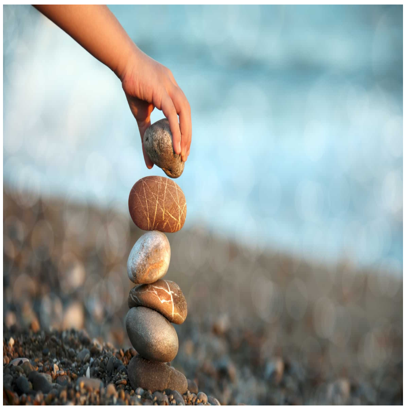

Where to Invest $1,000 for the Next 5 Years

Description

Starting an investment portfolio is one of the greatest things you can do to help yourself achieve financial independence. One misconception is that investors need a lot of money to get into the stock market. That couldn't be further from the truth. With just $1,000, you could start an investment portfolio and put yourself on track to retire comfortably. In this article, I'll discuss three stocks that investors should buy and hold for the next five years.

This is my top growth stock

If I could only pick one Canadian stock to invest in for the next five years, it would be **Shopify** (TSX:SHOP)(NYSE:SHOP). This company has emerged as one of the world's leading enablers of the rapidly growing e-commerce industry. It provides a platform and many of the tools necessary for merchants to operate online stores. What makes Shopify so attractive is that it offers solutions that are appealing to first-time entrepreneurs and large-cap enterprises alike.

Although Shopify's stock has plummeted over the past year or so, I believe it could recover over the next five years. Its business remains very stable, with Shopify's monthly recurring revenue growing at a compound annual growth rate (CAGR) of 38% over the past five years. The company also continues to expand its enterprise partnership network. Last week, Shopify announced that it would be partnering with YouTube, allowing content creators to sell merchandise to consumers more easily.

Buy solid dividend stocks

Investors should also consider buying shares of dividend stocks. What makes these sorts of stocks attractive is that they could help supplement or even replace an investor's primary source of income. In addition, dividend stocks tend to be more established and thus less volatile than growth stocks. There are many different factors that investors should consider when looking at dividend stocks.

In this article, we'll use **Canadian National Railway** (TSX:CNR)(NYSE:CNI) as an example. First, investors should consider whether a company has managed to increase its dividend over time. This is important because investors are poised to lose buying power if a stock is unable to continually increase its dividend. Canadian National has managed to increase its dividend in each of the past 25 years, making it one of 11 **TSX**-listed companies to currently surpass that mark.

Canadian National also increases its dividend at a fast rate. Over the past five years, this stock has grown its dividend at a CAGR of 12.2%. If the company can continue growing its dividend at that pace, investors could be looking at a quarterly dividend of $1.30 per share in five years' time.

Invest in financial institutions

Finally, investors should consider buying shares of financial institutions. If you look at the more prominent companies in the country, you'll notice that a large proportion of those companies operate within the financial sector. As such, companies like **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM) could be excellent to hold in your portfolio.

Brookfield operates a portfolio with nearly $725 billion of assets under management. Through its subsidiaries, this company has exposure to the infrastructure, real estate, renewable utility, and private equity markets. Brookfield offers a stock that may be attractive to both growth and dividend-minded investors. Over the past 27 years, Brookfield stock has grown at a CAGR of nearly 15%. It has done this while maintaining its title as a Canadian Dividend Aristocrat, having increased its dividend for over a decade.

CATEGORY

1. Investing

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BN (Brookfield)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:SHOP (Shopify Inc.)

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jedlloren