



## 3 High-Growth Stocks for Low-Risk Investors

### Description

It's wise to have some low-risk or defensive stocks in your portfolio with an uncertain economic trajectory. The low-risk stocks are mostly stable, help preserve capital, and chug along nicely over the long run.

However, the most significant trade-off of investing in low-risk stocks is that their returns are often moderate. Luckily, a few defensive stocks listed on the TSX consistently offer high growth and have pretty stable businesses.

So, if your risk appetite is low and you are looking for growth stocks, consider buying these Canadian gems.

### An online grocery delivery company

Online grocery is among the fastest-growing industries, thanks to the structural shift in demand. Further, the pandemic's outbreak accelerated the migration rate toward online grocery, presenting a multi-year growth opportunity for companies operating in this space.

One such top Canadian company is **Goodfood Market** ([TSX:FOOD](#)), which remains well positioned to thrive on the growing demand. Goodfood Market offers online grocery and home meal kits and is witnessing stellar growth in its active customer base. Its active customer base [jumped 44%](#) year over year to 272,000 at the end of the most recent quarter. Its gross merchandise sales, revenues, and adjusted gross profit surged by 63%, 74%, and 50%, respectively, during the quarter.

Higher demand for its offerings led to a staggering growth in its stock, which is up by 196% year to date. Besides, Goodfood Market stock is part of the TSX30 Index (Toronto Stock Exchange's 30 top-performing stocks based on the appreciation in the stock price in the last three years). Over the past three years, Goodfood Market stock has risen about 312%.

With its offerings being part of essential services, the downside risk remains capped for Goodfood Market stock. Meanwhile, a continued rise in demand, a growing customer base, robust last-mile logistics, and extensive footprint are likely to support the [uptrend in its stock](#) in the coming years.

## A top food retailer

Food retailer **Metro** ([TSX:MRU](#)) is another top growth stock for low-risk investors. The company's business is very stable, thanks to consistent demand and remains immune to economic cycles.

Despite its low-risk profile, Metro has generated stellar returns for its investors and has consistently outperformed its peers. For instance, Metro stock has risen about 65% in three years, which is higher than **Loblaws**, **Alimentation Couche-Tard**, and **Dollarama**. Further, Metro boosts its shareholders' returns through consistent dividend payments.

The retailer has consistently raised its dividends for the past 26 years and could continue to increase it further in the coming years. Its recession-proof business model adds much needed stability for low-risk investors. Meanwhile, its expansion of digital capabilities is likely to accelerate its growth and drive its stock higher.

## A top utility bet

**Algonquin Power & Utilities** ([TSX:AQN](#)) ([NYSE:AQN](#)) is another top defensive bet offering good growth. The company's regulated utility assets generate stable cash flows and support its payouts. Its renewable power business benefits from long-term contracts.

The downside risk in its stock remains low, as Algonquin Power & Utilities generates most of its earnings from the regulated assets. Meanwhile, its continued investments in high-quality regulated assets, strategic acquisitions, and expansion of the renewable power business are expected to drive growth and support the uptrend in its stock.

Like Metro, Algonquin Power & Utilities is also a Dividend Aristocrat and has uninterruptedly increased its dividends in the last 10 years. Given its ability to generate stable cash flows, Algonquin Power & Utilities investors are likely to benefit from consistent dividend income and capital appreciation.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
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### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)

2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:FOOD (Goodfood Market)
4. TSX:MRU (Metro Inc.)

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