3 Stocks to Double Your Savings in the Next 5 Years

Description

When you are looking for growth stocks, what's more important to you: the surety of growth or the pace? Ideally, you should buy stocks that are both fast growers as well as reliable. But we don't live in an ideal world, and if you lean more towards the reliability of growth, there are three stocks that should be on your radar. They might have a high probability of growing your capital by 100% in five years compared to other, more fast-paced stocks.

A gold stock

Gold stocks tend not to shine when the market is going strong, but where pure mining stocks fail, gold companies that focus on royalties are likely to succeed. An example would be **Abitibi Royalties** (TSXV:RZZ), a small venture capital gold royalty company that grew its stock by over 170% between 2019 and the beginning of 2021.

The stock has been a bit static in the last 12 months, but the valuation is attractive, and if the stock market experiences another crash or even a correction in the next five years, this gold stock might spike. And it wouldn't be difficult to gain a 100% growth with this relatively nimble stock. It might be an even better buy if the stock sinks in the near future before rising again. The valuation will go down, and its yield might cross the 1% threshold.

Another venture capital stock

C-Com Satellite Systems (TSXV:CMI) is an overvalued yet discounted venture capital stock. The company with a market capitalization barely above $100 million is currently trading at a 38% discount from its peak, and the price-to-earnings ratio (57) and price-to-book ratio (4.4) are quite high. The good thing is that the company has almost no debt and a powerful balance sheet.

In two years, 2019 and 2020, the stock grew about 148%. The stock is currently normalizing, and it might slump even further before its valuation comes in line with its earnings. Once the dip is over, the stock might resume its usual growth pace, which easily sets you on the path to 100% growth in the next five years.

A powerful growth stock

Cargojet (TSX:CJT) doesn't exactly belong in the same category as the other two companies we've discussed. It is a remarkably powerful stock that recently hit a snag and dropped about 25% from its 2020 peak. But even if you take that drop into account, the stock still returned over 435% to its investors in the past five years, and if it can sustain this pace, the company might double its capital in less than two years.

Despite the slump, the valuation is still quite high. The financials as well as the balance sheet are quite strong. And the company is powerfully positioned in the cargo industry. The company has an extensive fleet (for a pure logistics company) of 28 aircraft and runs over 71 routes a day. The company also has a relationship with **Amazon**, making it well poised for future growth (as Amazon expands even further).

Foolish takeaway

The three growth stocks are well positioned to grow your investment capital by at least 100% in the next five years, but that doesn't mean you have to wait five years to cash out. But if these modest growth stocks keep rising steadily over the years, you might consider keeping them for five years or more and experience growth significantly more than 100%.

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1. Dividend Stocks
2. Investing
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