



## How to Easily Turn a \$10,000 TFSA Into \$100,000

### Description

The Tax-Free Savings Account (TFSA) is a flexible registered account that allows you to multiply wealth over long periods of time. Canadians can contribute towards the [TFSA](#) and benefit from tax-free gains for life.

The TFSA can hold multiple qualified investments, including stocks, mutual funds, exchange-traded funds, and bonds. Any withdrawals in the form of dividends, interest, or capital gains from this account are exempt from Canada Revenue Agency taxes.

### Multiply your investments by investing in a TFSA

The TFSA was introduced back in 2009, and the cumulative contribution room for this account stands at \$81,500. In 2022, you can contribute up to \$6,000 towards the TFSA. However, if you could not contribute any amount in the previous years, the balance gets carried forward to the next year. As it is a tax-sheltered account, the TFSA can reduce your taxes significantly.

Due to the benefits offered by the TFSA, you can use it to buy and hold quality growth stocks that have the potential to derive outsized gains for investors in the long term.

I have identified two such Canadian growth stocks trading on the TSX.

### How to turn a \$10,000 TFSA investment into \$100,000 by 2030

If you have \$10,000 in your TFSA, you can invest the amount in [Canadian tech stocks](#) such as **Shopify** ([TSX:SHOP](#)) and **Magnet Forensics** ([TSX:MAGT](#)). Let's see why.

#### An e-commerce leader

[Bear markets](#) are scary, and Shopify stock has fallen by a staggering 80% from all-time highs in 2022. While the Canadian e-commerce company has increased sales by 53% annually in the last three

years, its revenue grew by a measly 16% in the second quarter (Q2) of 2022.

This massive deceleration in the top line, coupled with compression in profit margins, has contributed to the selloff in SHOP stock in addition to a challenging macro-environment.

But there are several factors that should drive Shopify stock higher in the future. It remains part of an expanding addressable market, allowing it to grow sales at a rapid clip going forward. Further, Shopify's operating system is used by more than two million merchants globally, allowing them to benefit from a range of ancillary services such as payment processing, financing, and discounted shipping.

Due to the decline in SHOP stock price, it's now trading at its lowest forward price-to-sales multiple as a publicly listed company, allowing investors to buy the dip. Shopify stock is already up 1,000% since its initial public offering in mid-2015. It is a Canadian tech stock that has turned \$10,000 into \$100,000 in fewer than eight years.

## **A cybersecurity play**

An enterprise-facing cybersecurity company, Magnet Forensics provides its client base with the tools required to investigate digital crimes and cyberattacks. It has developed several digital investigation products that acquire, analyze and manage evidence from digital sources such as smartphones, computers, and more.

Its solutions are already used by 4,000 law enforcement, military, government, and private sector organizations in more than 100 countries. Around 150 of the Fortune 1000 companies are Magnet Forensic customers.

Further, the global cybersecurity market is forecast to touch US\$270 billion in 2026, up from US\$173 billion in 2020, allowing Magnet Forensics to grow at a healthy pace in the upcoming decade.

## **The Foolish bottom line**

Whether Shopify or Magnet Forensics, investors need to identify stocks that are part of a growing addressable market. These businesses should be well poised to disrupt the sector in which they operate. Additionally, the stocks should be fundamentally strong with robust balance sheets and widening profit margins.

Once you have identified such companies, buy and hold them in your TFSA for at least a decade to benefit from compounded returns.

### **CATEGORY**

1. Investing
2. Tech Stocks

### **TICKERS GLOBAL**

1. NYSE:SHOP (Shopify Inc.)

2. TSX:MAGT (Magnet Forensics)
3. TSX:SHOP (Shopify Inc.)

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#### **Date**

2025/08/26

#### **Date Created**

2022/10/05

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