



## Canadian Investors: 3 Top Stocks for Building Long-Term Wealth

### Description

Historically speaking, there aren't many better options than the stock market to build long-term wealth. At times, stocks can be much more volatile than more conservative investments, but the track record of the **TSX** speaks for itself.

For those that are new to investing, an exchange-traded fund (ETF) is a great place to start. Investors can own a wide range of different stocks, typically at a low cost, such as **iShares S&P/TSX 60 Index ETF**, providing instant diversification to a portfolio.

Investors that have the time and interest to regularly follow the performance of their portfolio can take their strategy one step further and pick individual stocks to invest in. The goal would be to find companies that you believe will grow at a faster rate than an index such as the TSX 60.

I've reviewed three [top Canadian stocks](#) that any investor can feel good about holding for the long term. If you're completely new to investing, I'd suggest adding all three companies to your portfolio. They're all very different businesses, so there's absolutely no harm in picking up shares of all three.

### TD Bank

Bank stocks have had quite a run this year. After a rough 2020, caused largely by the pandemic, a renewed interest in value investing this year has sent the banks soaring.

Within the Big Five, **TD Bank** ([TSX:TD](#))([NYSE:TD](#)) is at the top of my watch list. Shares are up a market-beating 20% year to date and are now trading at an all-time high.

You may have heard the advice that you should be buying low and selling high. While I do love to pick up shares of great companies at a discount, there's absolutely nothing wrong with starting a position in a stock that is trading at an all-time high.

Bank stocks have been some of the most dependable **TSX** companies to own for decades. TD Bank shareholders have benefitted from stability, passive income, and [market-beating growth](#) over the years. Growth may be slowing, but I'd count on the dividend and stability to continue over the next decade and longer.

## Northland Power

I've mentioned many times that any long-term investor would be wise to have exposure to the [renewable energy sector](#). Canadian investors can certainly get that exposure through a broad market ETF. I'd suggest going one step further, though, and investing directly in a few top players within the sector.

I believe that the renewable energy sector will grow at a faster rate than the Canadian market as a whole over the next decade. That's why I'm suggesting Canadian investors build positions in a few different individual green energy stocks.

**Northland Power** ([TSX:NPI](#)) is one company that I'm not yet a shareholder of, but it's at the top of my watch list.

The \$8 billion company is one of the top players in the sector. It has a global presence with operations spread across North and South America, Europe, and Asia. In addition to that, it boasts a wide range of renewable energy options, including wind, solar, and hydro.

## Constellation Software

Last on my list is a [top tech company](#) that has been a consistent market beater for years.

Shares of **Constellation Software** ([TSX:CSU](#)) are up more than 2,000% over the past decade. Growth is slowing, but the tech stock is still up close to 250% over the past five years, easily crushing the returns of the broader Canadian market.

Constellation Software has managed to drive consistent returns for so long largely due to its acquisition strategy. The software company's healthy balance sheet allows it to purchase smaller companies in a wide range of different industries.

We're living in a market where paying a price-to-sales ratio above 20 for a high-growth tech stock is relatively normal. Constellation Software is a rare tech stock that's actually profitable and trading a very reasonable forward price-to-earnings ratio of 30.

### CATEGORY

1. Bank Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

### POST TAG

1. Bank stocks
2. banks
3. canadian banks
4. constellation software
5. CSU
6. Editor's Choice
7. energy
8. green energy
9. growth
10. growth investing
11. growth stocks
12. northland power
13. NPI
14. npi stock
15. renewable energy
16. TD Bank
17. TD Bank Stock
18. tech stocks
19. technology

#### **TICKERS GLOBAL**

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:NPI (Northland Power Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

#### **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

#### **Category**

1. Bank Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

#### **Tags**

1. Bank stocks
2. banks

3. canadian banks
4. constellation software
5. CSU
6. Editor's Choice
7. energy
8. green energy
9. growth
10. growth investing
11. growth stocks
12. northland power
13. NPI
14. npi stock
15. renewable energy
16. TD Bank
17. TD Bank Stock
18. tech stocks
19. technology

**Date**

2025/07/21

**Date Created**

2021/05/21

**Author**

ndobroruka

default watermark

default watermark