



## 2 Top Canadian Stocks I'll Never Sell

### Description

[Investing](#) in Canadian stocks is a long-term game. Any equity investment with a time horizon of less than a year is really not investing at all. It is speculating. Over the next few weeks, months, or even a year, the stock market can wildly swing stocks up and down. What largely happens in the short term is out of our control. However, choosing great businesses to buy and hold for years is in our control.

Warren Buffett once said, "Predicting rain doesn't count; building the ark does." He is referring to Noah from the Bible. Noah built a large ark (a boat) to house his family before a massive rainstorm/flood was to destroy civilization.

## Forget timing the market and just own the best businesses

The idea here is to forget timing the market and forget timing/trading stocks. Rather, buy stocks in high-quality Canadian businesses. If they are high-quality, they will capably weather short-term economic or stock market storms. Hold them for very long periods of time, and you will likely "sail" to outstanding compounding rewards over time.

Two top Canadian stocks I plan to sail with and never sell are **Constellation Software** ([TSX:CSU](#)) and **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)).

## A Canadian tech stock that compounds capital

If you take a look at the stock chart for Constellation Software, you will probably understand why it is on the top of my list of stocks to never sell. Over the past 10 years, this Canadian stock has risen nearly 3,000%. That is a compounded annual return of 40%! The smartest thing an investor could ever do is buy Constellation stock and then never sell it.

Constellation is the pinnacle capital-compounding machine. It acquires small vertical market software businesses across the world. It harvests free cash flows from these software businesses and reinvests it into more acquisitions. Constellation never issues equity. Its management team is extremely focused

on consistently delivering returns to shareholder because they are large shareholders.

The company is getting creative about ramping up growth by expanding to new geographies, widening its investable criteria, and even spinning out niche parts of its business (like **Topicus.com**). Constellation trades for \$2,200 per share. It has a market cap of \$47 billion. Despite its large size, its business is better positioned than ever. I don't see why it can't keep delivering [market-beating returns](#) for years to come.

## A Canadian infrastructure stock that compounds income

If you want to talk about strong capital allocation and compounding returns, any stock from the Brookfield family has generally been a great investment. Brookfield Infrastructure Partners is one stock I never want to sell. It owns and operates [world-class infrastructure assets](#) across the world. I am talking about ports, railroads, export terminals, pipelines, data centres, fibre optic networks, and cellular towers.

All of these assets make our modern world function. These assets will be essential and operational for years and likely even decades ahead. Brookfield has done an exceptional job of growing its portfolio organically and by acquisition.

Over the past 10 years, it has delivered a 637% total return. 279% of that return has been from dividends! This stock is a dividend compounding juggernaut. It has grown its annual dividend by a compounded annual rate of 10%!

Today, with a price of \$71 per share, it only yields a 3.64% annual dividend. However, if you were to compound its historical dividend-growth rate 10 years forward, you could be sitting on a fancy 8.4% dividend yield on your cost. And don't forget about the very strong capital returns this Canadian stock could also garner.

## The Foolish takeaway

For a combination of compounding growth and income, Constellation Software and Brookfield Infrastructure Partners are two Canadian stocks I will likely never ever part with.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:CSU (Constellation Software Inc.)

### PARTNER-FEEDS

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#### **Date**

2025/07/03

#### **Date Created**

2021/10/22

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