



## 2 Companies That Will Be Added to My Portfolio in 2021

### Description

As a growth investor, my portfolio has seen a large amount of growth in 2020. Holdings such as **Shopify**, **WELL Health Technologies**, **Docebo**, and **Lightspeed** have returned incredible amounts this year. Unfortunately, these companies have all come with a lot of volatility.

Therefore, in 2021, my goal is to add companies that have a lot of upside in the future but that will also serve to bring down the overall volatility in my portfolio. In this article, I will discuss two companies I plan to add next year.

### A reliable compounder in the tech industry

If you were to look through my portfolio, you will see quite a good number of tech companies. Simply put, my heavy concentration into the tech sector comes a result of following Peter Lynch's famous quote "Invest in what you know." With that said, **Constellation Software** ([TSX:CSU](#)) is a company that I have been eyeing for quite some time. I believe now is the perfect time to load up on shares.

Constellation is a diversified software company that has made its name by [acquiring smaller businesses](#) that lead their respective markets. To date, Constellation Software has acquired more than 500 businesses since its founding. Led by former venture capitalist and President Mark Leonard, Constellation Software has been a reliable compounder since being introduced to the public markets.

As of this writing, Constellation has returned more than 8,700% since 2006. If you were to invest in the company 10 years ago, a \$10,000 investment would have become \$390,000! This is an average annual return of 44.19% over the past decade and outperforms the **TSX** by more than 3,700%! Imagine the gains you would have gotten had you invested in its initial public offering.

Constellation Software has a beta of 0.68, as of this writing. This means that the company is much less volatile than the broader market. The company has not slowed down in 2020, returning nearly 30%. With past performance like this, and a management team that remains committed to growth, it is becoming much harder to resist a position in this company.

## A global leader in renewable energy

Because of my background in biology, I am very interested in companies that aim to address the issue of climate change. The renewable energy industry is the most logical way for companies to do so. Because of its leading position within this industry, I remain very bullish on **Brookfield Renewable Partners** ([TSX:BEP-UN](#))([NYSE:BEP](#)).

For those who are unaware, Brookfield Renewable was once in my portfolio. I held a position in 2019 and through to the start of 2020. When the COVID-19 pandemic hit, I decided to move my funds from this company and into Shopify. It was a sell I did not want to make, but with the opportunity that presented itself, and without a large cash reserve in hand, something had to give. Fortunately, the move worked out, however, I do want to restart a position in this great renewable energy company.

Brookfield Renewable has returned more than 700% since its IPO in 2000. Much of these gains have come since the start of 2019, as investors have quickly realized the importance of the renewable energy sector. In fact, a \$10,000 investment in Brookfield Renewable two years ago would have become \$27,458 today. This represents an average annual return of 65.82%.

With the [massive tailwinds](#) working in favour of the renewable energy sector, Brookfield Renewable should continue to see impressive growth moving forward.

## Foolish takeaway

Although past performance is not indicative of future results, it is one of the best tools we can use in projecting company performance. As Motley Fool co-founder David Gardner constantly says, "Winners will continue to win."

Constellation Software and Brookfield Renewable Partners are two companies that have performed incredibly in the past. With both management teams continuing to prioritize growth, there is no reason why both companies will not be able to continue growing impressively.

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## TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:CSU (Constellation Software Inc.)

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