



An Attractive Canadian Stock to Diversify Your Geographic Exposure

Description

Advisors often encourage people to diversify the geographic and sector exposure in their investments.

This can be a challenge for Canadian investors, however. The majority of Canadian companies get most of their income from Canadian or U.S. sources and the **TSX Index** is dominated by firms coming from a small number of industries. Buying stocks in other countries is certainly an option, but it comes with tax implications and foreign exchange risks.

One alternative is to find Canadian companies with large or expanding international operations, which gives investors a chance to broaden their geographic reach without having to take on the risk or added expense of buying shares of companies in the target markets.

Let's take a look at one stock that might be an interesting pick for your [portfolio](#).

Sun Life Financial ([TSX:SLF](#))([NYSE:SLF](#))

Sun Life owns insurance, asset management, and wealth management businesses in Canada, the United States, Europe and Asia.

The company made some big changes to remove risk after taking a significant hit during the Great Recession, including the sale of its U.S. annuities business.

Sun Life has since focused new investment in the property management segment, which is expected to continue in the coming years as it expands its real estate operations globally. The company recently merged its Bentall Kennedy operations in North America with GreenOak Real Estate, a global real estate investment firm. The investment management division now has \$75 billion in assets under management.

Sun Life's insurance and wealth management growth opportunities lie in Asia. The company has established partnerships or subsidiaries in a number of key Asian markets, including India, China, Indonesia, and the Philippines. As the middle-class expands in these countries. Sun Life should benefit

from rising demand for its products and services.

The company recently increased its quarterly dividend by 5% to \$0.525 per share. That's good for a [yield](#) of 4%. The company is also boosting its share buyback program by four million shares to 18 million, or about 3% of the outstanding float.

Should you buy?

Sun Life gives investors good exposure to the United States and Asia through a Canadian stock. The company is back on track after a rough ride during the financial crisis, and the return to dividend increases combined with management's decision to buy back more stock suggest the company is comfortable with the revenue outlook and feels the share price is undervalued.

If you are looking for a quality dividend growth stock with global operations, Sun Life deserves to be on your radar today.

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