



Stash This Multi-Bagger in Your TFSA for Gains the CRA Can't Tax!

Description

Whether you earn active or [passive income](#), the Canada Revenue Agency (CRA) would want a piece of it. However, if you are leveraging your Tax-Free Savings Accounts (TFSA) to generate any income or capital gains, the CRA won't be able to tax it.

The TFSA is unquestionably a great tool to create tax-free wealth. Imagine paying tax on gains that have compounded over the years. It would cost dearly to your returns. However, using a TFSA would make a massive difference to your overall returns as you save big on taxes.

While TFSA has turned out to be an ideal investment vehicle, choosing the right asset class to invest at the current moment could be tough. The lower interest rate environment makes debt instruments unworthy. Meanwhile, the high volatility in the stock market could keep investors at bay.

Whether you invest in a risky or less-risky asset class, your investment needs time to grow. So, if you are willing to show patience and can stay invested for the medium to long-term, this **TSX**-listed multi-bagger could generate stellar tax-free gains for you.

Canada's most valuable company

When it comes to creating wealth, you can trust Canada's most valuable or the largest publicly listed company **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Whether the economy is slowing down or hit hard by the pandemic, Shopify has continued to generate mind-boggling returns for its investors.

This multi-bagger has surged over 4336% since listing on the exchange in 2015. Besides, it has grown by about 169% this year. A \$1,000 investment in Shopify stock made through your TFSA at the time of its listing would now be a tax-free amount of \$44,360.

The astronomical growth in Shopify stock comes on the back of the company's robust business model, innovation, continued market share gains, and a large addressable market. Besides, strong industry tailwinds like the structural shift toward e-commerce pave the way for future growth.

Be a participant in growth

The stellar growth in Shopify stock leads to a question of whether to invest in it at the current levels? The answer to that is pretty simple. If you are only focusing on growth and have a medium to long-term investment outlook, don't hesitate to pull the buy trigger on Shopify stock.

You should be happily paying a premium for a stock with enormous growth prospects. Shopify is hitting all the right chords by adding new selling platforms for its merchants and expanding its higher-value services like shipping and capital. Besides, the company is only next to **Amazon** when it comes to the [U.S. e-commerce](#) retail sales share.

Also, the rapid shift of businesses online amid the pandemic has created a multi-year growth platform for Shopify.

The company announced partnerships with **Pinterest**, **Walmart**, and **Facebook** to add newer and high growth sales channels for its merchants, which in turn, is likely to drive Shopify's merchant base and support its high-margin products and services in the long run.

The company continues to fire on all cylinders, and I believe it has enough ammo that could continue to fuel its explosive growth and generate solid tax-free gains for its investors.

CATEGORY

1. Coronavirus
2. Tech Stocks

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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Date

2025/08/27

Date Created

2020/10/07

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