



The 2 Best TSX Stocks I'd Buy With \$2,000 for 2021

Description

If you've got \$2,000 available to invest in [Canadian stocks](#), I've got two top picks for you.

Some investors may be wary to put their money to work when the market is trading at an all-time high. If you're investing for the short term, I'd understand the hesitancy. But as a Foolish investor, my focus is buying market-leading Canadian companies and holding for the long term.

The recent volatility has created all kinds of interesting buying opportunities for Canadians. The **S&P/TSX Composite Index** might be trading near all-time highs, but there's no shortage of market-leading companies that are trading at a discount.

These two picks likely won't be your top growers, but they are trading at a bargain compared to many growth stocks. Both have solid track records of outperforming the broader market.

Brookfield Asset Management

I'm a big fan of [index investing](#). It allows investors to build a simple investing strategy that requires minimal involvement. If you have zero interest in picking individual stocks, there's absolutely nothing wrong with owning a few broad index funds and continuously adding to those positions over time.

But for those of us who do enjoy picking individual stocks, there's a lot to like about **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)).

The reason why I mentioned index investing is because the asset management company is as close to an index fund as you'll find.

Brookfield Asset Management owns a broad portfolio of assets, including real estate, energy, infrastructure, and private equity. In addition, it provides its shareholders with a global presence. So whether you're looking to broaden your portfolio's diversification by sector or geographically, this stock has you covered.

The \$85 billion company may have many similarities to an index fund, but growth sure isn't one. Shares of Brookfield Asset Management have more than doubled the returns of the Canadian market

over the past five years. And the farther you go back, the more impressive the growth becomes.

If I were looking for just one Canadian stock to build an investment portfolio around, there aren't many companies that I'd choose before Brookfield Asset Management.

Constellation Software

Constellation Software ([TSX:CSU](#)) has quietly been one of the [top growth stocks](#) over the past decade. The tech stock is close to a 25-bagger over the past 10 years. While growth has understandably slowed in recent years, its shares are still up 250% since 2016.

Similar to Brookfield Asset Management, Constellation Software has used its size to its advantage. The tech company has customers all across the globe in a wide variety of industries.

A major reason why Constellation Software has continued to grow at such a torrid rate is because of its aggressive acquisition strategy. The company's healthy balance sheet has allowed it to take advantage by buying smaller companies in niche industries.

Constellation Software might not be as exciting as the [hottest tech stocks](#) on the market today, but it is trading at a much more attractive valuation. Shares are trading at a favourable forward price-to-earnings ratio of 35, which is far below what the top growth stocks will cost investors.

As well, the tech stock is trading at a rare discount. Shares of Constellation Software are trading close to 10% below all-time highs right now.

CATEGORY

1. Investing
2. Tech Stocks

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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)

2. TSX:BN (Brookfield)
3. TSX:CSU (Constellation Software Inc.)

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