive to net-zero carbon**

Furthermore, Brookfield seems to believe the operating experience it has gained in transitioning from carbon-intensive to net-zero carbon will make it better owners of many of these assets. Brookfield's Global Transition Fund is focused on the build out of new renewables globally, as well as the operations surrounding investment by businesses to accelerate the transition to net-zero carbon.

## **Capital and skills to operate natural gas assets**

In short, while Brookfield acknowledges that there are many companies that will have the capital and skills to operate natural gas assets, it believes that there will be many that need the company's operating expertise and access to capital to achieve business goals. This is the objective of Brookfield's new fund, and the company appears to be excited about what it can accomplish.

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**Date**

2025/09/14

**Date Created**

2021/08/13

**Author**

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