



## Looking for Diversification? Check Out This Top TSX Stock

### Description

Investors are seeking diversification today for various reasons. Growth stocks remain pricey. Bond yields remain low. And even value stocks are showing signs of overvaluation right now. Accordingly, the search for a top TSX stock providing the right mix of growth, income, and value is on.

In this context, I think **Artis REIT** ([TSX:AX.UN](#)) is certainly [an option worth considering](#). Yes, this stock has been out of favour for quite some time. There were fears concerning its Western Canadian exposure. However, it is one of my top REIT picks as of today. Here's why.

### Artis's diversified asset class makes it a top TSX stock

While some asset classes are better than others, diversification can be a good thing. For long-term investors, buying one stock with exposure to various asset classes simplifies the investing process. Simpler can (usually) be better for such investors.

Indeed, Artis REIT's mix of office (45%), industrial (35%), and retail (20%) is unique. I prefer industrial real estate over the other sectors. However, the company's office and retail exposure does provide growth investors with some interesting leverage to the pandemic reopening.

Accordingly, there's reason to be bullish on this diversified real estate play. The company's geographical mix is roughly split between Canada and the United States. For those bullish on North American growth, this is a great option for this reason as well.

Artis has been one of the best capital allocators in this space. The company's management team has proposed an asset management platform. This would allow the company to make value-based investments in both public and private real estate markets. For a company with so much diversification, focusing on the best options available is always a good thing. And it appears Artis has investors' best interests in mind with this strategy.

## Artis's fundamentals are extremely attractive

The key attribute most investors look to with REITs are bottom-line fundamentals. And in Artis's case, the company outperforms in this regard.

Currently, Artis units trade around \$11.50 per share. That said, the company's net asset value (NAV) currently sits at \$15.34 per unit at the time of writing. That's a pretty healthy margin of safety for long-term investors seeking value.

Additionally, this REIT pays out a distribution of more than 5% per unit. That's a meaningful yield for investors seeking income. Trying to find that kind of yield in the bond market is nearly impossible without taking on a lot of risk.

This is a relatively small-cap REIT with a market cap of roughly \$1.5 billion. However, the company's valuation speaks to deep-value investors looking to pick up a quality dividend-paying stock at a decent price.

Of course, headwinds to the company's office and retail real estate segment are likely to persist. Hence the discount. However, I'm of the view that eventually this company will be valued as it should. Until then, investors get paid 5% a year to wait.

That sounds like a good deal to me.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. dividend
2. dividend stock
3. Editor's Choice
4. growth
5. growth stocks
6. investing
7. market
8. Stocks
9. value investing

### TICKERS GLOBAL

1. TSX:AX.UN (Artis Real Estate Investment Trust)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Dividend Stocks
2. Investing

### Tags

1. dividend
2. dividend stock
3. Editor's Choice
4. growth
5. growth stocks
6. investing
7. market
8. Stocks
9. value investing

### Date

2025/06/29

### Date Created

2021/06/23

### Author

chrismacdonald

default watermark

default watermark