



2 Growth Stocks to Consider Adding to Your Portfolio

Description

Growth stocks have been killing it in the market this year. It seems that the COVID-19 pandemic has caused investors to heavily consider companies that will outperform in the future as opposed to those that seem of fair value now. In this article, I will provide two growth stocks that I think investors should consider adding to their portfolios.

A leader in network management services

Although the housing market is facing massive amounts of uncertainty due to the global pandemic, **Real Matters** ([TSX:REAL](#)) has been on a tear this year. This company's platform combines its proprietary technology and network management capabilities with field agents (real estate appraisers) to create a service marketplace for the mortgage and insurance industries. Real Matters estimates its total addressable market to be [approximately US\\$13 billion](#).

Real Matters boasts a very impressive client list. 60 of the top 100 mortgage lenders in the United States are among those listed as customers of the company. Its client-retention rate currently stands at 90%. To keep growing in the future, Real Matters intends to leverage its performance to attract new customers and continue pursuing acquisitions.

The company's IPO was in May 2017. Its first year was rather tumultuous, as investors were hesitant to pour into the stock. However, its stock performance year-to-date is a different story. Since the start of the year, Real Matters stock has increased over 160%! With a market cap of just under \$3 billion, Real Matters can still provide very high returns if the company is successful in executing its growth strategy.

Capitalizing on an under-banked region

This second company is one of the Big Five Canadian banks. To some, this might sound a bit odd, since those companies are not often viewed as very intriguing growth stocks. However, I urge you to read on since the **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) should definitely be [considered as such](#)

The company needs no introduction, as it is the third-largest Canadian bank in terms of assets, revenue, and market cap. However, among the top five banks, the Bank of Nova Scotia's presence is unparalleled in the Pacific Alliance (Chile, Columbia, Mexico, and Peru). According to its 2019 annual report, 23% of the Bank of Nova Scotia's earnings comes from the Pacific Alliance.

Year to date, the bank has underperformed. Bank of Nova Scotia stock plummeted as much as 37% because of the COVID-19 pandemic. Since hitting its bottom in March, the company has recovered just over 20% of its value. I expect this company to outperform its peers moving forward based on continued growth within the Pacific Alliance.

Foolish takeaway

I am a big fan of investing in growth stocks. Many view this sort of investing to be much riskier than sticking with value or dividend investing. While that may be true, there are excellent companies in industries that are less volatile. Often, those companies are also featured in media much less frequently, which provides you an opportunity to buy in before the masses take note. Two companies that I think investors should consider adding to their portfolio are Real Matters and the Bank of Nova Scotia.

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

3. TSX:REAL (Real Matters Inc.)

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