



## Beginner Investors: 4 of the Most Successful Investing Strategies

### Description

There are a number of different investment styles you can choose from. Some people may stick to one or another, believing that is the best strategy for their personal preferences. Others may combine a few different strategies to give themselves some diversification.

It's important to know what style of investing you are going for before you start your research.

For example, growth investing is based on the principle of growth in the companies. If you were to assess the companies using metrics that you use to find value stocks, all the companies would look over valued.

This is why it's important to know your style and the proper metrics to choose the right investments.

### Growth investing

Growth is based on belief that the underlying company will grow its operations significantly over the period you expect to invest. Growth investing can be targeted at small companies that will become large, it can be focused on entire industries growing, such as cannabis, or it can be large, established companies growing margins and dividends.

A top growth stock to consider is **goeasy**. goeasy has been growing insanely quickly the last few years with return on equity above 20%. Its stock has grown a whopping 160% in the last three years.

What's even more impressive is that it has grown while already being profitable and having massive margins. It even pays a dividend that yields 2.3%.

goeasy will continue to grow into the future, targeting the subprime consumer market and increasing its loan originations, to continue to grow its loan book.

## Income investing

Income investing targets the highest and most stable yields possible. It can be combined with other strategies, as you may find top income stocks when value investing, or you may find an income stock that has been growing.

A top income stock to consider is **BCE**. BCE is the largest telecommunications company in Canada. It's a Dividend Aristocrat, which makes it an ideal stock for income investors.

The company is great for long-term investors, as it's extremely well run, it has a huge competitive advantage due to its industry, and it grows its dividend often.

In the last five years, BCE has raised its dividend 28% — a substantial amount for such a large blue-chip company. Today it yields over 5%.

## Value investing

Value investors look for stocks they believe are undervalued based on company fundamentals. An investment is based on finding stocks that are trading for prices that value them much below what they are worth. You may find undervalued stocks from metrics in general or vs. peers, or you may have noticed the stock sell off when it shouldn't.

A top value stock for investors to consider is **Russel Metals**. Russel Metals is a Canadian steel company that engages in processing and distribution.

Its stock has a ton of value, the price-to-earnings ratio sits below seven times and the price-to-book ratio is just 1.2 times. It also pays a dividend that yields more than 7.7%.

## Contrarian investing

Contrarian investing can also be combined with any of the above strategies. A contrarian just means going against the herd mentality; this could be a contrarian play on a growth company that the market doesn't think will grow any more, or an income stock where the market thinks the dividend may be cut.

Usually, contrarian investing is similar to value investing as the contrarians are investing because they see value where the rest of the market didn't.

A top contrarian stock to buy right now is **Leon's Furniture**. Leon's is a national furniture retailing chain. Its stock has come down nearly 15% from late August of last year, as investors pull more money from the retail industry. [Leon's](#), however, has been doing just fine.

It has a three-year average return on equity north of 13.5%, a healthy balance sheet, and it's trading extremely cheap.

## Bottom line

Knowing your style and the pros and cons of each is key for investors to stay informed and understand how certain changes impact your portfolio. There is no strategy that is more successful than others; investors should choose their strategy based on what they are comfortable with.

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