



3 Stocks to Buy When Building a Portfolio

Description

When [building a portfolio](#), there are many management strategies investors should consider. For example, is it a good idea to allocate funds towards growth stocks? If you're a more aggressive investor, is there value in holding dividend companies? Is there a way to lean towards growth without being overly aggressive? In this article, I'll discuss three stocks to consider buying when building a portfolio.

Growth investors shouldn't miss this stock

When looking for growth, investors have many different options to choose from. Many companies in the tech and healthcare industries have very promising futures. However, few companies will ever be as appealing as **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). In my opinion, this is a company that comes around once every generation. Shopify is a major player in an important emerging industry. A decade down the road, Shopify should have a much larger footprint than it does today. Don't miss out on this opportunity.

Shopify provides merchants of all sizes with a platform and all the tools necessary to operate online stores. The company offers plans with differing features, at different price points. This allows everyone from the first-time entrepreneur to large-cap companies like **Netflix** to find solutions appropriate for them. Shopify has also gained exposure to other important industries, such as the entertainment production and esports industries. If those new business lines become successful, then we're still at the starting line in terms of Shopify's growth story.

Regardless of your investment style, dividend stocks can be great holds

Whether you're interested in growth or trying to build a source of passive income, there's no doubt that dividend companies can benefit your portfolio. Growth investors that choose to add dividend stocks to their portfolio could see less-severe losses during market downturns. It's been shown that dividend

stocks tend to be more stable during recessions. If I had to choose one dividend company to own, it would be **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

Bank of Nova Scotia interests me primarily because of its industry. The Canadian banking industry is highly regulated, making it difficult for new competitors to displace the industry leaders. Within its industry, Bank of Nova Scotia separates itself from its peers by focusing a decent amount of its assets in developing countries. About 16% of its business comes from the Pacific Alliance. This is a region, which includes Chile, Columbia, Mexico, and Peru. The company hopes that a growing middle class in that region will push Bank of Nova Scotia to new heights.

You can find stocks that give you the best of both worlds

Investors hoping to build a portfolio that can beat the market don't need to be so aggressive. In fact, many conservative holdings can still beat the market by a wide margin. Take **Brookfield Asset Management** ([TSX:BAM.A](#))([NYSE:BAM](#)) for example. The company is one of the largest alternative asset management firms in the world. Through its subsidiaries, Brookfield invests and operates assets in the real estate, infrastructure, and renewable utility industries.

While that may not be the most exciting business, Brookfield is a proven winner. Since August 1995, the stock has generated an average annual return of about 16%. Over that same period, the **TSX** has produced an average annual return of 6%. Earlier this year, [Brookfield announced](#) that it would be developing the largest sustainable neighbourhood in North America, alongside **Tesla**. Continued commitments to projects such as this will keep pushing Brookfield to grow over time.

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:SHOP (Shopify Inc.)
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