



## TFSA 2021: Top 3 Growth Stocks

### Description

Another tranche of the Tax-Free Savings Account (TFSA) has opened up this year. Canadian savers can now contribute up to \$6,000 more to this tax shelter. However, most [Canadians inexplicably leave their TFSA in cash](#).

Maximizing dividends or capital gains in your TFSA is obviously more lucrative. With that in mind, here are my top three picks for TFSA growth stocks that can deliver stunning gains over the long term.

### TFSA growth stock one

**Constellation Software** ([TSX:CSU](#)) is my first pick for a robust growth stock worthy of your TFSA. It's an enterprise software conglomerate, which means its growth is driven by savvy acquisitions.

Over the past two decades, this company has gobbled up over 300 small software firms focused on solving niche enterprise issues. The strategy has been so successful that the stock is up 8,800% since 2006. In other words, a \$1,000 investment in Constellation Software 15 years ago would be worth \$89,000 today.

Does it have room left to grow? Absolutely. Constellation has barely tapped into emerging markets. There could be plenty of niche software firms in India, Africa, and Vietnam to acquire in the near future. The prospect of these acquisitions alone should make Constellation a top growth bet for your TFSA.

### TFSA growth stock two

**Aritzia** ([TSX:ATZ](#)) is my top pick for "rebound stock" in 2021. The lockdown over the past year has caused havoc in the retail industry. People simply stopped buying new clothes, cosmetics, and accessories since everyone was confined to their homes anyway.



Now, with the vaccine roll-out gaining steam, and economies reopening across the world, consumers could rush back to these outlets. Aritzia is a top pick because of its position in upscale fashion. It's high-margin accessories and coats could fly off the shelves in the second half of this year.

Meanwhile, the stock has only just recovered its losses from 2020. It's now trading at roughly the same level it was in January last year. That makes it worth a closer look for your TFSA.

## TFSA growth stock three

Unlike the other two on this list, **WELL Health Technologies** ([TSX:WELL](#)) could deliver multi-bagger gains in a relatively short amount of time. The stock has already surged 365% over the past 12 months. Now, it's poised for even more growth.

WELL Health has recently added new acquisitions that enhance its core platform. Besides its enterprise medical data management software and telehealth clinics, WELL Health has entered the online pharmacy market. It's also entered the U.S. market with a recent acquisition.

These strategic moves open up a trillion-dollar market opportunity for the firm. Meanwhile, the company is still relatively small. The market capitalization recently crossed \$1 billion, which is a mere 13 times annual recurring revenue.

A fairly valued hyper-growth stock like this is rare and should be on your TFSA radar for 2021.

## Bottom line

Your TFSA could be invested in robust long-term growth stocks like WELL Health Technologies to maximize your wealth over time.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:WELL (WELL Health Technologies Corp.)

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