



## Got \$500? These 3 TSX Stocks Could Make You Rich!

### Description

Every investor has to start investing somewhere. Buying and owning **TSX** stocks takes a bit of energy, time, and patience. Yet being invested in the market can pay off handsomely over the long run. Some investors [prefer to buy ETFs or indexes](#). There is nothing wrong with that.

However, if you are willing to put in the grunt labour to research and buy stocks in great businesses, it is possible to beat the market returns. If you are starting out with as little as \$500, here are [three TSX growth stocks](#) you could think about owning for the long term.

### An all-around top TSX stock to own

If I could own only one TSX financial stock, it would have to be **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Banks and life insurance companies are stuck managing mortgages, loans, and bond strategies. These generally perform alongside the economy. An asset manager like BAM can invest in any sector or opportunity that looks attractive.

It has compiled an admirable \$620 billion portfolio of real estate, infrastructure, renewable power, private equity, insurance, and debt securities. In a low-rate interest environment, institutional investors are running to them for higher-yielding investment strategies.

As a result, BAM has grown assets under management, fee-related earnings, and distributable earnings by a five-year CAGR of 26%, 22%, and 31%, respectively. Compound those rates of return over the coming decade, and this TSX stock could give you some pretty low-risk, high-quality returns.

### A top-performing TSX stock

**Constellation Software** ([TSX:CSU](#)) is one of the best-performing stocks on the TSX over the past decade. All it takes is owning one great stock (like Constellation) to build significant, life-changing wealth. The key with a stock like Constellation is to be patient and let its skilled management team do the work for you. For the past 10 years, it has averaged a 40% annual return, which translates into a

2,858% total return!

Certainly, 40% annual growth is difficult to sustain forever. Constellation has largely grown by acquiring niche vertical market software businesses across the globe. As the company gets bigger, it is harder to find acquisition opportunities that will largely “move the needle.” Consequently, growth could slow at some point.

Yet, this management team is smarter and more experienced than ever. I believe they will still push for long-term opportunities to build shareholder value. That could come by spinning off additional parts of its businesses (like **Topicus.com**), acquiring larger software businesses, or just harvesting and distributing its ample cash flows. Regardless, this TSX stock or any of its potential spin-outs are stocks I would want to hold for the long run.

## A new IPO growth stock

**Telus International** ([TSX:TIXT](#))([NYSE:TIXT](#)) is a fairly new stock on the TSX. **Telus Corp.** spun it out in February this year as a way to execute and promote its digital development strategy. Since the IPO, this stock has not done too much. Despite that, the business has performed very, very well. To me, it looks like a great entry point.

In its second quarter, Telus International [delivered strong results](#) that beat the market’s expectations. Year over year, revenues and adjusted EBITDA grew by 36% and 56%, respectively. It delivered strong adjusted earnings and produced a 13% free cash flow margin.

Telus International helps large corporations in their digital transformation strategy. It helps them incorporate technological innovations like artificial intelligence, the cloud, data analysis, and the internet of things into their business. It just made some very large customer wins from leading customers in e-commerce, technology, social media, and banking. All these contracts have potential to project strong growth for now and long into the future.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Editor's Choice

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2. NYSE:TIXT (Telus International)
3. TSX:BN (Brookfield)
4. TSX:CSU (Constellation Software Inc.)
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