



Decade in Review: Here's How Much You Could Have Made Investing in These 2 Top Canadian Stocks

Description

It's widely known that the best and most consistent form of investing that will optimize returns for investors is investing for the long term.

At first, this may seem impossible when stocks move little by little each day, but when you look back over history, it's easy to see the massive growth that some of the highest-quality stocks have achieved.

When you combine compound interest with the growth that these stocks have, which is already incredible, the results become astounding and show why having adequate cash at all times and investing in solid companies trading at undervalued prices can be massively rewarding.

Let's look at two of the best-performing stocks over the last decade in Canada: **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) and **Canadian National Railway** (TSX:CNR)([NYSE:CNI](#)).

Brookfield Asset Management

Brookfield is one of the top companies in Canada, as evidenced by its incredible decade it's put up. Over the last 10 years if you had invested \$10,000 in Brookfield, your position would be worth more than \$55,000 today.

That growth comes from the amazing performance it's had over the past 10 years, up more than 455% as it continues to find high-quality investments and maximize the operations to make them as profitable as possible.

It has a global reach, which allows it to find high-value investments all over the world when one region may be experiencing trouble.

Plus, on top of the high-quality investments it has, and the operations experience it brings to the table with its new investments, it's also one of the best capital allocators and always has a significant cash balance to fund future investment opportunities as they become available.

That's why it's no surprise that its return on equity continues to be more than 10% a year.

It's also no surprise why Brookfield, which increases its dividend pretty much every year, continues to pay out less than 20% of its earnings, as it retains most of its cash and reinvests it, much to the delight of all shareholders.

Canadian National Rail

CNR is always one of the top companies in the country. The railway is a mainstay of the economy, which was evidenced by the major problems experienced across Canada when CN had its [strike](#) that lasted just eight days.

The stock, although a steady and slow growth stock, has appreciated an incredible 325% over the last 10 years. This would result in a \$10,000 investment 10 years ago being worth nearly \$43,000 today.

The company's operations span the continent running from coast to coast in Canada and down through the heart of the United States towards the Gulf of Mexico.

Just as the railway is the most efficient form of transportation, CNR may be one of the most efficient operators on the TSX. It has a five-year return on equity average of an incredible 26.9%, which it also keeps very consistent — something that's important to all shareholders.

CNR is the type of company you know you won't get massive returns from overnight, but you can count on it to continuously operate to perfection and grow slowly over time, which is what makes it the perfect long-term hold.

Bottom line

When you find top stocks like Canadian National or Brookfield Asset Management, building a position and adding to it over time will be one of the key drivers of long-term wealth creation, as these are two stocks you'll never have to sell.

If you'd invested a combined \$20,000 in both of these companies 10 years ago, that portion of your portfolio would be worth just under \$100,000 today — a pretty good reward for the minor risk you took on holding two of the best companies in the world.

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2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BN (Brookfield)
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Date

2025/09/15

Date Created

2019/12/16

Author

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