



3 Venture Capital Stocks That Deserve To Be on Your Radar

Description

It doesn't take a lot of confidence and research to invest in businesses that have decades of history, a significant market presence, and a stellar reputation. Even the fact that the company is trading on the "senior" stock exchange, i.e., **TSX**, tends to lend the company more credibility.

But sometimes, it's okay to "venture" outside to the venture capital, i.e., the junior exchange. Many investors tend to stay away from this exchange because they believe that venture capital companies are relatively riskier by their very nature. And if that's your mindset, you will essentially be closing yourself off from a pretty decent asset pool which might have some hidden gems.

And if you've made up your mind about buying a venture capital stock, you might consider starting with the analysis of the following three venture capital stocks.

A holding company

WeCommerce ([TSXV:WE](#)) is a Vancouver-based holding company that starts, buys, and invests in the top **Shopify** companies. Its root can be traced back to one of the earliest Shopify partners, Pixel Union Design.

Right now, it has six Shopify-related businesses in its "family." The company claims that it has a competitive advantage when it comes to vetting investment prospects. It focuses on identifying and closing the best of them that are looking for outside investment. WeCommerce claims to be a much more generous and "flexible" buyer compared to private equity investors and, ironically, venture capitalists.

It has a market capitalization of \$670 million and the balance sheet is strong. The company is slowly increasing its net income. One of the most recent transactions it completed was the purchase of Stamped, an e-commerce marketing platform for Shopify (and other) e-commerce businesses.

A bitcoin mining company

If you are looking for exposure to the lucrative investment asset Bitcoin, you will probably find more options in the venture capital exchange than the TSX. One of these options is **Bitfarms** (TSXV:BITF), a blockchain infrastructure company with the installed “hashing” capacity of 1,200 PH/s. The company has a total of five facilities, all-based in Quebec and all powered by clean hydroelectricity.

The company was founded in 2017, and its Blockchain facilities might be well-poised for a future where Blockchain-based smart contracts and other cryptocurrencies become more commonplace. In the last 12-months, the stock price grew well over 1,400%, which is more than twice the growth Bitcoin itself saw in the same timeframe.

A steady growth stock

If you are looking for something [relatively steady](#), backed by stable, tangible assets, consider adding **StorageVault Canada** (TSXV:SVI) to your portfolio. The 14-year-old Ontario-based company has a market capitalization of \$1.7 billion. It now owns over 73,000 storage units that offer a collective storage space of 8.1 million square feet and span over 480 acres of land.

The company owns seven different brands, including a management company and six storage-related businesses. The stock has been growing at a relatively steady pace for the last five years and has returned over 550% to its investors. The 10-year compound annual growth rate (CAGR) is a robust 40%, and if the company can grow just one more decade at this pace, it can significantly accelerate your portfolio growth.

Foolish takeaway

While these three aren't the only [venture capital stocks](#) worth considering, they might serve as a good starting point. You need to analyze venture capital companies the same way you do the companies trading on the TSX and figure out whether they offer the merits you seek in your holdings. While venture capital might lack when it comes to stable and generous dividend payers, it has its fair share of powerful growth stocks.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. TSXV:WE (WeCommerce)

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