



Buy This 1 Gold Stock Now for 150% Returns by 2023

Description

It's a rare stock indeed that can satisfy multiple investing strategies at the same time. But one name just about pulls it off. **Franco-Nevada** ([TSX:FNV](#))([NYSE:FNV](#)) offers investors a reduced-risk play in the gold space. This rare ultra low-risk gold stock combines a strong growth thesis along with some passive income. Gold is on a tear this year, but it's not too late to get invested.

One gold stock that satisfies many investment styles

Value investors take note: Franco-Nevada might not be the best value for money right now. Its market ratios are not for the fainthearted. Take a price-to earnings (P/E) ratio of 170 times earnings, for instance. The P/E ratio is arguably a little less insightful than usual during the unsettled pandemic market. But even a price to book of 6.4 is almost three times the sectoral average. Cheaper gold stocks do exist. But Franco-Nevada offers a little more than the usual gold stock.

One thing that this stock packs in a portfolio is high growth potential. 41% earnings growth over the next one to three years makes for a meaningfully strong growth thesis. Investors could see total returns in the next three years shake out at 150%. In five years, shareholders could be sitting on a cash cow that's appreciated by around 340%. Even the total returns for a 12-month position could rake in around 86%.

A high-growth option for long-term investors

But there's even more than meets the eye with this [top-tier gold stock](#). A past five-year beta of 0.56 relative to the market makes for a reassuringly low-risk play. Given the amount of momentum-generating potential this name brings to the table, that's an extremely low-volatility play. Investors are going to need to pack out portfolios with these kinds of assets that can undercut the rising risk in the markets.

Of course, it helps that Franco-Nevada does not develop or operate mines, or conduct exploration projects. Instead, shareholders own a stake in a top gold-focused royalty and streaming company. This

removes many of the operational risks facing actual miners from a personal investment portfolio, while still relaying the benefits of a strong gold market to investors.

For casual investors seeking fairly assured capital gains further down the road, past 12-month share price appreciation of 80% is encouraging, to say the least. Being free of debt also makes this standout gold stock suitable for the long-term investor looking for a way to lower the maintenance requirements of a portfolio. Combine this type of encouraging balance sheet health with a low beta, and you have a [sleep-easy investment](#) with growth attached.

As such, Franco-Nevada would suit a range of investment styles. TFSA investors have a low-maintenance pick here that they can buy once and forget about. Likewise, the low-risk retirement investor can add some shares in Franco-Nevada to an RRSP with relatively little worry. The potential for some solid near-term gains from this top-tier gold streamer also backs up a retirement investing thesis.

CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. TSX:FNV (Franco-Nevada)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Metals and Mining Stocks
3. Stocks for Beginners

Date

2025/08/22

Date Created

2020/08/02

Author

vhetherington

default watermark