



TSX Stocks: The 3 Biggest Wealth Creators of the Last 5 Years

Description

As we know, the Canadian market has a bunch of high-quality dividend stocks. But it certainly has plenty of growth stocks as well. These fast-growing **TSX** stocks have created massive wealth for shareholders over the last several years.

Forget index funds; focus on TSX stocks

Considering the performance of these growth stocks, it's evident that picking individual stocks over betting on broader markets really goes a long way. For instance, just look at by what margin the tech titan **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has outperformed the **TSX Index** in the last five years.

Shopify stock grew by almost 2,600%, while Canadian broader markets rose by an embarrassing 35% in the last five years. If one had invested \$10,000 in Shopify stock five years ago, they would have generated \$275,000 today.

Superior top-line growth and [aggressive expansion plans](#) boosted investors' optimism, which fueled its rally. Shopify started trading on the Toronto Stock Exchange in May 2015. With a span of just five years, Shopify is the country's biggest company by market capitalization, overtaking top Canadian banks that are more than centuries old.

Indeed, Shopify's business model is one of its kind, and we don't see such a rally very often. However, there are few more stocks that significantly thrashed TSX stocks at large.

The gold miner that hammered bigger peers

Canadian gold miner **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is another TSX stock worth considering. It has surged more than 1,650% in the last five years, notably beating bigger gold miner stocks. Kirkland's production growth and lower costs played out well on its bottom line in all these years.

It operates two low-cost, high-quality gold mines, including the Macassa Mine in Ontario and Fosterville Mine in Australia. With the recently completed acquisition of Detour Gold, Kirkland has added a substantial mineral reserve base, which should facilitate even higher production.

Kirkland might continue to outperform peers going forward, because of its strong balance sheet's operational efficiency. Mining is a capital-intensive business, and many gold miners have a big pile of debt on their books.

However, Kirkland has no debt on its books, which improves its profitability further. Also, the yellow metal is expected to continue to trade strong for the near future. Higher realized gold prices would boost gold miners' share prices as well as their earnings.

Another TSX tech stock that created a substantial fortune for shareholders is **Kinaxis** ([TSX:KXS](#)). Since its IPO in June 2014, the stock has returned almost 1,400%. The company offers cloud-based software subscription services to improve supply chain planning and inventory management processes. The stock has skyrocketed almost 95% so far this year.

In the last few months, the global supply chain was notably hit amid the pandemic and lockdowns. However, as businesses streamline their supply chains and operations, Kinaxis will likely see higher demand.

The Foolish takeaway

These three outperformers look fundamentally strong, and I see huge growth potential in them. But right now, I am concerned about the stock valuations. While Kirkland looks relatively well placed on that front, Shopify and Kinaxis are trading at a notable premium.

Thus, if you have a stomach to bear the excess volatility, these high-risk, higher-reward plays are for you. [Conservative investors](#) can consider buying on pullbacks or may consider buying in multiple portions.

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2. TSX:KXS (Kinaxis Inc.)
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