



Here's the Next TSX Stock I'm Going to Buy

Description

Sometimes, the [best stock to buy](#) is one you already own. That may not be the most exciting phrase to hear for some investors, but I believe it's true. Chances are, you might not own the stock that I'll be discussing in this article, so it could still be worth the read.

For years, I've followed on and written about **Brookfield Asset Management** (TSX:BAM.A). I've stated many times that it's a stock that Canadians should consider holding in their portfolios because of its long history of success and its positioning within the Canadian economy. I finally added [Brookfield Asset Management](#) into my portfolio recently, and I think it'll continue to be the next TSX stock that I buy.

What makes Brookfield Asset Management a good investment?

Brookfield Asset Management is one of the largest alternative asset management firms in the world. Directly or through its subsidiaries, this company has exposure to the infrastructure, insurance, real estate, renewable utility, and private equity markets. All considered, its portfolio consists of more than US\$750 billion of assets under management.

Over the past four years, Brookfield Asset Management's portfolio has grown at a compound annual growth rate of more than 24%. If it can continue to grow at that pace, we could see its Brookfield Asset Management's portfolio surpass the US\$1 trillion mark within the next couple of years.

One of the biggest factors in determining whether it can achieve that mark is the execution by its management team. If I had to make a guess, I'd say the company has a good chance of making it work. Brookfield Asset Management is led by its chief executive officer (CEO) Bruce Flatt. He is often referred to as "Canada's Warren Buffett" and is recognized as a leading investor in the real asset space. With one of the most respected executives leading the way, I think Brookfield Asset Management could continue to grow quickly over the coming years.

Thinking about asset allocation

I think Brookfield Asset Management is a very versatile stock. By that, I mean that it could hold several roles in your portfolio. First, investors could treat this stock as a foundational position in their portfolio. If you're starting a new portfolio and are looking to hold about 10 to 15 stocks, I would be comfortable allocating at least 10% of that portfolio towards this stock.

At a market cap of more than \$100 billion, Brookfield is a very well-established company. Its diversified portfolio could help provide its business with great stability over the long term. Investors should note that Brookfield Asset Management has a five-year beta of 1.38. That means that it's slightly more volatile than the broader market (beta of 1). However, over the past 27 years, it's very hard to ignore the success that this company has experienced. I believe it could be a winner for many years to come.

Foolish takeaway

If you're looking for a solid [blue-chip stock](#), then Brookfield Asset Management is a company you should look at today. It's a leader within its industry, and the company is led by an impressive CEO. I believe this is a stock that new and experienced investors should heavily consider buying today.

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