



3 TSX Stocks I Plan on Adding to My Portfolio

Description

Readers of the Motley Fool that are familiar with my portfolio will know that most of the companies I invest in are American. However, I believe in holding companies from other countries. Doing so provides a more diversified and protected portfolio. Canada is the second-most-prominent country in my portfolio. I believe that the **TSX**-listed stocks I hold have tremendous potential moving forward. In this article, I will discuss three stocks I plan to add to my portfolio.

The stock all Canadians should own

The header may display some homer bias; however, there's no doubt how important **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has become in its industry. It holds the second-largest share of the American online retail market. Shopify is also one of the largest e-commerce website providers in the world. Currently, there are over 1.1 million merchants that use Shopify to power their businesses. In its latest earnings report, Shopify presented a 110% increase in its Q1 revenue.

Shopify is actually already in my portfolio as one of my largest holdings. However, the investment thesis is so compelling that I can't justify not adding to my position. Shopify stock has gained more than 4,000% since its IPO in 2015. However, this really just seems like the start of its growth story. It isn't ridiculous to think Shopify could be a \$1 trillion company by the end of the decade. That's more than a five times increase from here.

A global leader in renewable energy

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is another stock with a large international presence. Backed by Bruce Flatt's **Brookfield Asset Management**, this renewable energy company has managed to grow through intelligent capital-allocation decisions. As a result, Brookfield Renewable stock has skyrocketed over the past two years. Investments into the renewable energy space are expected to increase significantly over the coming years, and Brookfield Renewable should be at the forefront.

Like Shopify, buying shares of Brookfield Renewable would be adding to a current position. I believe Brookfield Renewable is the best renewable energy stock on the market. The company has managed an average annual return of 19% [since its inception](#). Over the past five years, Brookfield Renewable stock has averaged a return of 27%. In addition, its dividend has grown at a compound annual growth rate of 6% since 2012. This year has been a rough one for this stock, but the investment thesis still holds.

This is a really exciting company

Of the stocks I don't own, **Topicus.com** ([TSXV:TOI](#)) may be the company that [excites me the most](#). It's a shame more investors don't know about it, because the potential returns here are incredible. For those that aren't aware, Topicus was spun out of **Constellation Software** earlier this year. Even though it's now a separate company, Constellation Software still has a very large footprint in Topicus's everyday operations. Six members of the Topicus board of directors are from Constellation Software.

If I had to summarize an investment in this company in one sentence, it would be like "investing in Constellation Software a decade ago but retaining its management's current knowledge and experience." That's an incredible investment proposition. Since 2011, Constellation Software has managed an average annual return of about 43%. While it's tough to say if Topicus will perform at that level, it certainly has every opportunity to do so.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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