



Aim for a Million With These 2 Hyper-Growth Stocks in Your TFSA Retirement Fund

Description

Young investors should aim for a million with their Tax-Free Savings Account (TFSA) retirement funds. Younger investors like millennials have time on their side and a greater ability to take risks relative to their baby boomer (or Gen X) parents. All they need is a willingness to take on more (calculated) risks to punch a ticket to a fruitful retirement.

By being too cautious by letting TFSA retirement funds collect dust in a low-interest savings account, though, your wealth isn't in a spot to grow. It might even lose purchasing power over time, as the real rate of return (returns after inflation) may be close to zero, if not negative if this pandemic sends us into a negative interest rate environment that'll see you paying your bank for holding your cash.

So, forget about bonds and cash, as this environment may have made "risky" investments the only game in town for young investors who have any desire to retire. If you're looking to grow your TFSA wealth at an above-average rate over the next several decades, I'd urge you to consider being courageous and purchase shares of mid-caps that could grow by multitudes over decades.

While they're likely to be volatile over the near-term, the risk/reward is tilted in favour of the youngsters over the long-term.

Consider **Fire & Flower** ([TSX:FAF](#)) and **Kinaxis** ([TSX:KXS](#)), two firms with market caps below \$5.5 billion at the time of writing. Both companies are likely in the early innings of their multi-decade [growth stories](#) and are capable of above-average long-term growth at the expense of increased intermediate-term volatility.

For Boomers or Gen X'ers who are winding down to retire, both names may be unsuitable, but for millennials who have decades to invest, both names are perfect to buy and hold for your TFSA retirement fund.

Fire & Flower

Fire & Flower is a cannabis retailer that has nearly tripled over the last few months. The “cannabis 2.0” products (vapeable and consumables) are here, and such retailers are benefiting from various higher-margin products, including chocolates, oils, and other vaping products.

While most folks have thrown in the towel on the cannabis trade already, there’s an underappreciated opportunity within the pot retail scene that’s far less sensitive to the price of cannabis, which I believe will continue falling over the next few years.

There are a wide range of pot shops these days, as the industry looks quite commoditized. What separates Fire & Flower from the pack is the fact that it has [Alimentation Couche-Tard standing in its corner](#) with a vested interest.

That means Fire & Flower not only has deep pockets at its disposal, but also the expertise of a retail kingpin that knows the business like few others out there.

Couche is no slouch, and it’s dipped a toe into cannabis retail with Fire & Flower for a reason. It’s one of the better-run pot shops out there, with a brand that has the potential to strengthen as the cannabis market continues to mature.

The growth to be had from Fire & Flower can be difficult to fathom. Store expansion and margin-enhancing cannabis 2.0 products could be a huge boon. For a stock that trades at 2.5 times sales, I’d say the price of admission is ridiculously low given the growth profile and FAF’s underappreciated strengths relative to the competition.

Kinaxis

Supply chains around the world are a mess right now.

The COVID-19 pandemic has caused operational disruptions that will likely continue for the duration of this horrific pandemic. Fortunately, for firms that have seen their supply chains grow that much more complex, there are solutions offered by **Kinaxis** ([TSX:KXS](#)) that are seen as a considerable time- and money-saver amid these unprecedented times.

With great uncertainty comes high demand for simulations and other services that can help tame the seemingly untamable beast that is the supply chain. There are a lot of moving parts in any given supply chain, but Kinaxis has the tools that most firms need to clear hazes of uncertainty en route to a normally-operating supply chain.

Kinaxis is a hot stock (19.2x sales), and while it could cool off, I’d recommend buying the significant dips as they come along.

CATEGORY

1. Coronavirus
2. Investing

3. Stocks for Beginners

TICKERS GLOBAL

1. TSX:FAF (Fire & Flower)
2. TSX:KXS (Kinaxis Inc.)

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