$10,000 Invested in These Growth Stocks Could Make You a Fortune Over the Next 10 Years

Description

Time, a decent amount of capital, and suitable investments — these are the three ingredients for a healthy nest egg. So, if you have $10,000 and 10 years at your disposal, all you need is the right growth stocks to maximize the return potential of your capital.

Keep in mind that a stock's past performance is not an accurate predictor of the future, but that's typically the first choice for assessing a stock's potential, especially if there isn't strong evidence to suggest that a stock is derailing from its long-term bullish phase.

A private lending company

goeasy (TSX:GSY) has been servicing people needing a loan that can't approach a bank for over three decades. It has grown substantially in that time, and with over 400 locations, it's comparable to many credit unions in scale. It has a portfolio of three brands covering personal, home, and merchant loans. It's also a promising growth stock.

The most significant growth phase in the stock's history was after the pandemic. The stock rose over 600% in less than two years. But the pre-pandemic growth makes it an excellent pick for a $10,000 investment.

In the 10 years between Feb. 2011 and Feb. 2020, the stock grew about 700% or roughly 70% yearly. Even if it underperforms and grows about 50% a year from now on, you can still experience five-fold growth. That's better than what most bank stocks offer to Canadian investors.

A real estate service company

The real estate sector in Canada is going through a powerful deflation and correction, but **FirstService** (TSX:FSV) is relatively immune to local market dynamics for two reasons.

The first is its business model — essential real estate services and property management, in which it's a clear leader in North America. The second reason is its U.S.-based market. Regionally, only a small portion of its revenues comes from Canada.

The stock experienced exceptional growth since inception but hit a bump after the supercharged bullish phase in the post-pandemic market. It has brutally corrected and has started to go up again. It hasn't been around for a decade, so if we consider four years before the 2020 crash, the stock rose about 190% quite consistently (between Feb. 2016 and Feb. 2020).

That's 47.5% growth on average a year, and if we assume the stock underperforms slightly in the next decade, you can still expect roughly four-fold returns.

A cargo airline

Cargojet (TSX:CJT) is Canada's premier cargo airline, with over 70 routes and a fleet of 38 aircraft. The airline handles time-sensitive cargo and has a stellar history of on-time arrivals (98.5%). This competitive edge and a good relationship with e-commerce companies endorse its potential as a financially sound and growing business.

It is still in the correction phase after it peaked during the pandemic and has fallen so much that it's trading at just 7% above its pre-pandemic peak, and that's after the recovery it experienced in the last few weeks.

Its growth before the pandemic far outstrips both other stocks, and it rose by over 1,200% between Feb. 2011 and Feb. 2020. So, even if it underperforms, there is a chance that it may offer 10-fold growth in the next bullish phase (assuming it continues for a decade).

Foolish takeaway

Assuming you equally divide your capital and invest in these three top stocks, which offer the projected growth in the next decade, you can grow the $10,000 seed to over $63,000. Since all three stocks are from entirely different industries, they are also a good set from a diversification perspective.

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2. TSX:FSV (FirstService Corporation)
3. TSX:GSY (goeasy Ltd.)

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