



## 3 Top Growth Stocks to Buy in 2020

### Description

Technology stocks and financial companies are firing on all cylinders, which means that it's a great time to add some excellent growth stocks to your portfolio in 2020. Here are my top three picks for Canadian investors.

### e-commerce behemoth

What was once a little-known tech company in Ottawa is now being compared to the most valuable online retail company in the world. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is considered one of the few eCommerce companies that can stand up to Jeff Bezos' industry-dominating enterprise.

Shopify's stock is up along with the rest of the technology sector. Market value has expanded by 30.8% since the start of 2020 and investors are willing to bet that there's plenty of room left for Shopify to expand even further.

Shopify's US\$60 billion is a mere fraction of the size of global retail (US\$24 trillion) and global eCommerce (\$3.5 trillion). Bear in mind that online shopping is also growing at a double-digit percentage rate every year, which means that Shopify has a shot at being one of the biggest multi-baggers in Canadian history. I would look to add exposure on every pullback in this year.

### Insurance powerhouse

Insurance isn't usually a growth industry. However, when you have a small and little-known brand that's quickly absorbing more market share from industry leaders, you have a growth story on your hands. **IA Financial** ([TSX:IAG](#)) appears to be that growth story.

The stock is already up 74% over the past two months. I took a closer look at the company's finances and am convinced that it has [plenty of upside left](#) primarily because of its valuation.

Despite its robust balance sheet and steady growth, the company is trading at a deep discount to intrinsic value. The stock currently trades at just 11.86 times earnings per share and a price-to-book ratio of 1.43.

Meanwhile, the management team has hiked dividends for six years consecutively and could be poised for many more going forward. The dividend payout ratio is only 28%, which means the stock is an under-appreciated dividend growth story.

## Private equity

Private equity giant **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) is probably my favourite financial stock in the world. The firm's time-tested investment strategy and elegant business structure have helped generate immense wealth for shareholders over many decades.

Investors who bought in at the end of the 2008 financial crisis have seen their capital expand eight-fold over the past decade. Brookfield has been at the forefront of the longest bull market in history.

Now, the asset manager is exposed to the rise of renewable energy, infrastructure, business development and real estate through its various listed subsidiaries. It's also well-diversified across geographies, with assets in nearly every continent on the planet.

Fellow Fool Kay Ng [took a look under the hood](#) and believes the company's global reach, low debt (9% of market capitalization) and robust cash flows (US\$4.2 billion last year) make it a stellar growth stock for the years ahead.

## Bottom line

High-growth success stories such as Brookfield Asset Management, Shopify and iA Financial seem to have plenty of upside left.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BN (Brookfield)
4. TSX:IAG (iA Financial Corporation Inc.)
5. TSX:SHOP (Shopify Inc.)

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