



3 Stocks That Have Made Investors Insanely Rich

Description

The **TSX** has produced many mega winners over the years and investors who have been lucky enough to go along for the ride have seen their wealth multiply many times over. It's also possible for you to spot the next mega winner.

In order to do so, you should know what qualities have helped previous mega winners succeed. In this article, I discuss three stocks that have made investors insanely rich.

This stock isn't done growing

Over the past decade, few companies can compete with **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) in terms of gains produced. Since its initial public offering (IPO) in May 2015, Shopify stock has gained about 5,800%. That represents an average annual gain of 90.2% and would have turned a \$10,000 investment into nearly \$590,000. This compares to a 33.2% gain by the TSX over the same period or 4.6% on an annual basis.

Shopify's growth can be attributed to the rapidly emerging e-commerce industry. The company provides merchants of all sizes with a platform and all the tools necessary to operate online stores. Over the past few years, consumers have driven online shopping activity through the roof.

As well, e-commerce penetration has also been accelerated significantly due to the COVID-19 pandemic. With e-commerce accounting for just 11% of all Canadian retail sales in 2020, it's safe to say the industry — and Shopify — will still have tons of room for growth.

A proven compounder of wealth

Constellation Software ([TSX:CSU](#)) is another top stock that has produced massive amounts of wealth. Since October 2007, Constellation Software stock has generated a return of about 10,600%. This represents an average annual gain of 39.9%. A \$10,000 investment made in October 2007 would be worth nearly \$1,070,000 today. Over the same period, the **TSX** has produced an average annual

return of about 2.6%.

[Constellation Software is an acquirer](#) of vertical market software businesses. The company aims to identify small- and medium-sized businesses which lead their respective industries and provide these acquirees with the resources required to become great businesses. Constellation's strategy has proven successful over the past two and a half decades.

The company now aims to begin [targeting larger VMS businesses](#). This could be an excellent growth catalyst for Constellation over the next decade if everything pans out.

You can find growth outside the tech sector

When investors look for mega winners on the stock market, they often turn to the tech sector. However, some companies like **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) have shown that growth can be found in other areas of the stock market. Through its subsidiaries, Brookfield acquires, invests, and operates real assets. These are assets with intrinsic value due to their properties. Think of assets within the real estate, infrastructure, and utility industries.

Since August 1995, Brookfield stock has gained about 4,500%. That represents an average annual gain of 15.8% and would have turned \$10,000 into \$461,000. Although that is a much lower return than that of Shopify and Constellation, it still beats the broader market by a large margin.

One growth catalyst that lies ahead for Brookfield is its partnership with **Tesla**. The two companies aim to develop the largest sustainable neighbourhood in North America. This is one company you should build a portfolio around.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BN (Brookfield)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:SHOP (Shopify Inc.)

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