



TFSA Investors: These 3 Stocks Would Be Great Buys for the Long Term

Description

Making use of a [TFSA](#) is one way that investors can reach financial independence quicker. This is because, as its name suggests, investors can withdraw gains without having to pay taxes. However, it's very important to choose the right stocks to hold in a TFSA, because losses can't be claimed. In addition, the stock market can be very scary, especially during times like now, where many stocks across all sectors continue to fall heavily. However, investors should continue to focus on the long term. Here are three great stocks to buy in your TFSA!

This stock should keep growing steadily

If there's one trend that has emerged dramatically over the past couple years, it's the rise of online shopping. Ever since the pandemic, consumers have shifted towards online shopping at a very fast rate. Now, two years into the pandemic, it appears that online shopping isn't going anywhere anytime soon. As a result, companies like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) have seen business boom. Over the Black Friday-Cyber Monday weekend, the company reported [US\\$6.3 billion in sales](#), representing a 23% increase over the year prior.

However, Shopify's stock tells a different story. Shopify stock has fallen more than 24%. Over the past two months, its stock has fared even worse, falling nearly 50%. Despite this recent performance in Shopify stock, I remain confident in its ability to reward shareholders over the long term. Shopify continues to attract large enterprise customers (e.g., **Netflix**) and grow its partnership network. With e-commerce continuing to grow at a steady rate, I find it hard to imagine a future where Shopify isn't a massively successful company.

This company has a proven track record

Investors should also consider adding **Constellation Software** ([TSX:CSU](#)) to their portfolio. This is likely one of the most famous Canadian success stories in history. Since its IPO, ConstellationSoftware stock has gained more than 11,300%. This means that a \$10,000 investment at its IPO wouldbe worth more than \$1 million today.

Constellation Software has generated this success by following the same formula over many years, which, by the way, is the same strategy that investors should take with their portfolios. Constellation Software is an acquirer of great businesses that have the same characteristics. First, it requires that a company has an outstanding manager. Second, the business needs to be profitable. Finally, businesses hoping to be acquired need to show above-average growth. As long as Constellation sticks to this proven formula, I remain confident in the stock's future.

One stock for those interested in a company outside the tech sector

If you feel like your portfolio is already too exposed to, or if you have no interest in, the tech sector, then there are other options for you. One stock to consider would be **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). With more than \$650 billion of assets under management, it is one of the largest alternative asset management firms in the world. Through its subsidiaries, Brookfield has access to the infrastructure, real estate, renewable utility, and private equity markets.

Brookfield's business isn't as exciting as you'd find in high-growth tech stocks. However, its stock has steadily rewarded shareholders over the past couple decades. Since its IPO in 1995, Brookfield stock has gained more than 4,300%! One potential catalyst that investors should watch is the company's recent partnership with **Tesla**. The two companies are planning to develop a large-scale sustainable neighbourhood in the United States.

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3. TSX:BN (Brookfield)
4. TSX:CSU (Constellation Software Inc.)
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