



2 of the Best TSX Stocks to Buy and Hold Forever

Description

Investing in stocks is one of your best bets for building wealth over the long term. For short-term goals, where you'll need to access your funds within a year or two, you're better off in a standard high-interest savings account. But if you have a time horizon of five years or more, owning **TSX** stocks is a no-brainer.

Building a portfolio of individual stocks takes time, and there's no need to rush. If you'd prefer, you could begin by buying a few broad market index funds to provide your portfolio with the much-needed diversification. From there, you can begin buying shares of individual TSX stocks.

When I'm researching companies that I plan on holding for the next decade and longer, I'm looking for businesses that have [long-term growth potential](#). In addition to the company's growth potential, I'm also looking for sectors that are riding strong tailwinds.

To help get your portfolio started, here are two [top TSX stocks](#) that are perfect for any long-term investor. Both companies have impressive market-beating track records that I don't see ending anytime soon.

Brookfield Asset Management

Broad market index funds are a great place to start for [new investors](#), because they provide exposure to a wide range of different sectors in the market. Typically, individual stocks specialize in a specific area of the market, which gives investors a chance to outperform the broader market. On the flip side, you also have the risk to underperform the market's returns.

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) stock is as close as you'll get to a broad market index fund. The \$95 billion asset management company not only has investments spread across a range of industries, but it has an international presence too.

The company's healthy balance sheet allows it to invest in businesses where it believes it can generate long-term wealth for its shareholders.

Shares of the TSX stock are up 100% over the past five years. In comparison, the **S&P/TSX Composite Index** is up just 40%.

Shopify

There haven't been many better-performing stocks than **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) since it joined TSX in 2015. Shares are up more than 4,000% since it became a public company.

Now that it's valued at a market cap of \$185 billion, I wouldn't expect that type of growth to continue. That being said, I certainly wouldn't bet against this TSX stock to deliver market-beating growth over the next decade.

The e-commerce giant had an incredible year in 2020, as the pandemic led to a surge in online shopping. The company managed to end its 2020 fiscal year with back-to-back quarters of revenue growth of nearly 100%. Growth has even accelerated in 2021. The company posted year-over-year quarterly revenue growth of 110% in its first quarter.

Many investors knock the [tech stock](#) for its outrageous price — not its \$1,500 share price, but its valuation. It's trading today at a price-to-sales ratio above 50. That's high enough for many investors to not come anywhere near Shopify stock.

I wouldn't suggest owning a portfolio full of companies trading at this type of valuation. But if you're looking to add a high-growth company to your portfolio and can handle the likely volatility, this is one stock that I'm more than comfortable taking a chance on.

If you're on the fence about adding the growth stock to your portfolio, you may want to act fast. Shares are down just about 20% from where it was earlier this year, and I don't think it will be long before the stock is back to setting new all-time highs.

CATEGORY

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