



## Growth Investors: 3 Stocks You Should Keep in Your Portfolio

### Description

Growth stocks are very polarizing right now. Investors may find themselves in one of two camps. The first group of investors believe it's a good idea to avoid growth stocks for the time being. This is because it isn't a great environment to be investing in these sorts of companies. Interest rate increases and a shift from lifestyles developed during the pandemic could cause slowdowns in the short to medium term.

The second group of investors believes that the significant declines in value that we're seeing across the market provides an excellent opportunity to buy shares at a discount. If you find yourself in this second group, then there are many different stocks for you to consider.

In this article, I'll discuss three top growth stocks that you should keep in your portfolio. All three companies have varying risk and growth profiles, so it's important that you identify the one(s) that suit your financial goals the best.

### One of the most prolific tech stocks

When it comes to Canadian growth stocks, very few companies are able to compete with **Constellation Software** ([TSX:CSU](#)). It's an acquirer of vertical market software businesses and has proven that its playbook works. Since its IPO in May 2006, Constellation Software stock has gained more than 12,000%. If you had invested \$10,000 at its IPO, you would be a millionaire today.

Led by its founder, Mark Leonard, this is a stock that would be suitable for anyone looking to gain exposure to growth stocks. Since its IPO, Constellation Software stock has grown at a CAGR of about 35%. That greatly outpaces the broader market.

### Don't let short-sellers scare you

**Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) didn't take long to make headlines. It broke the record for largest tech IPO in Canadian history, after its first day of trading. After that, it seemed like there was no

stopping Nuvei stock. After its first year of trading, Nuvei stock had gained more than 270%. However, in December 2021, a short report released by Spruce Point Capital caused [Nuvei shares to tumble](#) as much as 55%.

The company has since responded saying that the allegations given in the report are false. Analysts also stuck by the stock, after the report was released. Some analysts had suggested a 115% potential upside, in the aftermath of the short report. Today, Nuvei stock trades about 50% lower than its all-time highs. Digital payments are continuing to increase in penetration around the world, and Nuvei is well positioned for success.

## A pick for small-cap investors

If you're interested in a more aggressive investment strategy, then it would be a good idea to target [small-cap stocks](#). These stocks may be much more volatile than the other positions in your portfolio, but they tend to offer the greatest growth potential. One small-cap stock that Canadians should consider today is **Dye and Durham** ([TSX:DND](#)). It provides a cloud-based solution for many legal processes to legal firms, financial institutions, and government organizations.

Dye and Durham was a very popular stock when it first went public in 2020. After seven months of trading, the stock had risen more than 255%. Unfortunately, it hasn't been able to avoid the correction that has affected many tech stocks around the world. Dye and Durham is trading 50% lower than where it started the year. However, cloud-based solutions are in high demand. With its breadth of services, Dye and Durham has an excellent opportunity to become a leader in its field.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:DND (Dye & Durham Limited)
4. TSX:NVEI (Nuvei Corporation)

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