



## 2 Top Canadian Growth Stocks Perfect for Investors' TFSAs

### Description

Investing in a TFSA ought to be a long-term retirement plan for most Canadians. Indeed, seeing what's happening south of the border with capital gains tax increases should cause Canadians to shiver. Of course, when the U.S. sneezes, Canada catches a cold.

Now, it may be too soon to jump to conclusions that Canada may follow suit with capital gains tax hikes. However, the Trudeau government is borrowing money like it's going out of style. Investors need not forget that this borrowing is debt that will need to be paid back, either today or by future generations. Accordingly, tax planning is about to get a lot more critical all over the world.

Thus, the tax-free capital gains one gets in a TFSA are more important now than ever. Here are two top growth picks I think will provide Canadian investors with some nice capital appreciation for their TFSAs over the long haul.

### Constellation Software

Personally, I think **Constellation Software** ([TSX:CSU](#)) belongs in every TFSA.

This [growth gem](#) continues to churn out amazing results, year in and year out. Constellation does this through an impressive growth-by-acquisition strategy based on the foundation of prudent M&A investing criteria. The company is consolidating a very fragmented industry, picking the best small-cap companies up at decent valuations and growing these into impressive cash flow machines.

One might consider whether Constellation has the runway to continue this sort of growth. After all, at some point, every company will run out of companies to acquire.

That's the beauty of Constellation's business model. There are more companies coming to market today than can ever be acquired. Constellation has thousands of targets to pursue and chooses only the best of the best. It's a conglomerate of wonderful magnitude, with the potential to continue growing at this rate in perpetuity.

Indeed, the company's track record of its past 500-plus acquisitions has been stellar. I haven't seen anything to suggest the next 500 will underperform. Accordingly, this is a growth stock that deserves attention by every TFSA investor right now.

## Spin Master

Discretionary spending is set to pick up in a big way. As we come out of this pandemic, the cash savings that have piled up in recent months will be unleashed on the market. Thus, toy makers like **Spin Master** ([TSX:TOY](#)) represent intriguing consumer discretionary plays in this environment.

However, as I've mentioned before, Spin Master is more than just a toy company. It's a children's entertainment company. And Spin Master has been making bold moves into the digital space of late.

The company's digital gaming segment is the key growth catalyst for this company that's finally starting to be priced in. Spin Master posted an incredible growth rate of 400% year over year in its digital gaming segment. Popular apps such as *Toca Life World* have taken off with consumers, and Spin Master continues to hit home runs by providing content its user base wants.

Accordingly, I'm very bullish on the potential of Spin Master long term from a growth perspective. This is a company that holds great brands and IP. But this is also a company that's leveraging these intangible assets across both physical and digital distribution channels. Herein lies the innovation with Spin Master.

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### TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:TOY (Spin Master)

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