



3 Top Canadian Stocks That Are Perfect for New Investors

Description

Building a portfolio of individual stocks can take time. You may already have the funds to invest in 25 different stocks today, quickly amassing a well-diversified portfolio. However, that may not be the case for everyone.

If you're just starting out with limited funds, the first few companies you choose to invest in should be chosen wisely.

I've put together a list of three top Canadian stocks that are perfect for anyone just starting out.

Don't think that these companies are only for [new investors](#), though. Even for seasoned investors, now's as good a time as any to start a position in any one of these three companies.

Brookfield Asset Management

There aren't many more well-diversified companies on the [TSX](#) than **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Owning shares of this asset management company is as close as you'll get to owning an index fund.

The \$110 billion company has a growing international presence, with investments also spread across a range of different industries.

Despite the Canadian stock's diversified portfolio, it has still managed to deliver consistent market-beating returns. Shares of Brookfield Asset Management are up more than 100% over the past five years. In comparison, the Canadian stock market has returned less than 50%.

If diversification is what you're in search of, this market-beating Canadian stock should be at the top of your watch list.

Shopify

Investors in search of [growth](#) don't need to look much further than the largest tech company in the country. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has been a market-crushing performer ever since it went public, and I don't expect that to change anytime soon.

One of the major criticisms of Shopify is its valuation. Even with the Canadian stock trading at a discount today, it's still priced at a lofty valuation.

The reality is, if you're planning on owning a top growth stock, you're going to need to pay up.

One of the risks of owning an expensive stock is volatility. Over the past half-year, we've witnessed many Canadian stocks in the [tech sector](#), including Shopify, sell off dramatically. Shares of Shopify have been more than cut in half over the past six months.

In the short term, it's extremely difficult to predict how the tech sector will continue to perform. I'd be very cautious making any bets with a timeline of under three years, whether that's on a specific company or an entire industry.

What I am willing to bet on is Shopify's long-term growth potential. If you can handle the volatility, this is a growth stock you'll want to own, especially while it's trading at these must-buy prices.

Toronto-Dominion Bank

The last pick on my list is certainly not as exciting as the first two companies. But there's absolutely nothing wrong with owning a boring stock. In fact, if you're going to own a couple of high-priced growth stocks in your portfolio, you'd be wise to also own a few boring, but dependable, companies.

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) can provide a portfolio with both dependability and passive income.

Since the bank will likely endure far less volatility than most growth stocks, it can help keep a portfolio afloat during inevitable selloffs. On top of that, the Canadian stock pays a top dividend, which yields above 3.5% at today's stock price.

TD Bank may be trading near all-time highs, but I wouldn't let that prevent you from starting a position today. This is the type of company that you can feel good about buying at just about any price.

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2. NYSE:SHOP (Shopify Inc.)

3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BN (Brookfield)
5. TSX:SHOP (Shopify Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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