



3 Canadian Stocks That Could Set You Up for Life

Description

Investing in the stock market is one of the most reliable ways Canadians can generate wealth over the long-term. At times, though, investing in the stock market can be intimidating, confusing, or even nerve-racking. But if you're committed to holding for the long-term, the historical performance speaks for itself.

Over the past decade, the **S&P/TSX Composite Index** has grown 45%, and 20% over the past five years. It hasn't been the strongest decade for the Canadian market, no question. But there are plenty of reasons to be optimistic that the next 10 years will be better than the last 10.

Investing in individual stocks

Just because the **S&P/TSX Composite Index** had a subpar decade doesn't mean there wasn't a list of companies that grew far more than 45% over the last ten years.

It can be risky to pick individual stocks if you're not confident in your investment knowledge. It takes a fair amount of research to determine if a company has the potential to outpace the broader market. If you're just starting out, [exchange-traded funds](#) might be a better place to begin. But once you're comfortable with investing in the stock market, building a portfolio of individual stocks can lead to amazing gains over the long-term.

I've put together a list of three Canadian companies with a strong track record of outpacing the returns of the Canadian market. Not only do they have a strong track record, but I believe they all have the potential to continue to outperform the broader market for the next 20 plus years.

Enghouse Systems

This tech stock might not be the most talked-about company on the Canadian market, but it should with gains like this. Over the past 10 years, **Enghouse Systems** ([TSX:ENGH](#)) has delivered growth of more than 1,500%, and more than 150% over the past five years.

The business in which Enghouse Systems specializes in may partly be why many Canadians are unfamiliar with the name. The tech company develops enterprise-level software solutions to customers

across the globe.

Telecom companies are a major customer for Enghouse Systems. The company provides a number of different software solutions to telecom companies. It supplies software for contact centres, video conferencing, and interactive voice responders, to name a few examples.

While it might not be the most exciting line of work, its past performance speaks for itself. If you're looking for a tech stock to kick off your investment portfolio, Enghouse Systems would be an excellent choice.

Toronto-Dominion Bank

Bank stocks have not fared nearly as well as tech stocks throughout this pandemic. Each of the Big Five banks is trailing the returns of the Canadian market year to date, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) included.

For long-term investors, though, I believe that now is a perfect time to be adding a bank stock to your portfolio. The [valuations are extremely low](#), especially in comparison to certain tech stocks that are trading at all-time highs today.

Over the past five- and 10-year periods, TD Bank has definitely not returned gains anywhere close to what Enghouse Systems has. What TD Bank can offer for your portfolio is stability and reliability, in addition to passive income.

The \$85 billion bank offers a dividend yield that's hard to match. At today's stock price, the \$3.16 annual dividend is equal to a yield of just over 5%.

Brookfield Renewable Partners

To round out my list of stocks to set you up for life, I'm adding in a top renewable energy company. **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) not only has an extremely bright future, but it's historical performance has absolutely crushed the returns of the Canadian market.

Year to date, the company is already up 40%. Over the past five years, it's up 155% and up just under 300% over the past decade.

With customers spread across the globe, Brookfield Renewable Partners generates electricity through hydro, wind, and solar energy sources.

Not only can this stock provide growth to your portfolio, but it can also provide passive income. At today's stock price, the \$2.32 annual dividend is equal to a very respectable yield of 3.39%.

CATEGORY

1. Bank Stocks
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5. Tech Stocks

POST TAG

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2. BEP.UN stock
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6. TD Bank
7. td stock

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:ENGH (Enghouse Systems Ltd.)
5. TSX:TD (The Toronto-Dominion Bank)

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