



3 Top Large-Cap Stocks to Buy in August

Description

Investors often look at small-cap stocks in hopes of generating market-beating returns. However, there are many blue-chip companies that can do the same. In fact, some blue chips are able to beat the market by a very large margin. The trick is to find companies that have exceptional management teams, operate in an important industry, and have a large addressable market. Here are three top large-cap stocks to buy in August.

Start with this top growth stock

When it comes to blue-chip companies that have market-beating potential, investors should think of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). One of the most popular stocks in Canada, Shopify has certainly beat the market by a wide margin since its IPO. The biggest reason for its massive outperformance has been the rapid growth of the e-commerce industry. Over the past two years, online retail penetration has more than doubled in Canada.

Of course, operating in an emerging industry doesn't mean much if your management team isn't capable of making the right moves. In Shopify's case, its management team has made *all* of the right moves. Over the past few years, Shopify has managed to expand from being a website building company to one that offers POS, shipping services, and more. Shopify has also recently established an esports team and began producing content within the TV and entertainment industry.

A company that continues to grow in terms of revenue and services offered, Shopify's growth potential [could be more compelling](#) than it was during its IPO. Don't miss out on owning this company.

Slow and steady wins the race

While Shopify's growth could be described as explosive, some stocks have been able to produce outstanding returns very quietly. One company that fits that description is **Brookfield Asset Management** ([TSX:BAM.A](#))([NYSE:BAM](#)). A company that [invests in and operates](#) real assets (think real estate, infrastructure, and utilities), Brookfield's business isn't particularly flashy by any stretch of

the imagination.

However, since August 1995, the stock has managed to produce an average annual return of 15.95%. To put that into perspective, the **TSX** has managed an average annual return of 5.91% over the same period. One reason for Brookfield's success could be its outstanding management team. The company's CEO, Bruce Flatt, is often referred to as "Canada's Warren Buffett." In addition, Brookfield operates in industries that are very important in our everyday lives.

Like Shopify, Brookfield's combination of a top-notch management team and large addressable market could continue to push this stock to new heights.

This stock isn't done growing

When investors look for stocks that could produce market-beating returns, they often turn to new IPOs and younger companies. **Constellation Software** ([TSX:CSU](#)) is neither of those things. Since its IPO in May 2006, the stock has gained more than 11,000%. In fact, since the end of October 2007, Constellation has managed to generate an average annual return of 39.59%. This means an investment of \$10,000 at that time would be worth nearly \$1 million today.

What's most impressive about this company is that its high growth rate has been sustained for more than a decade. Looking at its performance over the past year, Constellation Software has managed to gain 31.68%. Although the stock is now valued at \$43 billion, Constellation remains one of Canada's top growth stocks.

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