



TFSA Investors: 2 Solid Long-Term Investments for Wealth Growth

Description

Stock market investing can be an excellent way to generate solid long-term wealth growth. Investors take several possible approaches to using stock market investing to become wealthier in the long run.

Investing in stock at a certain price and selling it for a profit after it adequately appreciates on the market is one such approach. However, selling any investment for profit results in a capital gains tax that you owe the government. The resulting returns from the sale of your investment will be lower than the capital gains by the asset due to taxes eating into the amount.

Eliminating capital gains tax

[Tax-Free Savings Account](#) (TFSA) investing is a strategy you can use to eliminate that problem and keep more of your investment returns. The TFSA is an account with a tax-advantaged status designed to encourage better savings practices in Canadian households.

You can use the available contribution room in your TFSA to hold cash as you can with a typical savings account. But that is a waste of an opportunity to generate significant wealth growth.

Any contributions made to a TFSA are with after-tax dollars. Earnings generated by investments held in a TFSA can grow without incurring any taxes. It means interest income, [dividend payouts](#), and capital gains from your investments held in the account are tax-exempt.

Today, I will discuss two solid long-term growth stocks you could consider adding to your TFSA for capital gains without the capital gains tax.

Nuvei

Nuvei Corp. ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is a \$12.40 billion market capitalization paymentstechnology company headquartered in Montreal. The rapidly growing fintech company went publicduring the pandemic, and it capitalized on the industry tailwinds created by the global health crisis.

The company's addressable market is massive, and it has a lot of room to grow. Its financial performance has been stellar for several quarters. However, the tech sector meltdown did not spare the fintech company. Nuvei stock trades for \$86.41 per share at writing, reflecting a steep 50% discount from its all-time highs.

The demand for its services continues to rise, and its management is upbeat about its growth prospects. It is a growth stock that entails a higher degree of capital risk, but it could be a risk worth taking due to its unique position in the fintech space.

Canadian Natural Resources

Canadian Natural Resources Ltd. ([TSX:CNQ](#))([NYSE:CNQ](#)) is a \$92.62 billion market capitalization senior oil and natural gas company that primarily operates in the Western region of the country. Headquartered in Calgary, the company has been rallying like many of its peers amid rising energy commodity prices.

The company boasts a strong balance sheet and a wide economic moat that has it well-positioned to weather volatile market conditions. The next few quarters will likely see the stock deliver more capital gains due to sustained strength in oil prices.

CNQ stock trades for \$79.34 per share at writing, and it pays its shareholders at a 3.78% dividend yield. Investing in its shares could provide you with long-term wealth growth through capital gains and dividend income.

Foolish takeaway

The biggest advantage of using TFSA investing is that the account encourages more disciplined investing practices. Sticking to high-quality investments and staying invested for the long run can help you [generate substantial wealth](#).

The tax-advantaged status of a TFSA can help you keep more of your investment returns by eliminating capital gains tax and income tax on other earnings through your investments held in the account.

Nuvei stock and Canadian Natural Resources stock could be two viable investments to consider for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:CNQ (Canadian Natural Resources)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:NVEI (Nuvei Corporation)

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