



LIQUID ASSETS NEWSLETTER

SUMMER 2023

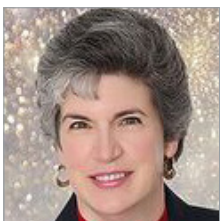


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Liquid Assets

noun | Origin: Latin

Definition of *liquid assets*

1. An asset that can easily be converted into cash in a short amount of time
2. The intrinsic value of an excellent bottle of wine

Earlier this month, I had the pleasure of visiting Southbrook Organic Vineyards in Niagara-on-the-Lake for a tasting. The sky was overcast, and a slight chill filled the air, but it didn't detract from the magnificence of the vines stretched out before me. Closing my eyes, I was enveloped by a symphony of birdsong, the distant hum of a tractor, and the cheerful chatter of fellow patrons. If you've never kicked off a Saturday this way, I highly recommend it.

Though no two vineyards are alike, Southbrook is especially unique in that they are Canada's first Demeter-certified biodynamic winery. Biodynamic winemaking is an approach to viticulture that goes beyond organic farming practices to incorporate additional principles and beliefs. Developed in the 1920s by Austrian philosopher and scientist Rudolf Steiner, biodynamic farming views the vineyard as a holistic and interconnected ecosystem, where the vines, soil, plants, animals, and even celestial forces, all play a role.

Winemakers like Southbrook's Ann Sperling embrace organic and biodynamic techniques in their vineyards not only to mitigate the environmental impacts of winemaking, but to ensure they are also crafting the best possible bottle of wine for their consumers.

The same concept can be applied to responsible – or Environmental, Social, and Governance (ESG) – investing. Selecting investments that are environmentally sustainable, socially responsible, and governed well may not only contribute to positive change, but they may also contribute to positive returns in your portfolio.

While ESG investing has recently become politicized, particularly in the U.S. (yes, Florida, I'm looking at you), it is, at its very core, an added layer of due diligence and risk management. By incorporating ESG criteria into investment analysis, investors can identify and mitigate risks associated with environmental and social issues such as climate change, resource scarcity, labour practices, and regulatory compliance. This approach helps investors make more informed decisions and potentially avoid companies that may face financial, reputational, or legal risks in the future.

While environmental and social "hot button" issues often dominate ESG discussions, governance issues, although less glamorous on paper, are integral to the concept. Good governance

practices help to ensure transparency, accountability, and ethical decision-making within organizations. A diverse composition of board members, accurate and timely disclosures, stakeholder engagement, and responsible executive compensation are some of the key tenets of good governance. By adopting these practices, companies can foster greater trust among investors and contribute to the long-term sustainability and success of their organizations.

Incorporating ESG criteria into our investment selection should not be seen as a mere “nice-to-have” but a necessity. Not only is there a global imperative to mitigate the effects of climate change, but numerous studies have also demonstrated that companies with strong ESG practices tend to outperform their peers over the long term.

Similarly, for mindful wineries like Southbrook, the commitment to environmentally conscious practices not only enhances sustainability but also yields higher-quality wines with more volume, texture, and ageing potential. They demonstrate that the pursuit of profitability and responsible practices can go hand in hand, fostering a better future for both the environment and the economy. In other words, you can have your Cava and drink it too! Together, we can make it happen. Cheers!

Emily Wood, Associate Wealth Advisor

Portfolio Review

This issue’s feature wine is Southbrook’s 2020 Saunders Vineyard Chardonnay. This hand-picked, single vineyard Chardonnay is exquisitely complex without being unapproachable. Even if you’re leery of oaked, or barrel-aged, Chardonnays, I encourage you to give this one a try. I assure you, no two-by-fours were harmed in the making of this wine.

Grape Varieties: 100% Chardonnay

Tasting Notes: Lemon curd, grilled pineapple, ripe Ontario peach, vanilla, baking spice

Suggested Pairings: Roasted chicken, baked brie, grilled salmon, corn on the cob

