



## Marijuana Investors: A TSX-Index-Exclusive Cannabis Play I'd Buy Right Now

### Description

It's important to be diversified when it comes to investing. The same could be said of the nascent cannabis industry, as it continues to evolve into an industry that consists of more than just the cultivation of cannabis. Cannabis producers may be enjoying [triple-digit growth numbers](#), but investors appear to be ignoring a vital cannabis sub-industry that could be next to take-off — distribution.

To gain exposure to cannabis distribution, one needs to look at physical retail stores in addition to robust e-commerce platforms.

Unlike [cannabis producers](#), there are fewer stringent regulations that prevent a firm from differentiating itself from the pack. As you may know, there's a lack of branding when it comes to legalized marijuana that's purchased from a retailer. The retailers themselves, however, are free to promote themselves and invest heavily in experiences to win over cannabis consumers.

### What's the best play for getting a good presence both on and offline?

Consider **Fire & Flower Holdings** ([TSX:FAF](#)), an Edmonton-based cannabis retailer with a small but growing presence and a robust e-commerce platform named Hifyre. The company is headed by a reliable management team led by its CEO Trevor Fencott, a former director and chief legal officer at Mettrum, who recently took to Reddit to answer questions from the community.

According to Fencott, Fire & Flower is on track to hit approximately 65 stores by summer 2020 in spite of recent product shortages. With a healthy balance sheet and a long-term time horizon, it appears that the company is ready to take on the cannabis retail market by storm with new locations to be opened across Alberta.

### What separates Fire & Flower from the pack?

Fire & Flower states that it's partnered with award-winning designers, groundbreaking tech experts, and all the sort to launch retail shops that are ready for the new era of brick-and-mortar retail. In other words, Fire & Flower has the right people to build experiential stores that'll keep patrons coming back.

Think **Apple** stores for weed.

Moreover, Fire & Flower is continuing to invest heavily in its e-commerce platform with the proceeds from **Alimentation Couche-Tard's** recent investment in the firm.

While I am encouraged by the Fire & Flower trajectory, Couche-Tard's small investment (with the option to grow it over time), I believe, is a massive vote of confidence that increases the cannabis retailer's probability of success by an enormous amount.

Couche-Tard doesn't mess around. It only makes deals in high-quality firms when it makes sense. While Couche-Tard is new to the world of cannabis retailer, I think it's paired up with one of the best players in the space. I believe the investment will be highly beneficial to both parties involved. Couche-Tard gets a foot in the door into cannabis retail, and Fire & Flower gains access to Couche-Tard's deep pockets and retail expertise.

Stay hungry. Stay Foolish.

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