



## These 2 Canadian Small-Cap Stocks Are Rising Stars

### Description

In general, more investors are comfortable investing in [large-cap stocks](#). To them, a market capitalization above \$10 billion represents size-based stability. And even though this generalization can help prevent you from investing in relatively risky or volatile stocks, it may prevent you from leveraging the power of rising stars in the small-cap category.

There are plenty of safe, small-cap stocks that represent healthy, mature, and stable businesses that you can invest in, and there are two such companies that stand out from the rest.

### An energy stock

**TerraVest Industries** ([TSX:TVK](#)) has been one of the most stable energy stocks in the last decade. In contrast to the **TSX Energy Index**, which fell consistently between 2014 and most of 2020, the stock rose over 150% in those six years. This disconnect, which has been enormously in favour of the investors, comes from the nature of TerraVest's business.

Unlike upstream, midstream, or downstream energy companies directly associated with oil and gas, TerraVest focuses on building vessels and transport vehicles for ammonia and natural gas liquids (among others). It has a broad product portfolio, a few of which are for B2C (business-to-consumer) consumers. The company also offers water storage solutions.

The stock's consistently excellent performance in the last decade and TerraVest's business model make it a promising investment for the long term. With a market capitalization of \$419 million, the company falls near the lower end of small-cap stocks. However, its position as a leader in a niche market segment augments its position as a trusted long-term holding, which is reinforced by its strong finances.

### A financial stock

The financial sector is home to many [small-cap stocks](#), but a few stand out from the crowd, including **Clairvest Group**

([TSX:CVG](#)). With a market cap of \$1 billion, it sits near the middle of the small-cap pool if arranged from smallest to largest by market capitalization. The stock represents an old and mature business that has been around since 1987.

The stock has been around for a very long time as well and has risen over 1,000% in the last two decades. While the current undervaluation, highlighted by a price-to-earnings ratio of 3.48, doesn't *guarantee* that the stock will keep growing at the same pace, it's a promising number for the stock's future prospects.

And even if the stock performs half as well as it did in the last two decades, you may still see your capital rise by about 2.5 times.

The company partners with entrepreneurs and helps them evolve into successful businesses. The consulting nature of the business allows it to be unburdened by overhead costs, which is evident in its minimal debt at less than \$3 million. It also has a very stable beta (1.3), but its financials are relatively messy.

## Foolish takeaway

The two small-cap stocks have had a great run so far, and if they can continue the same way, they can be powerful additions to your portfolio. Both are mature businesses with strong positions within their industries or their slice of the sector, and even if they don't grow enough to become mid or large caps in the next few years, you may still anticipate decent growth.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CVG (Clairvest Group Inc.)
2. TSX:TVK (TerraVest Industries 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. adamothonman
2. kduncombe

**Category**

1. Investing

**Date**

2025/08/15

**Date Created**

2022/11/16

**Author**

adamothonman

default watermark

default watermark