



\$5,000 Invested in These 3 Stocks Could Make You Rich Over the Next 20 Years

Description

The key to successful investing is giving your portfolio enough time to grow. However, it's most [important that you start](#). Even with just \$5,000, you can put yourself on track to financial independence. With smaller amounts of capital, investors need to be very prudent about where they invest their money. This is because you have less of it and should be trying to get the most value out of every dollar.

In this article, I'll discuss three **TSX** stocks that could make you rich over the next 20 years.

A steady compounder of wealth

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is a stock that all investors, new and experienced alike, should consider for their portfolios. With more than US\$750 billion of assets under management, Brookfield is one of the largest alternative asset management firms in the world. Over the past four years, its portfolio has grown at a compound annual growth rate (CAGR) of 26%. At that rate, it could have US\$1 trillion of assets under management in a couple of years.

Since its initial public offering (IPO), Brookfield stock has performed very well. It has gained more than 4,000% over since then, representing an average annual gain of 14.8%. That means a \$10,000 investment would be worth more than \$400,000 today. Brookfield's chief executive officer Bruce Flatt noted that the current economic conditions could cause turbulence in Brookfield stock. However, he added that there are still many excellent opportunities that Brookfield can take advantage of in the short term to help continue its growth.

This stock has beaten the market by a wide margin

One stock that has never ceased to amaze me is **Constellation Software** ([TSX:CSU](#)). At the surface, its business isn't much different than other holding companies. Except maybe that Constellation Software focuses on the acquisition of vertical market software businesses. What separates Constellation Software from all the other companies that operate similar businesses is the process with

which it conducts acquisitions.

When Constellation Software [acquires a business](#), it first requires that the business be “good.” Constellation Software defines this as having an outstanding manager, consistent profitability, and above-average growth. Once it identifies a possible acquisition target, Constellation Software will provide the business with the coaching and resources necessary to help transform it into an exceptional business unit.

This strategy has worked for nearly three decades, helping Constellation Software stock grow at a compound annual growth rate (CAGR) of 32.6% since its IPO. Constellation Software is a company that’s been on my watchlist for years. It’ll likely be the next stock I add to my portfolio, and I urge fellow investors to continue looking into this stock.

My top pick for the next two decades

Of all the current [TSX-listed stocks](#) in my portfolio, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is the one that excites me the most. I believe that the next two decades could reward shareholders nicely if the company stays on track. Since its founding, Shopify has transformed from a small tech startup to one of the biggest e-commerce companies in the world. It’s estimated that more than one-million merchants use Shopify. This includes names such as **Pepsi**, **Netflix**, and Staples.

Shopify’s business runs on recurring payments. It receives revenue in two main ways. First, merchants can subscribe to different packages, providing them certain features that can be used to optimize their online stores. Over the past five years, that recurring revenue stream has grown at a CAGR of 35%.

Second, Shopify takes a percentage of each sale transacted on its platform. In other words, getting more merchants to use Shopify’s platform would be very beneficial for the company. It aims to continue attracting new merchants by increasing the visibility of its stores (through its partnership network) and offering innovative solutions.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BN (Brookfield)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn

5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. jedlloren
2. kduncombe

Category

1. Investing
2. Stocks for Beginners

Date

2025/08/25

Date Created

2022/09/03

Author

jedlloren

default watermark

default watermark