



## 1 Company on My Watch List

### Description

Since the market crash, I have added quite a few new companies to my portfolio. The biggest positions among these new additions belong to **Shopify** and **Docebo**. With that said, are there still companies that I am interested in adding to my portfolio? As a writer in the financial industry, I am always researching new companies. Of all the companies available in the market, this is the one that really has my attention.

In this article, I will discuss the company I have on the top of my watch list and explain why I think investors should consider adding it to theirs.

### A Canadian tech leader

A company I have mentioned wanting to buy in [previous articles](#), **Constellation Software** ([TSX:CSU](#)) is still at the top of my watchlist. While this company is more of a mature company than a young up-and-comer, it is still very interesting to me because of the characteristics it possesses.

As an investor, I abide by the Rule Breaker rules often discussed by Motley Fool co-founder, David Gardner and Constellation Software checks a lot of boxes.

First, Constellation has excellent management. Mark Leonard is likely the biggest visionary you don't know — perhaps not as well-known a name as other executives in the investing world, Leonard has led Constellation since he founded the company in 1995.

Currently the president of Constellation, Leonard previously wrote quarterly (then annually) letters to shareholders explaining company direction. Although he no longer does this, explained in his [most recent letter](#), much of Constellation's growth can be attributed to Leonard.

Second, the company is backed by respected institutions. These include companies such as **BlackRock, Charles Schwab, Goldman Sachs, JP Morgan, and Wells Fargo**. With strong support from smart money, you can be assured that Constellation Software is perceived as a high-quality company.

Finally, Constellation Software has shown very strong past price appreciation. Closing at \$18.30 in its first day of trading, Constellation is now valued at over \$1500 per share for a growth of more than 8300%! While this extreme growth may deter some investors from entering the stock, it is this sort of growth that should signal an excellent investment opportunity.

## Why invest now?

This is a very fair question to ask of any investment, especially one that has already grown over 8000% since its IPO. It can be argued that Constellation Software is still capable of high growth, even though it is a large cap company. Year to date, Constellation Software stock has gained almost 21%. That is an incredible performance given that the **S&P/TSX Composite Index** has lost 3% of its value.

Constellation President Mark Leonard also believes that the company is significant enough that smaller companies may try to copy its business model. It is because of this that the company no longer shares unnecessary updates with shareholders. As company management tries to stay ahead of its competition, you can expect Constellation to continue growing.

## Foolish takeaway

Constellation Software is a leader in its industry. The company has shown excellent growth as a result of great decisions by its executive team. I believe Constellation Software will continue to grow in the future.

While I have no position in the company at the moment, I expect that to change in the future.

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## TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)

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