Got $4,000? Buy These 4 Companies for Marvelous Returns

Description

While $1,000 apiece might not seem enough to change the course of your portfolio's growth, it's enough capital (if invested in the right stock) to meaningfully contribute to your nest egg instead of just being "tracking" investments.

A transportation company

TFI International (TSX:TFII)(NYSE:TFII) has evolved as a trucking giant in North America. The problem is that most of that evolutionary growth occurred after the 2020 crash. And if you had bought it at its lowest point during the crash, you would have grown your capital by 3.9 times (4.4 if you sold at the peak). And despite such a spike in growth, the stock is still quite fairly valued.

This growth can be attributed to its presence in the e-commerce market and its aggressive acquisition strategy, which allowed it to bring a lot of healthy businesses into the fold and grow its footprint at an incredible pace.

But it's too soon to tell whether this growth spurt pushed the stock high to its true level and if the current price would become the new baseline or if the stock is due for an aggressive correction. Once that's identified, investing $1,000 in the company would be a smart move.

A new tech stock

One way to describe **Topicus** (TSXV:TOI) would be that it's too big for venture capital. And even though it's a new company *and* a new stock. It was founded in 2020 and listed in 2021. But the company has known, well-respected roots. It spun out of **Constellation Software** — the result of one of its European acquisitions.

It specializes in vertical market software and platform and has an impressive presence in Europe, with over a hundred thousand customers in 14 countries. The stock has performed admirably since its inception. It grew about 120% in nine months. Currently, it's going through a small correction and has already fallen 24%. A good time to buy and hold long term would be when the stock hits rock bottom.

A time-tested growth stock

Toromont Industries (TSX:TIH) is one of the most reliable growth stocks currently available on the TSX. Over the last two decades, this stock has grown (quite consistently) by over 1,700%. The 10-year CAGR is an impressive 19.9%, and even though it's a very old and established Dividend Aristocrat, its growth potential is the primary reason you should consider diverting $1,000 of your capital towards this company.

Most of this growth can be chalked up to the company's competitive edge and its leadership position in a niche market — i.e., heavy industry equipment. That's the dominant of its two business segments. It's one of the world's largest dealers of **Caterpillar** equipment and has cultivated several complementary businesses (powerplants, construction supplies, material handling, etc.).

Its refrigeration business (the other segment) has also achieved decent penetration in the North American market.

A REIT

While the residential real estate market has ballooned to dangerous proportions, it's still a profitable asset class. And you can get relatively safe exposure to this asset class via a residential REIT like **Interrent REIT** (TSX:IIP.UN). It's a nine-year-old aristocrat. However, its 2% yield might not seem like much of a reason to invest $1,000 in the company, which would yield $20 a year.

A greater incentive is the REIT's capital-appreciation potential. The stock returned over 1,100% in the decade preceding the pandemic. While not even, that's a 100% growth each year. The post-pandemic growth pattern of the REIT has not been nearly as promising, but the current undervaluation indicates attractive growth prospects.

Foolish takeaway

$4,000 is less than the full-year contribution to your TFSA. And if that's all you have to spare and invest in, these four companies could be a great choice. All four have the potential to grow at a decent enough pace if you stick to them long enough.

CATEGORY

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1. NYSE:TFII (TFI International)
2. TSX:IIP.UN (InterRent Real Estate Investment Trust)
3. TSX:TFII (TFI International)
4. TSX:TIH (Toromont Industries Ltd.)
5. TSXV:TOI (Topicus.Com Inc.)

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