PRIVATE WEALTH MANAGEMENT

PWM CONNECT

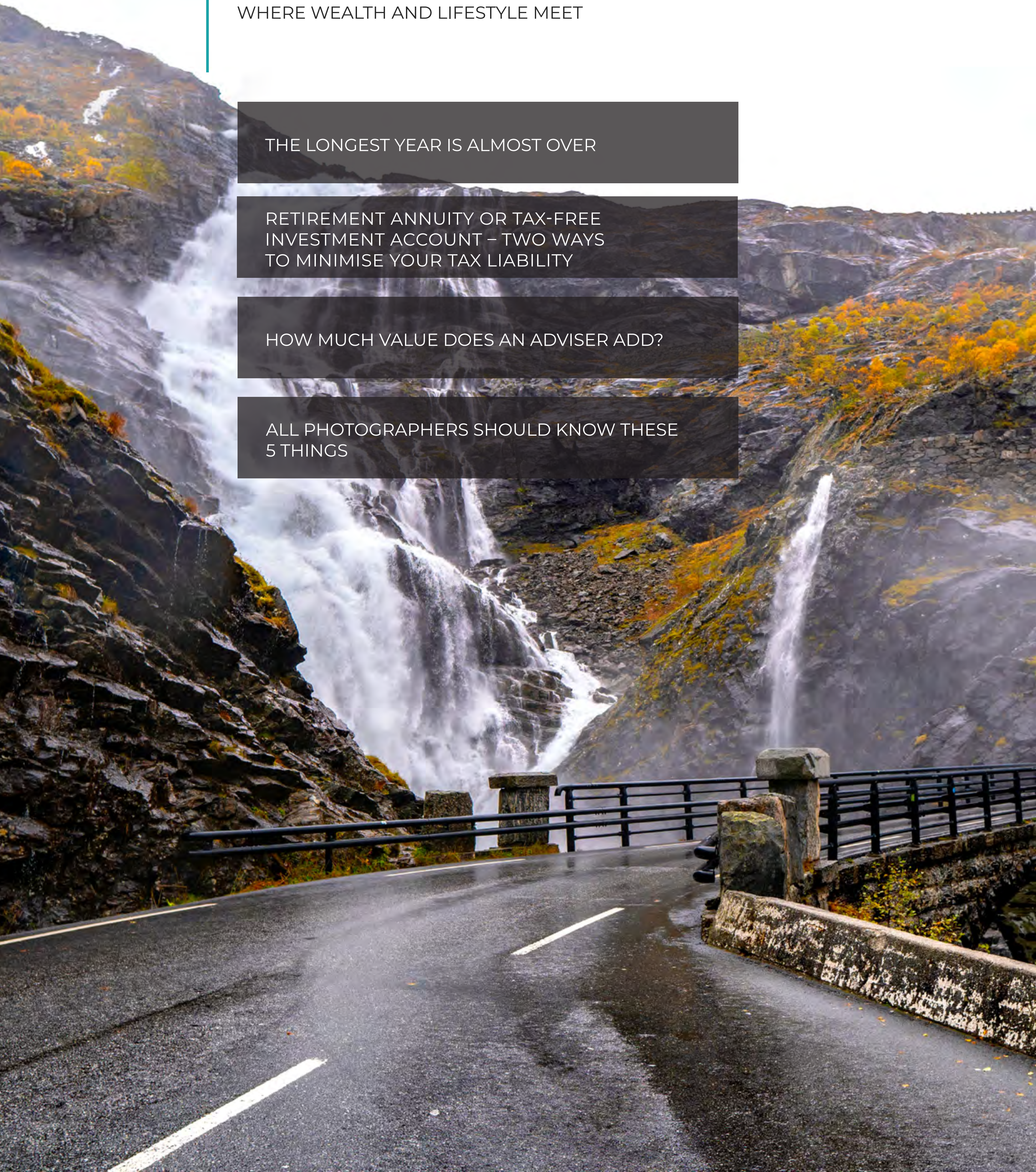
WHERE WEALTH AND LIFESTYLE MEET

THE LONGEST YEAR IS ALMOST OVER

RETIREMENT ANNUITY OR TAX-FREE INVESTMENT ACCOUNT – TWO WAYS TO MINIMISE YOUR TAX LIABILITY

HOW MUCH VALUE DOES AN ADVISER ADD?

