



## 2 of the Best Growth Stocks for Low-Risk Investors

### Description

Often, growth stocks can come with a significant amount of risk. It's natural. As you look for stocks that offer more potential for higher rewards, you're generally going to have to take on more risk. So, the best growth stocks to buy are those that offer high-quality growth without having to take on as much risk.

To find stocks that offer less risk, it's important to understand why growth stocks have more risk in the first place. There are a couple of reasons why this is the case.

First, high-growth stocks tend to trade with a significant premium, as the market is well aware of their potential and is expecting massive growth. So, even if the company does continue to grow, if it's at a slower pace than the market was expecting, it could lose some of that premium and actually fall in price.

Another reason high-growth stocks can be a higher risk is that a lot of the time, you are investing early in the industry. And, of course, the earlier you find high-potential stocks, the more opportunities for growth. However, it's also a higher risk to invest before a company or industry has proven itself.

So, if you're a low-risk investor looking to add growth stocks to your portfolio, here are two of the best to buy today.

### A top real estate investment trust

If you're a low-risk investor, one of the best sectors to buy stocks in is [real estate](#). And thankfully, there are plenty of low-risk stocks that offer investors appealing growth potential, such as **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)), the largest residential REIT in Canada.

Because it's a residential REIT, and people always need somewhere to live, its revenue is highly resilient. And the fact that CAPREIT has been able to grow its net asset value by so much in recent years shows what an excellent long-term growth stock it can be.

For years, CAPREIT has been making high-quality acquisitions and expanding its portfolio considerably. This has led to the fund earning investors a total return of 108% over the last five years, or a [compounded annual growth rate](#) of almost 16%.

So, if you're looking for a high-quality growth stock that can perform well and that you can have confidence owning for years, Canadian Apartment Properties is one of the best to consider.

## One of the best long-term Canadian growth stocks

In addition to CAPREIT, another excellent Canadian growth stock that's had one of the best performances in the past and continues to offer investors low-risk growth going forward is **Alimentation Couche-Tard** ([TSX:ATD](#)).

Alimentation Couche-Tard is a low-risk stock for a couple of reasons. First, it's well established now, with operations all over the world. However, it's also a massive company with a market cap of more than \$50 billion.

So, not only is the stock well established, which helps reduce risk, but by being so large, it also has a tonne of potential to scale its operations to reduce costs and grow profitability.

Over the last five years, Couche-Tard has grown its sales by just over 50%. That's impressive for such a large business. However, what's even more impressive is that over that period, its gross profit grew by 67%, and its net income has more than doubled.

So, if you're looking for a low-risk stock that still offers some of the best growth in Canada, Alimentation Couche-Tard is an excellent choice.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)

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## Date

2025/08/13

## Date Created

2022/01/17

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