Got $1,000? Buy and Hold These 3 Market-Beating Stocks

Description

Investors with small amounts of capital should worry more about increasing their savings rate than gaining high rates of return. Doing so will help investors achieve greater returns over the long run. That being said, with smaller amounts of capital, you do want to be more selective with your investments, since you'll want to optimize your returns. Investors with larger amounts of capital have the luxury of allocating small amounts into riskier positions that might lose money. In this article, I discuss three market-beating stocks that could boost your portfolio with only $1,000 to work with.

This recent IPO has taken the market by storm

After **Nuvei** (TSX:NVEI) closed its first day of trading last September, the company surprised many when it became known that it had held the largest tech IPO in Canadian history. That incredible IPO may have been due to the excitement surrounding the digital payments industry. In recent years, there has been a large spike with respect to digital payment penetration around the world. As digital payments continue to become more prevalent around the world, companies like Nuvei are sure to benefit.

This year, Nuvei stock has been one of the most impressive performers on the **TSX**. Gaining more than 44%, the stock has outpaced the broader market and many of last year's high-flying tech stocks. With a total gain of more than 125% since last September, it seems like there's no stopping this stock. At a market cap of $15 billion, Nuvei still has a long way to go before it reaches the same valuation as other payment-processing companies. Shareholders will be in for massive gains if it can pull it off.

This stock is a two-headed beast

Investors looking for stocks outside the tech sector should consider picking up shares of **goeasy** (TSX:GSY). A rather cheap stock in terms of price, goeasy is also an excellent choice according to valuation metrics. As of this writing, goeasy's trailing price-to-earnings ratio is 11.81. This compares to the trailing price-to-earnings ratio of **Royal Bank of Canada**, a financial sector stalwart, which standsat 13.

In addition to being an undervalued company, goeasy's stock performance has been tremendous over the past year. If we look at a one-year chart, goeasy stock has gained 190%. Again, this compares to a 35% gain by Royal Bank of Canada stock. Looking even further out, goeasy stock has gained more than 811% over the past five years. It's clear that this small company has a proven history of beating the market. Investors should consider holding this stock in their portfolio.

A reliable compounder of wealth

Finally, investors looking to buy a more conservative stock should consider **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM). An alternative asset company, Brookfield focuses on the real estate, infrastructure, and utility sectors. Over the course of its history, Brookfield has been known as a "boring" company that gets the job done. As such, many younger investors often stay away from it, even though it has a strong history of compounding returns.

Over the past year, Brookfield stock has gained 62%. This compares to a 23% gain by the TSX over the same period. Although Brookfield's stock movement may be more extreme than normal, investors who have held the stock over the past five years would tell you it's been an excellent investment. Over that period, the stock has gained 132%, dividends excluded. Although its business may not be the flashiest, there's no denying that Brookfield is fully capable of beating the market.

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3. TSX:GSY (goeasy Ltd.)
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