



## This Overlooked Marijuana Stock Could Soar Above and Beyond All the Pot Stocks You Know and Love

### Description

Here we go again! Marijuana stocks are out of favour again, and while the trade may seem dead for good, it's worth remembering that the nascent market has corrected multiple times per year on average before surging to make new all-time highs in just a few trading sessions.

This recent October sell-off is nothing out of the ordinary, so if you're still bullish on the long-term prospects surrounding the red-hot industry, you may want to consider dollar-cost averaging on your favourite pot plays on the way down, because this time around, you could be buying at a time when other established behemoths are looking to get some skin in the game, as **Constellation Brands** did on the previous industry-wide decline.

While you may be thinking of spreading your bets across various pot stocks like a gambler scattering chips across the roulette table, the better move, I believe, would be to stick with the best-in-class players like [Canopy Growth](#) (TSX:WEED)(NYSE:CGC) stock and avoiding potentially less-transparent pot producers that the general public may know next to nothing about.

While going all-in on Canopy stock may seem like the most prudent move, I'd also encourage risk-tolerant investors to also consider the company's venture capital (VC) spin-off in **Canopy Rivers** (TSXV:RIV), a pot player that's fallen under the radar of late with the barrage of new listings popping up on the Canadian Securities Exchange (CSE).

I'm sure there are a few hidden gems buried somewhere in the CSE or TSXV, but investing in some random new pot listing is akin to scratching off a lottery ticket. And as a Foolish investor, that's the last thing you'll want to do, even though the entire pot industry may seem like a lotto ticket in itself.

Smaller, lesser-known pot plays may have more upside, but given we know little to nothing about the reliability of their management teams, business strategies, and talents, you're essentially investing in a penny stock. That's not advisable unless you're willing to risk being left holding the bag if a pump-and-dump scenario ends up panning out in the background.

Canopy Rivers, however, is an up-and-coming pot play under the stewardship of Canopy Growth CEO Bruce Linton and his hand-picked team of experts who are looking to incubate the most promising of up-and-coming plays that have littered the CSE and TSXV exchanges.

Linton has been shown to be a trusted figure in the cannabis market. He's a man that considers value when it comes to M&A, he's transparent with the media, and he isn't one to "window dress" to get investors to flock to invest in his company. In fact, he's urged investors to invest in a bank if they want safety to go with a dividend.

Most importantly, however, Linton and his team have a knack for finding compelling brands within the ocean of cannabis "talents," and it's these brands that hold a tonne of long-term potential. So, if you're looking to venture into the depths of the small-cap marijuana world, it'd only be prudent to have a captain that you know is capable of steering clear of any icebergs that may lie ahead in the rough waters.

### **Foolish takeaway**

Indeed, Canopy Rivers may seem like a shot-in-the-dark play with its \$727 million market cap. As the industry matures, I don't think it's too far-fetched to see the Rivers portfolio grow such that the company eventually competes with the likes of Canopy Growth when it comes to market cap.

So, if you like what you've seen out of Linton, Canopy Rivers and Canopy Growth may make for a solid one-two pot play that could catapult your portfolio into the stratosphere. If you're going to bet on marijuana, you might as well invest in the best managers.

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