



## 3 Top Stocks to Build Your Portfolio Around

### Description

When building a portfolio, you want to make sure that the companies you invest in will be able to stand the test of time. There are two ways to go about this. First, you can look at a company that has grown and thrived over the years. Or you can invest in a stable growth company that has very strong tailwinds behind it. In this article, I will discuss three stocks that every investor should consider for their portfolio.

### One of the longest-standing industries in Canada

When you consider that the country was built around the rail system, it makes sense that the companies leading the way in that industry should serve as the backbone of your portfolio. In Canada, we have a duopoly in the rail industry. **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) undoubtedly leads the way in terms of rail network size. Canadian National was founded more than 100 years ago and continues to serve Canadians every day.

If we track a \$10,000 investment in this company in November 1996, an investor would have made a return of about 4,900%. This represents an annual return of 17.5%! In other words, your \$10,000 investment would be worth more than \$500,000 today. Compare this to a total return of 220% by the **TSX** over the same period, and it becomes clear why Canadian National is an excellent stock to consider as a pillar of your portfolio.

### A company with outstanding leadership

This company probably has the most impressive leadership team you haven't heard about. Former venture capitalist Mark Leonard founded **Constellation Software** ([TSX:CSU](#)) in 1995. Since then, he has helped grow the company to be one of the largest companies in Canada. As its name suggests, Constellation Software's business consists of [acquiring promising companies](#) within the tech industry. To date, it has acquired more than 500 businesses since its founding.

Constellation Software has been a tremendous market beater over the years. Since October 2007, investors have been treated to a return of about 8,200%. This represents an annual return of more

than 39%. If you want to be even more impressed, on average, that means your initial investment will double in less than two years for as long as you keep your money in the market. A \$10,000 investment made in October 2007 would be worth more than \$830,000 today.

## The top growth stock in Canada today

Every portfolio should feature a combination of stable mature companies and excellent growth companies. When discussing a list of possible growth companies to consider for your portfolio, it's impossible to leave out a company like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). This company has grown from being a small Ottawa-based startup to one of the largest e-commerce enabling companies in the world.

While the returns of the previous two companies mentioned in this article have been impressive, neither hold a candle to Shopify's returns. [Since its IPO](#) in May 2015, Shopify stock has gained more than 4,500%. This gives investors an average annual return of 93%. This means your initial investment would have doubled in just over a year for each year it's invested in the market. A \$10,000 investment made at Shopify's IPO would be worth more than \$460,000 today.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

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### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:SHOP (Shopify Inc.)

3. TSX:CNR (Canadian National Railway Company)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:SHOP (Shopify Inc.)

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