



These 3 TSX Stocks Are Great Long-Term Picks

Description

When [investors buy stocks](#), it's important that the investor consider whether they would be happy to hold those shares for a long time. This is important because investing over the long term has been shown to decrease risk. Over the short term, there are many factors that could influence stocks. However, over the long term, the most important thing is how well the business has been able to execute.

With that in mind, here are three **TSX** stocks that I think could be great long-term picks.

Buy one of the Canadian banks

The Canadian banks are among the most influential companies in the country. The industry's presence in our country's economy is unmatched. For example, look at the largest companies in Canada by market cap. Four of the top eight companies, by that metric, are banks. These companies have been able to establish such formidable sizes because of how long they've been in operation. Take the Big Five Canadian banks, for example. Those companies have been operating for well over 100 years.

Of that group, my top pick is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). What interests me about this company is its dedication to growing its international presence. It should be noted that Bank of Nova Scotia has decided to focus its international efforts within the Pacific Alliance. This is a region that includes the countries of Chile, Columbia, Mexico, and Peru. Due to a rapidly growing middle class, it's estimated that the economy within the Pacific Alliance could grow faster than the Canadian and American economies over the coming years.

If Bank of Nova Scotia could capitalize on that growth, then the company could see a similar boost in growth in the future. We're starting to see that happen now, as the company reported that its international banking segment drove net income growth in [the second quarter \(Q2\) of 2022](#).

Invest in this excellent financial institution

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is another company that could be a great long-term pick. It invests and operates real assets. These are assets that have intrinsic value due to their properties. Through its subsidiaries, Brookfield has exposure to the infrastructure, insurance, real estate, renewable utilities, and private equity markets. Its portfolio consists of more than US\$750 billion of assets under management.

Brookfield is also notable for its chief executive officer (CEO), Bruce Flatt, who is often compared to Warren Buffett. The two executives draw comparisons because of their value investing style, long tenures as CEO, and large ownership stakes in their respective companies. In my opinion, Brookfield would be an easy long-term hold as long as Flatt remains at the head of the company.

This tech stock is a proven winner

Finally, investors should consider buying shares of **Constellation Software** ([TSX:CSU](#)). This company acquires vertical market software businesses. Constellation Software has become very successful because of its excellent growth strategy. It acquires businesses that show above-average growth and are led by great managers. Constellation Software then gives those acquired businesses the coaching and resources needed to turn them into exceptional business units.

Since its [initial public offering](#) (IPO), very few Canadian stocks have been able to keep pace with this company. Constellation Software stock has gained more than 10,700% since 2006. That represents a compound annual growth rate of 34%. If you had invested \$10,000 around the time of its IPO, then that position would be worth more than \$1 million today.

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3. TSX:BN (Brookfield)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CSU (Constellation Software Inc.)

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