Retirement Planning: 3 Unusual Bets That Could Pay Off Huge

Description

There are a lot of stocks that offer predictable growth and stable dividends, so you have a good idea of the returns you might get if you hold those stocks for long enough. That's the easy and most common way to invest.

And since it's a good rule to stick to what you know and understand, investing in stocks that may not have a predictable growth pattern or certain future might be a bit risky. But the risk may come with the potential of better returns than the predictable stocks may promise.

A novel drug company

New pharmaceutical drugs are rarer than many people think. There are lengthy procedures, and a drug has to go through several trials to get approval to join the market. And that can be even more difficult for a novel drug that usually targets previously unmet market segments. That's the business **Arch Biopartners** (TSXV:ARCH) is in. This $207 million market cap company has multiple points of focus, but leading the way is a novel therapeutic to fight COVID.

The stock has gone through two different growth phases in the last five years. It grew over 340% between March 2017 and August 2018 (a small window for such robust growth) and spiked 300% between April and December 2021, way after the market as a whole.

The company's lead drug is experiencing a great reception, and its uses far exceed relieving certain COVID symptoms. And if it can ride this wave of popularity, the stock may follow it to new heights.

A uranium company

Uranium companies like **NexGen Energy** (TSX:NXE), which focuses on low-cost uranium mining and has one active project in Canada, are still riding the recovery-fueled growth wave that followed the2020 market crash. The stock is already up over 700% from its market crash valuation and is stillrising. It's the second growth phase the company has seen in the last decade.

The reason it didn't enter a correction phase like most other market segments (after the explosive growth) is that the demand for uranium is rising, and it may rise even further under the current geopolitical environment. If more countries start revitalizing their nuclear power projects (like Germany) or building new ones, a uranium producer like NexGen might see a swift rise in business.

A crypto stock

Crypto stocks like **Galaxy Digital Holdings** (TSX:GLXY) may seem less unusual than the other two on this list, because many investors now "understand" crypto as an investment. But there are two things that make it different from the routine, run-of-the-mill growth stocks: The underlying asset — i.e., crypto — is quite volatile and unpredictable by default. Secondly, the stock doesn't follow/track the performance of the lead crypto directly.

The stocks usually offer growths that are higher, usually by a decent margin, than the crypto assets underlying the company. And they may also take some more time to cater after the crypto has crashed. Both of these are in investors' favour, and you can hold these crypto stocks in your registered accounts.

Foolish takeaway

Tech stocks like Galaxy and innovative stocks like Arch may not be the cup of tea for every investor, but bought at the right time and held for long enough, they may offer more growth within a given time frame compared to linear growth stocks.

CATEGORY

1. Investing

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2. TSX:NXE (NexGen Energy Ltd.)

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