



2 Top Canadian Stocks to Buy Now and Never Sell!

Description

2020 was a wild ride, but 2021 should be a good year for Canadian stock investors. The fact is, any year can be a good year if you play your cards right. As American stock picker Jim Cramer often says, “There is always a bull market somewhere.” It is a true point. If you buy great companies with solid balance sheets and strong long-term tailwinds, you can’t go too wrong.

Frankly, it’s not always about buying the cheapest stock. Often cheap stocks are cheap for a reason. They will stay that way until something dramatic happens (a reorganization, a new product, an activist investor, etc.). Yet buying and owning great businesses for the long haul is likely an investor’s best chance to truly build wealth. With this in mind, here are two of my top Canadian buy-and-never-sell stocks for 2021.

A top Canadian stock: Lightspeed POS

The first top Canadian stock is **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). It has been an epic and volatile year for this stock. In March, during the pandemic sell-off Lightspeed crashed by 65%. It then dramatically gained 480% to where it stands today. Lightspeed has demonstrated the resilience of its business and its point-of-sales platform in 2020.

90% of its revenue are recurring and subscription-based. Many were concerned about the shutdown-effects on its largely retail and restaurant focused customers. Yet, its omni-channel, cloud-based platform became a lifesaver for locked-down merchants. Be it e-commerce sales avenues, delivery optionality, or digital payments, Lightspeed’s platform enabled merchants to keep operating and even growing through the pandemic.

This top Canadian stock has been gaining steam after announcing a number of key acquisitions in the United States. Through combined synergies and broader product breadth, [Lightspeed is setting up for a strong year into a post-pandemic recovery](#). It is not cheap here, and I would likely wait for some sort of pullback in the stock. Yet, if you buy a disruptive business like Lightspeed, over time, it is likely to pay off.

A top TSX stock: Brookfield Asset Management

Another top Canadian stock that is setting up for a great 2021 is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). If I think of a stock to buy and never sell, this has to be at the top of the list. It is such an exceptionally managed business, investors need to just own it, tuck it away in their portfolio, and let the compounding returns roll in.

As a premier alternative asset manager of high cash-yielding assets (renewable power, real estate, infrastructure, private equity, distressed debt, and insurance), BAM has a number of significant business tailwinds.

Firstly, in a low-for-longer interest rate environment, BAM is set up to do very well. It can finance new assets and refinance current assets at incredibly low sub-2% interest rates. Consequently, it can lock in very strong cash flow yield spreads from its assets.

Secondly, low rates mean institutional capital must turn to alternatives to meet their income-yield targets (as opposed to bonds). BAM, an expert in global alternative investing, is a perfect partner to manage capital for these clients. In fact, in 2020, BAM experienced its best funding period ever.

Lastly, this top Canadian stock has multiple levers to grow. It plans to launch over \$100 billion in new funds focused on credit, impact investing, insurance, and technology. As its fee-bearing capital grows, so does its annualized revenue and carried interest (i.e., it gets a piece of the pie when funds reach maturity). Management believes it could reasonably double its fee-bearing capital and earnings in as few as five years.

Given this acceleration in growth, [BAM is in excellent condition](#) to perform well over the next 10 years. It's got a great balance sheet, great management, and a superior operating platform, which makes it my top Canadian stock for 2021.

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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:BN (Brookfield)
4. TSX:LSPD (Lightspeed Commerce)

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