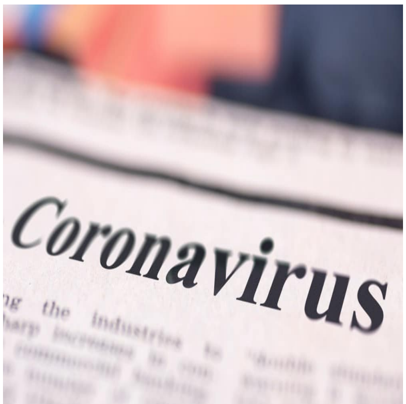

Investors: A COVID-19-Resilient Stock That Can Make You Filthy Rich

Description

Many retail traders have been speculating with their money to punch their ticket to a shot at big gains lately. With sports on pause and casinos at risk of shutting down again, many folks with the gambling spirit have looked to the stock market to get their gambling fix.

People are spreading bets across a slew of uninvestable names such as bankrupt **Hertz** and momentum stocks like **Tesla**, with no consideration for the underlying fundamentals. Such speculative activities are likely to end in tears, but as a Foolish investor, you know that it is possible to grow your wealth at an unfathomable rate without requiring you to risk your shirt.

Don't risk your shirt for a shot at getting filthy rich overnight; it's not worth it

Nobody knows when we'll celebrate the elimination of COVID-19. It'll surely be a day that'll have an unprecedented, perhaps record-breaking, single-day rally in the stock market. But the day could come after an equally unprecedented market collapse. As such, investors should check their portfolio's overall risk to ensure they're not in a spot to hold the bag in a scenario that'll see speculators rush out of businesses that could go under at the hands of COVID-19.

Balance sheets are going to be put to the test. So, if you have no desire to spin the roulette wheel, consider investing in these two sound investments that'll allow you to get rich over the long term and stay rich over the short term.

Instead of betting on the outcome of a binary event, consider scooping up shares of undervalued securities that will allow you to grow your wealth substantially over time. Insist on a margin of safety and tilt the risk/reward equation in your favour, rather than chasing reward with zero consideration for the risks you'll bear as an investor. Doing the latter is not investing; it's speculating.

Consider **Alimentation Couche-Tard** (TSX:ATD.B), a COVID-19-resilient consumer staple stock that'll do relatively well, regardless of what's up next with this pandemic. The company has a Fort-Knox-like balance sheet and is highly liquid (1.21 current ratio) after walking away from its pursuit of acquisition target Caltex Australia. Couche has pockets that are deep enough to survive and thrive in this COVID-19-induced recession, making it a top pick for growth investors looking to pay less to get more.

The epitome of COVID-19-resilient defensive growth

Couche is the epitome of defensive growth. The convenience store kingpin has perfected the growth-by-acquisition model thanks to the exceptional stewards that are keen on producing value from M&A with careful consideration for overpayment and integration risks that many other firms don't put enough due diligence on.

Yes, M&A is exciting. But if done wrong, it can hurt shareholders. Couche does it right, and that's a huge reason why the stock surges on acquisitions announcements, despite paying a premium relative to the market price.

Couche has grown in size over the years, but it's not pulling back on growth, even in the face of a recession. Management can and likely will double its net profits in five years, as it puts inorganic and organic growth into overdrive.

Undervalued and ripe for picking for value investors

The stock trades at 0.6 times sales and 3.4 times book, a low price to pay for a pandemic-resilient firm that can sustain high double-digit top- and bottom-line growth rates. With a 0.74 five-year beta, Couche is also more likely to zig when the markets zag, providing your portfolio with some shocks to ride out excessive amounts of market volatility.

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