



If I Could Only Buy 3 Growth Stocks, I Would Choose These Companies

Description

Investing in growth stocks can help you achieve financial independence much quicker — at least in normal years, that's true. In 2022, growth stocks have lagged the broader market by miles. Many popular growth stocks still trade more than 30% lower than where they were at the end of 2021. This has caused many investors to become very hesitant with growth stocks. However, I still believe in their potential over the long run. Here are the three companies I would choose if I could only buy three growth stocks.

This company leads an important industry

The industry that interests me the most is the e-commerce industry. This is because we can see very clearly how much the industry has grown over time. Since 2000, e-commerce has slowly penetrated the broader retail industry. However, over the past two years, this penetration has been greatly accelerated due to the pandemic. With younger consumers being more accustomed to online retail than consumers from past generations, I believe the e-commerce industry will continue to grow at a very fast rate in the coming years.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is a company that has made online retail accessible for everyone. It provides a platform and all the tools necessary for merchants to operate online stores. Because of its inclusive platform, everyone from the first-time entrepreneur to large-cap companies like **Netflix** are able to operate online stores. This generates a positive feedback loop where more stores encourage more visits from consumers. This leads to businesses investing more heavily into optimizing their online retail offerings.

Shopify stock has certainly [struggled this year](#), but I still rate it as my [top buy for 2022](#). It could be much more massive in a few years' time.

Renewable energy is in

Over the past couple years, there has been a major push towards renewable energy. As a result,

renewable utility companies have seen a lot of demand. It's expected that the demand for renewable energy will only increase as time goes on. Because of this, I think it's essential that investors hold at least one renewable utility company in their portfolio.

My top choice in this industry is **Brookfield Renewable** ([TSX:BEP.UN](#))(NYSE:NYSE:BEP). The company operates a diverse portfolio of assets capable of generating more than 21,000 MW of power. Brookfield also has 15,000 MW of capacity currently under construction or in late-stage development. It's overall global pipeline now stands at nearly 62,000 MW of generation capacity. When these projects are completed, Brookfield could cement its position atop the top of the renewable utility industry for many years.

A reliable growth machine

Canadians should familiarize themselves with **Constellation Software** ([TSX:CSU](#)), if they haven't already. It's an example of a tremendous growth stock that has outperformed the broader market time and time again. Since its IPO in 2006, Constellation Software stock has grown at a CAGR of 34.3%. That outpaces the returns of the broader market by more than five times.

Constellation Software continues to be led by its president Mark Leonard. As long as he remains at the helm, I would be confident holding this stock in a growth portfolio. Constellation continues to dedicate itself to growth. In February 2021, the company announced that it would finally start targeting large VMS businesses for acquisition.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:SHOP (Shopify Inc.)

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