



3 Growth Stocks You Can Buy and Hold for the Next 20 Years

Description

Taking a long-term investing approach with growth stocks is a great way to avoid the pitfalls of short-term market anxiety. Market commentators meticulously analyze the economy and the stock market. Often, their projections and analysis are wrong. There is a lot of worry, doubt, and anxiety involved in this short-minded thinking.

Yet some of the greatest investors in the world (like [Warren Buffett](#)) have committed to buying great-quality businesses and holding them for very long periods of time. When you find a great company, why trade in and out of it just because of temporary concerns? A great business is often more resilient than you might anticipate.

[Motley Fool](#) co-founder David Gardner has said, “I try to find excellence, buy excellence, and add to excellence over time. I sell mediocrity. That’s how I invest.” If you are looking for three excellent growth stocks to buy and hold for the next two decades, here are three to look at right now.

A long history of consistent returns

Colliers International Group ([TSX:CIGI](#))([NASDAQ:CIGI](#)) has a +20 year history of earning 20% annualized total returns. It is incredibly challenging to sustain that kind of growth for so long. To me, this is an earmark of an “excellent” business.

The company has become one of the leading commercial real estate brokerage and service platforms across the world. Recently, it has complemented its core services with consulting, engineering, and project management services. Likewise, it has added several very profitable and reliable asset management businesses to its service offerings.

Colliers just keeps getting better in terms of growth, consistency, and [profitability](#). Management believes its growth channels are as good or better than they have been in its history. That sounds like a great recipe for further long-term attractive returns down the road.

A top all-time growth stock

Another growth stock to simply buy and hold for decades is **Constellation Software** ([TSX:CSU](#)). I rave about this stock often, because it is a perfect compounding machine.

It buys small (and sometimes large), niche vertical market software businesses, reaps their generally consistent cash flows, and then re-invests into more software businesses.

This strategy has fueled 16 years where it has grown its stock by a 34% compounded annual growth rate! If you think 20% annual growth is hard, try 34%! It just indicates that this company has an operational, strategic, and financial “secret sauce” that makes it very attractive for long-minded investors.

An up-and-coming retailer with explosive growth

Aritzia ([TSX:ATZ](#)) does not perhaps have the same track record of returns as the two above growth stocks. However, it has a lot of the same elements that have determined the same success.

Aritzia has a founder-involved management team, high insider ownership, innovative/attractive products/brands, a great balance sheet, and a large market to grow into.

Aritzia has done a great job of building its clothing brands in Canada. Now, it is gaining very strong traction in the massive U.S. retail market. Consistently, this business outperforms the market's expectations. Its high-quality clothing is proving to be very sticky, even despite recession concerns.

This growth stock has a huge opportunity to expand in the U.S. and internationally. It has the balance sheet, management expertise, and brand value to prudently grow, and that makes it a great stock to buy and hold for many years ahead.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NASDAQ:CIGI (Colliers International Group Inc.)
2. TSX:ATZ (Aritzia Inc.)
3. TSX:CIGI (Colliers International Group)
4. TSX:CSU (Constellation Software Inc.)

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