



2 Canadian Stocks That Turned \$5,000 Into \$250,000

Description

We all know investing is crucial to maximizing life in retirement and working toward financial freedom. Saving your money and using it to buy high-quality Canadian stocks for the long run is the best way to grow your capital.

Of course, not every stock you buy will turn out the same. Some may underperform, while others offer massive returns, and a lot of stocks will grow at a decent pace.

In general, though, when you [invest for the long term](#), and it all averages out, if you've been disciplined and patient and used compounding to your advantage, you can really grow your capital at an impressive rate. And it's certainly better than leaving your money in the bank to earn interest.

However, to really add to the power of your portfolio's growth potential, it helps to have stocks that can go parabolic. And when you find high-quality businesses, the stocks can make you a huge fortune.

To turn \$5,000 into a quarter-million, you need a return of 4,900%. Here are two Canadian stocks that have gained 5,000% or more and how to find stocks like them today.

A top growth-by-acquisition stock

One of the top Canadian stock performances ever has been by **Constellation Software** ([TSX:CSU](#)), the incredible growth-by-acquisition [tech stock](#).

We've seen the growth-by-acquisition strategy work time and again. In the tech sector, Constellation Software has executed it to perfection.

One of the main reasons Constellation has done so well is by acquiring vertical market software, which addresses the needs of one specific industry. These acquisitions are mostly in small companies. Over time, though, with the growth in technology and the synergies realized through its operations, Constellation has seen incredible growth in its business.

In just the last 15 years, the stock is up over 10,000%. It's not just its stock price that's growing either. Constellation has increased its revenue by nearly 10 times over the last decade. Not a single year has gone by without Constellation growing its revenue by at least 10%.

This is the potential investors have when buying a high-quality Canadian growth stock and holding it for years.

A top Canadian tech stock

Another popular Canadian stock with one of the best performances of all time is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Shopify is another high-quality Canadian tech stock with incredible growth potential. In the last six years, Shopify has earned investors returns just south of 5,000%.

That means if you had invested \$5,000 in Shopify stock at the beginning of June in 2016, that position would be worth roughly \$252,000 today.

[Shopify](#) has been a top performer for a few simple reasons. It's one of the most dominant stocks in its industry, and that industry, e-commerce, happens to be growing rapidly.

The stock is actually growing even faster than Constellation. In 2020, its revenue was more than 13 times as much as its revenue just five years ago in 2015. Shopify's slowest year for revenue growth was 2019 when revenue still increased by nearly 50%.

So, if you want to find high-quality Canadian stocks that can earn you a fortune, look for the best businesses that have the potential to expand their operations rapidly.

Finding stocks with big-gain potential

Both Constellation and Shopify could be considered buys today. As they are so big now, though, rapid growth will be much harder to achieve. It's not necessarily about the individual stocks, though. There are plenty of Canadian stocks with impressive performances to consider, even ones not in tech.

Here are three companies in three very different industries that have earned investors insane returns over the last decade.

- **goeasy** is a financial stock that's done well, up more than 2,500% over the last decade.
- **Dollarama**, a popular retail store, is up 985%.
- **InterRent** is a residential real estate REIT and has gained an impressive 935% over the last 10 years.

These three stocks and their incredible performances over the last decade show you can find impressive [growth stocks](#) in almost any industry there is, so long as it's a staple of the economy or growing rapidly.

Each of these stocks has executed its growth strategy to perfection. However, to fully capitalize on the

growth potential, you have to find these stocks early and own them for the long term.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)

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