3 Growth Stocks for a Millionaire-Maker Portfolio

Description

After this market crash, a lot of investors are likely to reevaluating their investment strategies. Those who played it safe and invested only in blue-chip dividend stocks may want to try adding a little growth to their portfolios. Similarly, investors who primarily leveraged growth for their investments might look into stable dividend stocks.

If you're looking for growth stocks, even if they come with a little taste of risk, you may want to consider the three stocks I will discuss in this article.

A small venture capital stock

Gold is often considered a hedge against market volatility. But very few investors consider buying the metal itself. Instead, they look into gold-related companies.

One such company is **Abitibi Royalties,** a small company with a market cap of just $269 million. It spun out of **Golden Valley Mines** in 2011. In the past five years, Abitibi has been significantly more profitable for investors than its parent company.

It is currently trading at $21.6 per share at writing, resulting in over 500% stock price growth in the past five years. Its five-year CAGR of 43.95% is beyond impressive. If the company can sustain even a decade more of this growth pace, it can turn a $20,000 investment into $764,000 nest egg. The company is still 45% owned by its parent organization, while four other entities own 32 % of it.

An energy sector company

While the energy sector has become a taboo topic for the most investor, it still has many good companies with amazing upside potential. One of these companies may be **Terravest Capital** (TSX:TVK), a $300 million market cap company that manufactures home heating products, Propane, NH3, and NGL transport vehicles, and energy processing equipment, etc.

Despite primarily serving the energy sector, it's basically an industrial manufacturing company.

That's probably one of the reasons why it has already recovered from the crash and is already trading at a price 25% higher than its start of year one. It offers a decent return on equity of 21.4% and also pays quarterly dividends.

The current yield is 2.45%. While the growth opportunity it offers is not as explosive as Abitibi, it's still substantial. The five-year CAGR is 24.53%, capable of converting $20,000 in your TFSA into $537,000 in 15 years.

A packaging company

Richards Packaging Income Fund (TSX:RPI.UN) has been eerily consistent about its market value growth in the past five years. When it started recovering from the market crash, it grew 130% in about 50 days.

This kind of growth usually means an oversold stock, and a price to earnings ratio of 22 times seems well-justified for this company. The company has been associated with container manufacturing for over a century.

The five-year returns of RPI come out to about 407%, equating to a CAGR of 38.3%. It also pays monthly dividends, which seem very stable at the moment with a 51% payout ratio.

The current dividend yield is 2.16%. But even if we discard the dividends, its aggressive growth rate is capable of turning a $20,000 investment into $500,000 in a decade.

Foolish takeaway

All three of these companies showed amazing growth in the past five years, and if they sustain this growth rate for just a decade, you can become a millionaire simply by investing your fully stocked TFSA in these three companies.

Even if just one out of three companies manages to sustain its impressive growth rate for a couple of decades, your chances of becoming a millionaire with these three stocks are still high.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:RPI.UN (Richards Packaging Income Fund)
2. TSX:TVK (TerraVest Industries Inc.)

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