



Building an Investment Portfolio in Your TFSA? Here Are 3 Stocks to Get You Started

Description

So, you're interested in starting an investment portfolio? Congrats! That's one of the best decisions you can make! Your choice to open a Tax-Free Savings Account (TFSA) could also accelerate your way to financial independence. However, now comes the hard part: choosing which stocks to hold in your TFSA. It's important to find a balance between growth and dividend stocks in your portfolio. In this article, I'll discuss three stocks worth holding in a TFSA.

This stock has a lot of room to grow

If finding a growth stock is a priority, then start with one that every growth-minded Canadian should hold. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a stock that has made many investors much richer since its 2015 IPO. The company provides a platform and all the tools necessary for businesses to operate online stores. It boasts a large list of customers, which include the likes of everyone from first time-entrepreneurs to large-cap companies such as **Netflix**.

Shopify stock has gained nearly 2,600% since its IPO. However, investors may notice that it has also fallen about 56% since mid-November. I believe that this isn't a reason to worry. Instead, investors should take this as an opportunity to load up on shares. In its [latest earnings presentation](#), Shopify reported that its share of the American e-commerce industry has exceeded 10% for the first time. The company also recorded a 57% year-over-year increase in its annual revenue. Shopify is a great stock to hold in a TFSA and [my top pick](#) for 2022.

It's a good time to buy bank stocks

Historically, banks have seen an expansion in profit margins as interest rates increase. That means, with interest rates expected to rise multiple times this year, it's a great time to buy shares of bank stocks. Of the Big Five banks, which dominate Canada's banking industry, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is my top choice.

What separates Bank of Nova Scotia from its peers is its focus on international expansion. With 2,000 branches and offices across 50 countries, it is known as Canada's most international bank. This provides the company with great opportunities for growth. In terms of dividends, it is an excellent company to consider. Bank of Nova Scotia has managed to pay an annual dividend for the past 189 years. It also offers investors a very attractive forward yield of 4.30%.

This stock can provide steady growth over the long run

In a TFSA, investors shouldn't focus on finding that needle in a haystack that can produce a monstrous return over the next year. Instead, look for companies that can provide steady returns over the long term. Stocks that are able to return even just 10% on an annualized basis can generate massive amounts of wealth over the long run. **Brookfield Asset Management** ([TSX:BAM.A](#))([NYSE:BAM](#)) is an excellent example of this.

Brookfield operates a portfolio of assets worth nearly \$690 billion. Through its subsidiaries, it has exposure to the infrastructure, real estate, renewable utility, and private equity industries. Since its IPO in 1995, Brookfield stock has grown at a CAGR of about 15.3%. This is nearly triple the return of the broader market over the same period. Brookfield may not have the most exciting business, but it's been a proven winner for nearly three decades.

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