Want to Double Your TFSA? 2 Growth Stocks to Look Into

Description

The Tax-Free Savings Account (TFSA) truly is a blessing for Canadian investors who know how to get the best out of its tax-advantaged status. TFSA investing allows you to grow your wealth without incurring any income tax on your investment returns, whether it is through capital gains or shareholder dividends.

Additionally, you can comfortably enjoy tax-free withdrawals due to the flexibility of the TFSA. Tax-free withdrawals make the TFSA an excellent way to create another income stream to supplement your monthly income. However, there is another way you can use the tax-advantaged status of the account to grow your wealth.

Allocating a portion of your TFSA contribution room to growth stocks can offer you the opportunity to enjoy compounded returns that can accelerate your wealth growth. Today, I will discuss two **TSX** growth stocks that you could consider for this purpose and potentially double your investment through tax-free gains.

Nuvei

Nuvei (TSX:NVEI)(NASDAQ:NVEI) is a high-growth stock that has been on a downturn for the last few months. The Montreal-based $10.44 billion market capitalization electronic payments processing company is the largest private and non-bank payments processor in the country. It has operations in 200 markets worldwide, supporting over 500 local and alternative payment methods.

The growth in e-commerce and digital transactions has made its services invaluable, and its geographical expansion has made it a popular payments processing company worldwide. The company boasts an immense long-term growth potential, but the broader pullback in growth stocks has led to its decline, despite a strong performance.

At writing, Nuvei stock trades for $73.09 per share, and it is down by over 58% from its September 2021 high. It could be an excellent stock to consider for long-term gains when it gradually recovers on the stock market.

WELL Health Technologies

WELL Health Technologies (TSX:WELL) is another high-growth stock that has become too cheap to ignore now. The $945.21 million market capitalization stock has suffered from a significant drop in its performance on the stock market, despite delivering strong operating and financial performance over the last several quarters.

The tech-based healthcare company has posted a positive adjusted EBITDA in its past few quarters, making it a strong contender to consider.

At writing, WELL Health stock trades for $4.54 per share. It is down by 43.04% in the last 12 months of trading, despite its terrific operational performance due to the broader decline in the tech industry. Investing in its shares at current levels could set you up for significant wealth growth through capital gains when the stock likely recovers.

Foolish takeaway

Investing in the right high-quality growth stocks at reasonable valuations can provide you with significant long-term returns. Allocating a portion of your TFSA contribution room to such high-growth assets could help you enjoy those returns without losing a big chunk to income taxes.

If you have the contribution room to spare in your TFSA, investing in Nuvei stock and WELL Health stock could be an excellent way for you to deploy your investment capital for wealth growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:WELL (WELL Health Technologies Corp.)

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