2 High-Growth Stocks to Hold for a Century

Description

One of the biggest mistakes that a young growth investor could make is selling their winning growth stocks too early. While it's always a good idea to take profits off the table while they exist, especially with stocks that don't pay a dividend, it's usually a better idea to let your winners run.

If you're still a fan of the long-term growth story, or if it's improved since the time you chose to purchase shares, then it still makes sense to hang onto your stocks for years, if not decades, at a time.

It's harder to value rapidly growing stocks. That's a given. But it's no excuse to skimp on the extra homework you'll need to do. Rapidly rising multiples may be startling to value-conscious investors, but for growth investors who are content with the fundamentals, it makes sense to hang in for the ride, as multiple expansion is a natural part of a proliferating growth story.

If you're a young investor with time on your side, why not hang onto those hyper-growth names for as long as you're able? Sure, there will be massive ups and downs, but if you're a believer in a name, you must consider the truly long-term picture if you're to bag a multi-bagger.

Consider the following two "white-hot" growth stocks that you should just buy and forget for the next 100 years.

Canada Goose

Canada Goose (TSX:GOOS)(NYSE:GOOS) was an IPO success story. Everyone on both sides of the border was calling into financial TV shows to ask about the luxury parka maker that was posting massive growth numbers.

That was until the Goose got shot down as Canada got caught up in the U.S.-China trade war with the arrest of Huawei CFO Meng Wanzhou on Canadian soil. It was horrible timing for Canada Goose, which has been doing almost everything right with its sales channel trifecta of growth (e-commerce, brick and mortar, wholesale) and its ambitious expedition into the Chinese market.

While the stock has been knocked off the podium, I ultimately believe the Goose is a stock that will ultimately be successful, as it continues expanding across the globe, starting with China. Ignore the “boycott” hearsay and buy the stock on the dip. I have a feeling you’ll thank me in a few decades’ time.

Constellation Software

Constellation Software (TSX:CSU) is a steady growth stock that’s posted nearly 400% in capital gains over the last five years. That’s a heck of a lot of growth, and, to the surprise of many, the stock has posted minimal volatility and a ridiculously low beta of 0.69.

High growth, low volatility, attractive valuation — that’s what the trend of “smart beta” investing is all about, and Constellation stock is the ideal candidate for portfolios and ETFs implementing such a strategy.

If you’ve always dreamed of getting into the higher-return business of venture capital but were unsure of where to start, Constellation Software is the perfect bet. You’ve got brilliant managers that go on the hunt for attractively valued micro- and small-cap software companies that retail investors aren’t able to access.

With excellent risk-management processes and a sea of opportunity, I see Constellation’s growth being sustained in spite of its sizable $27.4 billion market cap. Hold the stock for decades at a time, and you could be looking at a significant multi-bagger that could change your life.

Stay hungry. Stay Foolish.

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2. TSX:CSU (Constellation Software Inc.)
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