



## TFSA Investors: 2 Canadian Tech Stocks That Have Outperformed the NASDAQ

### Description

For investors looking to outperform the market, the NASDAQ Composite is the benchmark to beat. As the exchange that hosts most of the top U.S. tech stocks, it has delivered solid gains that any investor would be happy with.

Sure, the S&P 500 Index has delivered impressive results over the years – up 54% since November 2014 – but that’s nothing compared to the NASDAQ. In just five years, stocks on *that* exchange rose 78%.

For Canadian investors who mainly stick to the home field, those returns can look positively mouth watering. The TSX has had a rough few years recently, thanks in no small part to persistent weakness in energy stocks, which make up a large part of the exchange. As a result, it has under-performed not only the NASDAQ, but also the NYSE.

That doesn’t mean that you can’t beat the NASDAQ by investing in Canadian stocks, however. If you’re willing to adopt an aggressive growth strategy, there are individual TSX tech stocks that could out-perform. In fact, there are two in particular that have not only beaten the NASDAQ, but positively left it in the dust. The first is one you may never have heard of – but is absolutely crushing the market.

### Constellation Software

**Constellation Software Inc** ([TSX:CSU](#)) is a little-known software company founded by [former venture capitalist Mark Leonard](#).

True to its founder’s VC origins, the company mainly acquires companies rather than growing organically.

It’s a strategy that has worked out well over the years.

Since it went public in 2006, CSU is up a blistering 6,800%.

Not only that, but the underlying company has been a phenomenal growth story. In the past five years, the company has grown its net income from \$177 million to \$378 million – a more than 100% increase.

In its most recent quarter, the company grew its revenue by 14% and earnings by 24%, showing that it is still a grower after all these years. On top of that, it's a rare tech stock that pays a dividend, so you even get a little income boost to whatever gains you make on the stock.

## Shopify

**Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) is one of Canada's favourite tech stocks. Up 1,000% since its 2015 IPO, it has easily beaten the NASDAQ Composite.

Unlike Constellation Software, Shopify is a pretty well-known company. After getting major publicity from the likes of CNBC's Jim Cramer, the stock took off in a big way, and has beaten the market every year since going public.

The second half of this year marked the first major departure from the trend. Starting in late August, the stock began slipping from its \$541 high. As of this writing, it was down to \$393. Major reasons cited for Shopify's summer plunge include overvaluation, [decelerating revenue growth](#), and insider selling.

Regardless, SHOP is still up 110% this year. However, it has recently been in a major downtrend and with its valuation as stratospheric as it is, it may not reverse any time soon. I'd wait for unambiguously positive earnings news before buying this stock.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)

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