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PSYCHEDELICS BUSINESS CANNABIS

7 Investment Tips from Kevin O'Leary, Who Says There's More Money In Psychedelics Than There Is In Cannabis

By Amanda Siebert On May 19, 2021

If you've watched him turn his nose up during cannabis-related pitches on Dragon's Den, you already know that reality TV star and venture capitalist Kevin O'Leary isn't a huge fan of the cannabis industry. cookies to improve your experience. We'll assume you're ok with this, but you can opt-out if you

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Recently, he compared it to the psychedelics space, and drew an interesting conclusion: “The potential of psychedelics far exceeds the potential of cannabis,” he said last week during a CNBC healthcare summit.

According to the news organization, O'Leary is taking a different approach to psychedelics than cannabis, telling viewers that he chooses to view the new proposed uses for what are still illegal drugs “pragmatically.”

O'Leary told summit attendees that the odds were better in the psychedelics space, where most are focused on medical issues such as treatment for mental health conditions. The fact that cannabis is still viewed as a recreational drug doesn't help investors, he said. He also noted that because cannabis is not yet federally legal, the potential for a serious return on his investments is lower.

“These opportunities have been ignored ever since the 1960s,” he said about psychedelics, noting that what interested him in the market initially was its size and scale.

It's no secret that O'Leary has invested in two major psychedelics companies, **MindMed** and **Compass Pathways**, both of which are conducting studies that look at the way psychedelics could potentially improve mental health conditions.

MindMed is currently focusing on LSD in three different clinical trials, looking at adult ADHD, anxiety, and substance use. Compass Pathways, on the other hand, is focused on psilocybin for treatment resistant depression.

“How often do you get to invest in something that's never been done before?” he remarked.

O'Leary told viewers that investors should pay particular attention to the psychedelics industry because it has been decades since new treatment options for mental health conditions have been approved. At the same time, he stressed that companies in the field are not risk-averse, and that the results of clinical trials could potentially lead to the tanking of a large, billion-dollar firm.

He also advised those interested in investing in psychedelic companies to diversify their bets, and said that he prefers to hold higher stakes in companies that are running more than one clinical trial. (This is why he has more money in MindMed than in Compass Pathways.)

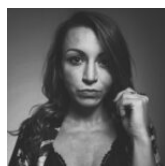
Overall, these were the takeaways from O'Leary for investors:

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1. If you're stuck between investing in cannabis or psychedelics, choose the latter
2. Be pragmatic
3. Look for companies with a medical focus
4. Consider size and scale
5. Know that no company is risk-averse
6. Diversify your bets
7. Choose companies with multiple clinical trials

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Amanda is a freelance multimedia journalist focusing on the intersections of business and culture in the cannabis and psychedelics industries. She is a co-founder and editor-in-chief at Inside the Jar, a growing independent publication focused on drug culture in Canada and the United States, and a regular contributor to Forbes and The Dales Report. Her first book, "The Little Book of Cannabis: How Marijuana Can Improve Your Life", was published by Greystone Books in 2018, and was named the #1-selling non-fiction cannabis book in the country in 2019. A follow-up, "The Little Book of Psychedelics," is in the works. Her byline has appeared in the New York Times, Vice, Leafly, Calgary Herald, Georgia Straight (where she received national and regional awards for her work), and CannCentral, among others.

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