



2 Companies I Want to Add to My Portfolio

Description

I classify myself as a growth investor. Because of this, my portfolio only contains companies that I can see returning multiples upon my investment over the next decade. There are few companies that I do not currently hold that seem very appealing. However, I believe two companies listed on the **Toronto Stock Exchange** have outstanding growth runways ahead. In this article, I will discuss which two companies I want to add to my portfolio.

Renewable energy adoption is nowhere near its ceiling

Renewable energy companies have seen a lot of growth over the past couple years, as climate change becomes more of a focus worldwide. However, I believe these companies are not even close to being as big as they can be. **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) remains my top choice in this industry.

In September, Brookfield Renewable held an [investor day](#), which highlighted the potential growth available within the renewable energy sector. The company noted that over the past 15 years, the public markets have seen investments in renewable energies increase with a compound annual growth rate of 20%. These projections indicate a growing sentiment towards renewables by the investment community.

In addition, due to the recession, U.S. electricity generation is down 5% in total. Of this, fossil fuel generation has decreased an even more significant 10%. However, renewable energy generation has increased 14% over the same period. This shows the strength of the industry.

Brookfield is committed to continuing its heavy capital-allocation strategy to support its plans for growth. Examples include its completed acquisition of TerraForm Power, future investments in **TransAlta**, and expansion of assets in Brazil and Europe. Brookfield Renewable looks on pace to remain a leader in this large and growing industry for years to come.

One millionaire-making stock that cannot be denied

Canadian growth stocks are interesting in that they are relatively small compared to American counterparts. **Constellation Software** ([TSX:CSU](#)), for example, is a company that would have made you a millionaire if you invested in the company during its IPO. Since 2006, Constellation stock has returned more than 8,200% to investors. However, it is still only a \$33 billion market cap company. While this certainly classifies Constellation as a large-cap company, it is still very small compared to growth stocks in the United States.

Constellation is a company that I have been [eyeing for a while](#) now, and I believe it is only a matter of time until it finally finds a spot in my portfolio. The company is a very low-volatility stock, while giving market beating growth year after year. A reason for its low volatility may be attributed to the fact that it is not as consumer-facing as other growth stocks.

The company continues to be led by its founder, Mark Leonard. As long as he is a part of the operations at Constellation, I would remain confident in the company's ability to perform. Many companies have tried to copy Constellation's growth strategy over the years, but one cannot deny that sticking with the original, and the best, is the way to go.

Foolish takeaway

There is a plethora of stocks listed on the Canadian stock exchanges. Two companies in particular are very interesting investments, in my opinion. I believe Brookfield Renewable Partners and Constellation Software have great growth runways ahead. These two companies should find a home in my portfolio in the future.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:CSU (Constellation Software Inc.)

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Date

2025/06/28

Date Created

2020/11/13

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