My Top 2 Growth Stocks to Buy and Hold Forever

Description

The market may be flat on the year, but there's been no shortage of volatility in 2022. In addition to the lingering effects of a global pandemic, rising interest rates and geopolitical tensions have created a very volatile market for investors of late.

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But even with all of the uncertainty in the market, I've been an active buyer of both U.S. and Canadian stocks this year. Because my time horizon is a minimum of 10 years, I'm not overly concerned with the market's performance in the short term.

If you can handle the volatility and are holding for the long term, now is the time to be investing. There are plenty of deals to be had on the **TSX** right now, especially in the high-growth tech sector.

I've reviewed two top growth stocks that I've got at the top of my watch list. I'm a shareholder of one of these companies already and have added to my position multiple times in 2022.

Growth stock #1: Shopify

Shopify (TSX:SHOP)(NYSE:SHOP) shareholders, which includes myself, have been put through a rough ride recently. Compared to the Canadian market's near-10% return over the past six months, Shopify stock has plummeted more than 50%.

It wasn't that long ago that Shopify was the largest company on the TSX, and by a wide margin, too. Today, the growth stock is valued at just about half the size of the company that currently holds the number one position.

Despite the recent selloff, though, Shopify shareholders can rest assured that the business is in excellent condition. Year-over-year quarterly revenue growth continues to soar in double digits. I wouldn't expect that to change anytime soon, either, as Shopify continues to strengthen its position in the growing e-commerce space.

Shares may be down 50% over the past half-year but Shopify still owns an impressive market-beating track record. The growth stock has returned close to 1,000% over the past five years and more than 2,000% since going public in 2015.

The one knock on Shopify is its valuation. Even after losing half its value, the growth stock is still trading at a steep price-to-sales ratio of 20.

As long as the growth stock is trading at these prices, I'd expect volatility to continue.

Growth stock #2: Constellation Software

For investors looking for a slower-growing, but less-volatile, growth stock, **Constellation Software** (TSX:CSU) is for you.

The tech company has been consistently crushing the market's returns ever since it went public just over 15 years ago.

There's no doubt that growth is slowing, but I wouldn't bank on the market-beating gains ending anytime soon. Shares of the growth stock are up more than 200% over the past five years compared to the market's return of less than 50%.

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I'll admit that Constellation Software's growth potential over the next decade is no match for Shopify. It is, however, much more reasonably priced and far less volatile.

Foolish bottom line

It all comes down to what you're looking for in your portfolio. If you're comfortable with a high-risk, high-reward company, Shopify would be my top pick. If, however, you're already over-indexed towards high-priced growth stocks, Constellation Software may be a better fit for you.

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1. Investing
2. Tech Stocks

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