



## Canadian Stock Investors: Where to Put \$100 Right Now

### Description

You don't need a lot of upfront capital to steadily build a substantial stock investment portfolio. In fact, with new efficient trading platforms available, you only need around \$100 to [start investing](#).

### Here's how \$100 can become \$28,100 or more

The power of compounding takes time. Wealth creation accelerates the longer it is allowed to compound. Here is an example.

Say you start with only \$100 of capital and plan to invest \$100 every month into [Canadian stocks](#). If you only earned a market return like that of the **TSX Index** (around 5.5% a year), you would accumulate about \$28,100 of wealth in 15 years.

Add another five years of investing (a total of 20 years of compounding) and that number jumps to \$43,800 (up 56%)! Add another five years of being invested (a total of 25 years) and your wealth would increase to \$64,600 (up 47%)!

These are very conservative assumptions about returns. Chances are very good you can do better if you contribute more regularly and [earn a higher rate of return](#).

The point is to start investing early and contribute/invest regularly. If you are looking for market-beating returns, then here are two stocks I'd consider buying with \$100 for the long term.

### Brookfield Asset Management stock

**Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) stock trades for only \$66 per share today. Over the past 10 years, it has delivered compounded annual returns of around 17.8%. That doesn't include several businesses that it has spun out to shareholders either. That is over three times higher than the above noted rate of return assumption.

Owning Brookfield is like owning a diversified investment portfolio in and of itself. It owns and manages everything from infrastructure to insurance, renewable energy assets to real estate. It collects a fee for the assets it manages and often gets a stake in their profits as well.

The company has been undervalued for several years. Management is planning to [spinoff](#) a stake in its asset-management business. Many expect this will unlock significant value for shareholders.

Regardless, this is a great business that is growing at an attractive rate. It has great management team and a strong balance sheet. It is the perfect stock to tuck away and hold for 20 years.

## Descartes Systems stock

Another stock I would consider buying for long-term compounding returns is **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)). It trades for \$92 per share today. It is not a cheap stock, so you will need to have a long investment horizon. However, it has done a great job of earning around 27% compounded annual returns for the past decade.

Descartes provides mission-critical networks and software for the logistics and transportation industry. Given geopolitical tensions, shipping is becoming increasingly complex. Descartes software helps streamline many manual processes that are traditional in the transport industry.

Descartes is extremely profitable, and it earns a lot of cash every quarter. It uses that cash to acquire smaller software companies.

In essence, it is a great compounding formula for the long term. This is a pricey stock, but it is a dominant leader in its industry. This is a great stock to average into over a long period of time.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:BN (Brookfield Corporation)
3. TSX:BN (Brookfield)
4. TSX:DSG (The Descartes Systems Group Inc)

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