



TFSA Investors: 2 Long-Term Growth Stocks to Buy Right Now

Description

The Tax-Free Savings Account (TFSA) has been a blessing for Canadian investors since it was introduced in 2009. [TFSA investing](#) allows you to enjoy the returns on your investments held in the account without incurring income tax. Using the contribution room to buy and hold growth stocks can allow you to enjoy substantial wealth growth without paying capital gains tax.

As of this writing, the **S&P/TSX Composite Index** is down by 12.60% from its 52-week high. The current pullback has made it possible for you to invest in growth stocks at considerable discounts. Choosing the right growth stocks is critical to successfully enjoying this long-term wealth growth strategy in a TFSA.

You must invest in companies likelier to deliver solid long-term returns through capital gains. The underlying businesses must have strong fundamentals that can support the potential for long-term growth. Here, I'll discuss two [growth stocks](#) you can consider adding to your TFSA portfolio for this purpose.

Constellation Software

Constellation Software ([TSX:CSU](#)) is a \$42.13 billion market capitalization Canadian software company. It specializes in acquiring small- and medium-sized vertical market software businesses and growing them.

The company also develops specialized software solutions to address specific issues for clients across several industries. It has achieved substantial growth over the years due to its successful acquisition strategy and organic growth.

Constellation Software has a diversified customer base that mitigates many of the risks it would otherwise face if it operated in a specific niche. As of this writing, Constellation Software stock trades for \$1,987.85 per share.

It seems like a high price point, but it is down by 16.67% from its 52-week high. Analysts anticipate its

bottom line to expand by 20% in the next five years. Investing in its shares at current levels can set you up for stellar long-term returns.

Aritzia

Aritzia ([TSX:ATZ](#)) is a \$5.13 billion market capitalization fashion brand founded in 1984. Headquartered in Vancouver, Aritzia engages in designing apparel and accessories for its extensive collection of exclusive brands.

It began as a multi-channel retailer but has started gaining traction in the growing e-commerce industry. The company has expanded its presence in the U.S., and its footprint across the border keeps growing.

It has a track record for remaining profitable and delivering excellent organic growth. The company's strong financials are supported by its free cash flow, and it is using its solid position to pursue more growth.

Aritzia has started increasing its investments across several strategic growth drivers, including geographic expansion, product innovation, brand awareness, and its e-commerce segment.

Analysts expect the company's sales to hit \$1.9 billion in 2023 and \$2.16 billion in 2024. As of this writing, Aritzia stock trades for \$45.67 per share, down by 24.68% from its 52-week high. Investing in its shares at current levels can set you up for significant wealth growth if the company meets analyst expectations.

Foolish takeaway

The TFSA has become a popular registered account due to its tax-advantaged status. Remember that investing in growth stocks entails a higher degree of capital risk than the more "boring" blue-chip stocks.

However, it is important to offset the volatility of high-risk assets by adding more stable assets to your portfolio to create a well-balanced basket of investments in your TFSA.

Aritzia stock and Constellation Software stock can be excellent additions to your portfolio if you seek long-term, tax-free wealth growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:CSU (Constellation Software Inc.)

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1. Business Insider
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