SL: This hidden gem returns 9.62% — Guaranteed

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THIS HIDDEN GEM INVESTMENT RETURNS 9.62% — GUARANTEED!

You might have heard about it in the news recently, but there's an investment returning a guaranteed 9.62% to savvy investors.

Yep, 9.62%...AND it's fully guaranteed.

It's called an I Bond, and it's 100% backed by the Federal government.

In fact, if you haven't heard about it, you might be missing out on one of the best places to park your money right now.

Especially since we're in a season where most investors would be lucky to see returns of 2% these days. You see, the interest rate on these bonds is high because it's set by the prevailing inflation rate. (Hence, the I in I bonds.)

And with inflation being the highest it's been in forty years; we believe these bonds are a great investment vehicle for investors looking to protect their cash while the stock market eventually recovers.

Now, I'm sure you're probably wondering, "This sounds great, but what's the catch?"

Well, here it is.

You're limited to how much you can buy in a given calendar year (\$10,000 per individual), and you can't redeem these bonds for at least a year after purchase. What's more, if you withdraw funds within five years, you'll owe 3-months back in interest.

But that's about it.

The only other possible drawback is that with the Federal Reserve doing everything in its power to reduce inflation these days, we believe the current return of 9.62% may be the highest it'll ever be.

In fact, based on the Fed's forecast, inflation is expected to decline from May's estimate of 8.6% to 2.8% by the end of 2023.

Which, if you think about it, is actually great news for growth investors. Because not only will we possibly get some relief from the onslaught of selling recently, but we may get a chance to mint a possible fortune too.

You see, although stocks are getting hammered right now, we know that historically stocks outperform bonds — and it's not even close.

The S&P 500 has crushed the bond market by an average of 3.5x over the last 93 years!

Which is why if you're a growth investor who wants a much bigger chunk of the wealth-building pie, you might want to keep a handful of stocks in your back pocket with the potential to mint a fortune once inflation starts to weaken.

Now if you're looking for a short-term hedge against inflation, by all means, check out I bonds. They may be the perfect fit for you.

(In fact, you can visit treasurydirect.gov and buy them here.)

But if you're like me and looking for gains with greater wealth potential, I have some great news for you...

Our team over at *Stock Advisor*, recently released a handful of big-opportunity stocks we believe will beat the markets over the next five years.

One stock is changing the way healthcare professionals communicate. It's a capital-light business that has been able to scale, with gross margins approaching 90%.

Another stock is potentially changing the way HR is managed and is expected to grow from \$20B to nearly \$33B by 2027.

And those are just two stocks.

I haven't even mentioned the other "Best Buys Now" recently released yesterday to our current members.

Click the link below to learn how you can discover our newest "Best Buys Now."

[Take me to the 5 Best Buys Now!]

That's it for this week's edition of the Motley Fool Foolish Digest!

Tune in next week for more exciting updates from The Motley Fool.

And if you're so inclined, we'd love to hear what you thought of this email – simply leave any feedback for us right here.

Have a great weekend!

- Kael

^{*}Returns as of 7/13/22 unless otherwise stated