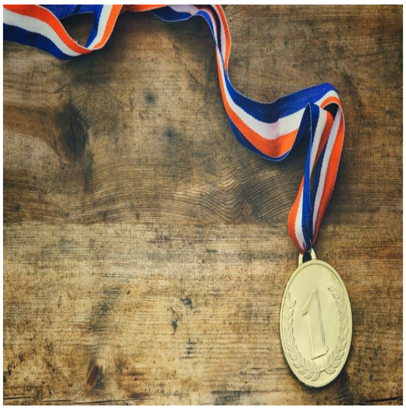

Have $5,000? Consider Buying These 2 Incredible Stocks

Description

Investing in stocks comes with some inherent risks. But there are ways to mitigate those risks. And even with its risks, stock investment is one of the best ways to grow your wealth. Stocks have a meagre cost of entry, and they offer substantially high returns compared to bonds and GICs.

Take the amount of $5,000, for instance. If you invest it in a GIC that offers 2.5% returns, your total interest on the sum would be just $1,400 in a decade. But if you invest the same amount in the right stocks, you can get much better returns. And even if you account for risk and unforeseen circumstances, investing in stocks might be a better use of your $5,000 than simply earning interest on it or buying bonds.

Incredible stock #1

Despite what many investors believe, the venture exchange has some great stocks to offer. One of the most incredible stocks currently trading on the junior stocks is U.S.-based **Hamilton Thorne** (TSXV:HTL). It's a $197 million company from the healthcare sector that builds precision laser and imaging devices for multiple purposes.

Its devices and unique solutions are widely used in a variety of different medical facilities. Its unique laser systems are a standard in in-vitro fertilization clinics, but the company's product range extends far beyond that. Despite being a research-heavy business, the company has hardly any debt and a substantial cash pile. The balance sheet is also very strong.

The company has been growing its market value for quite a while now, but it has picked up a serious pace in the last five years. If we consider its 10-year CAGR (21.48%) as an indicator of its future growth pace, the company can turn $2,500 (half of the $5,000) into about $17,500 in a decade.

Incredible stock #2

Winnipeg-based **Boyd Group Services** (TSX:BYD) is a well-known growth stock and a 13-year-old

Dividend Aristocrat. The company is one of the largest operators of collision repair centres (non-franchised) in North America. The company works under different brand names, covering multiple aspects of collision repairs, and has over 698 locations across North America.

Even though it's an aristocrat, more investors are attracted to its capital growth prowess. Its 10-year CAGR (44%) might be too ambitious for future growth, so we can consider its five-year CAGR of 27.28%. If the company keeps growing its market value at this growth pace, your $2,500 investment will turn into $27,000.

Foolish takeaway

If you combine the 10-year returns of both stocks, your $5,000 becomes $44,500. But that's the best-case scenario. Some bad scenarios can be that only one half of your $5,000 investment pays off and the other doesn't, the result will still be several times better than investing in bonds, GICs, or earning interest.

Even if you lose all the money in one company and only earn half of the total growth in the remaining stock, you will still be better off. That's the benefit of the risk you take when you invest in stocks.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:BYD (Boyd Group Income Fund)
2. TSX:HTL (Hamilton Thorne)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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