Forget GME Stock: Get 30% Returns Here Instead!

Description

GameStop (NYSE:GME) stock's trajectory has been incredible. It's hard to believe that it traded at under US$6 per share at the start of 2020 but was bid up to as high as US$483 a share — an 80-bagger — this year.

The bubble burst.

Even though GME stock trades at US$49.51 per share at writing, which is much lower than its astronomical high of US$483, it's still not cheap enough.

The stock has a non-investment S&P credit rating of B-. Besides, it will no doubt be above-average volatile. It won't be surprising for GME stock to go up or down 10% a day. One could only guess which way it might move tomorrow, next week, or next month.

Unless you're looking for a speculative investment or trade, I don't encourage investors to give the stock another glance.

Why not seek investments that provide surer returns? Here are some quality stocks that are under the radar.

Buy this TSX stock for surer returns

You might not have heard of **Andlauer Healthcare Group** (TSX:AND), or AHG, as the **TSX** stock only started trading on the stock exchange not too long ago in 2019.

Andlauer has a leading position in healthcare distribution across Canada. You can guess that it has been a defensive investment through the pandemic.

From a year ago, the TSX stock has outperformed the Canadian stock market hand over fist!

Data by YCharts. A chart illustrating the one-year total return of AND stock and the Canadian stock market as a benchmark.

The growth stock operates in a resilient industry and has been expanding its margins over the last few quarters. Its earnings are set to be stable and growing most, if not all of the time.

Over the last few months, the stock has corrected meaningfully by about 30%, bringing it to a decent valuation for interested buyers. Analysts have a 12-month price target of $44.75 per share on the stock, which implies about 27% near-term upside potential.

Notably, AND stock may be under the radar, because it is a small cap with low trading volume due to its strong insider ownership. According to Yahoo Finance, its average trading volume is 47,341. Therefore, if you choose to invest in the company, make sure you use a limit order to ensure you don't get any surprises on your purchase price.

Get a 4.7% dividend yield

The market outrageously bid up **Allied Properties REIT** (TSX:AP.UN) to a multiple of 24 times in early 2020. The pandemic dragged the quality office REIT stock down to an attractive valuation — a multiple of below 16 times.

Allied Properties's payout ratio was 71% in 2020, which protects its cash distribution along with its stable funds from operations. At present, the stock yields about 4.7%, which is paid as a monthly cash distribution.

Analysts have a 12-month price target of $45.23 per share on the office REIT stock, which implies 26% near-term upside potential.

The Foolish takeaway

The GME stock bubble burst. No matter if you have or haven't participated in the run up of the century, it's time to move on. There are much better investments for surer returns out there.

For starters, you can consider Andlauer Healthcare Group and Allied Properties REIT, which have a fraction of the attention that GME stock is getting. They could deliver total returns of close to 30% over the next 12 months and have even higher returns potential longer term.

CATEGORY

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TICKERS GLOBAL

1. NYSE:GME (GameStop Corp.)
2. TSX:AND (Andlauer Healthcare Group Inc.)
3. TSX:AP.UN (Allied Properties Real Estate Investment Trust)

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