



TFSA Investors: 5 Growth Stocks That Can Turn \$50,000 Into \$1 Million

Description

The Tax-Free Savings Account (TFSA) program began in 2009. It was a way for individuals over the age of 18 with a valid social security number to set money aside throughout their lifetime.

The TFSA is one of the most popular registered accounts for Canadians as any income earned in the account in the form of dividends or capital gains is exempt from Canada Revenue Agency (CRA) taxes. The cumulative TFSA contribution limit since 2009 stands at \$69,500.

This account is ideal to allocate growth stocks that can generate exponential returns over the long-term. Here we look at five such companies that can help you turn \$50,000 in your TFSA into \$1 million in the next decade.

An e-commerce giant

The first stock on the list is Canada's largest company as per market cap- **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). It is the second-largest e-commerce platform in the U.S. after **Amazon** and has already created significant wealth for investors.

Shopify stock went public in May 2015 and has since returned 5,780%. So, a \$10,000 investment in Shopify's IPO would have ballooned to \$588,000. The COVID-19 pandemic has acted as a tailwind for Shopify and e-commerce peers and has accelerated the shift towards online shopping.

Shopify stock has a market cap of \$158.5 billion, making it the largest publicly traded Canadian company. Despite valuation concerns, Shopify [remains a top bet for long-term investors](#) given its expanding addressable market, huge market presence, stellar revenue growth, and strong leadership.

Further, the global e-commerce story is just beginning especially in Asia and Latin America where Shopify can gain traction given its easily scalable business model.

A marijuana player

While most pot stocks are struggling since the start of 2019, **Trulieve Cannabis** has gained significant momentum. This retail dispensary has returned close to 80% since going public in September 2018.

Trulieve is valued at \$3.03 billion and unlike its peers, it's also profitable. The multi-state cannabis operator has a presence in four states south of the border with a leadership position in Florida.

If marijuana is legalized at the federal level in the U.S., Trulieve's long-term prospects will make it a top buy.

A digital payments company

Another company that can generate exponential returns is **Lightspeed** ([TSX:LSPD](#)). The company's digital products and solutions support thousands of small and medium enterprises primarily in North America and Europe.

Lightspeed went public in March 2019 and touched a record high of \$49 in August 2019. It then fell to a low of \$10.5 this March and recovered to trade at its current price of \$41. LSPD will benefit from an expanding market, focus on customer acquisition, and the shift to digital solutions.

A retail player

Another stock that should be on the radar of growth investors is **Lululemon Athletica**. While retail stocks have been decimated amid the COVID-19 pandemic, Lululemon stock continues to touch record highs. This retail brand has millions of loyal customers that ensure repeat purchases and help sustain top-line growth.

Lululemon's sales fell 17% year over year in the quarter ended on May 3. However, this decline was offset by strong e-commerce sales that accounted for over 50% of total sales. Similar to Shopify and LSPD, Lululemon will also benefit from the transition to online sales in the next few years.

A digital advertising leader

The final stock on the list is **The Trade Desk**, a programmatic advertising company. As the world shifts toward the digital space in terms of shopping and entertainment, advertisers are also looking to tap this space and target customers.

While digital ad growth is expected to decelerate in 2020 due to lower enterprise spending amid a recessionary economy, the long-term drivers for TTD remain intact. Global ad spend is [expected to reach](#) \$1 trillion in the upcoming decade and the digital ads already account for 50% of this market.

TTD stock is up 1,600% since its IPO. Like other companies on this list, it has enough room to outperform the broader markets in the long term.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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