ALL PHOTOGRAPHERS SHOULD KNOW THESE 5 THINGS



WHAT'S INSIDE

A WORD FROM RUDOLPH

2020 has certainly been a challenging year for most of us. The impact of Covid-19 on the local and global economies, the increase in the unemployment rate, socio-economic issues and the ongoing drought in certain areas of our country are only a few of the challenges which we had to face this year.

Most people would like to close the chapter on 2020 and would hope not to deal with a repeat of the implications brought about as a result of the pandemic in the future. The unprecedented coronavirus pandemic has caused changes in mindset, attitude, direction, and behaviour for all organisations. On the positive side, Covid-19 taught us many valuable business and life lessons. It taught us how important it is to be comfortable with change and to be willing to "shift gears" when necessary. The virus also emphasised the importance of technology in the way we do business and manage relationships. In a strange way it also brought people and teams closer together. This is certainly true for PWM.

As stated in the previous communication, PWM transitioned to a PTY structure just before the "hard lockdown" was introduced. Despite this, and the challenges it brought, I am pleased to confirm that we have experienced yet another extraordinary year as a business. The following quote by Patrick Lencioni aptly describes the success of PWM during this very difficult period:

"Not Finance, Not Strategy, Not Technology.
It is teamwork that remains the ultimate competitive advantage, both because it is so powerful and yet so rare."

It is vitally important for all of us to take some well-deserved time off during this holiday season. Recharge, refocus and take your mind off the stresses of your day-to-day lives by spending quality time with your loved ones. The team at PWM will certainly do this.

I would also like to encourage you to make some time, just before you close the door on 2020, to re-evaluate your personal and financial priorities. Do this to ensure you are on track to achieving your financial goals. Speak to your financial planner to make sure your plan is aligned to your goals.

I am pleased to inform you that our Category I Financial Services Provider licence has been approved by the Financial Sector Conduct Authority (FSCA). We are now in a process of operationalising the structure by entering into distribution agreements with our preferred solution provider partners. This is a major step in the right direction, as it will afford us the opportunity to further enhance our product and investment offering to you. We are still in the process of obtaining our Category II licence for PWM Wealth Management (Pty) Ltd. I am excited to confirm the appointment of Andrew Whitewood as Managing Director and Andrew Salmon as Chief Investment Officer of PWM Wealth Management (Pty) Ltd. Our aim is to have a fully functional and operational Cat II FSP by mid-year 2021. I will keep you posted on the progress made.

In this edition, make sure you read the article on how to minimise your tax liability by investing in a Retirement Annuity or a Tax-Free Investment Account. Izak Odendaal, Investment Strategist at Old Mutual Multi-Managers, shares his view on 2020 and highlights various factors which had a vast impact on the global and local economies. We've also included an article about the value of financial advice and the value added by having a financial planner.

I would like to wish all of you a relaxed and wonderful festive season with your loved ones. May we all return with renewed strength and excitement to face the year that lies ahead.

Thank you for your ongoing support; it is truly appreciated and valued.

Happy holidays!
Rudolph van Eck
CEO

THE LONGEST YEAR IS ALMOST OVER

By Izak Odendaal | Investment Strategist | Old Mutual Multi-Managers

This year has definitely been one for the history books. The US National Oceanic and Atmospheric Administration assigns major Atlantic storms' names each year, starting with the letter A and ending with the letter W (there are not enough options for X, Y and Z) and alternating between male and female names. Famous storms include Andrew, Katrina and Rita. In most years, the letter W is not even reached, but this year, they ran out of names and have had to resort to using Greek alphabet letters for only the second time in history. Hurricane Iota, a Category 5 storm, recently became the 30th named storm for the year.

2020 started on an inauspicious note with apocalyptic wildfires raging in Australia. Then a mere 48 hours after New Year's Day, the assassination of Iranian General Qasem Soleimani by a US drone strike had social media abuzz with talk of World War 3.

THE OTHER STORM

Of course, none of this compares to the global devastation wreaked by the coronavirus that causes Covid-19. The pandemic has destroyed lives and livelihoods on an unimaginable scale.

Never before has the global economy taken such a blow. Most countries went into lockdown in the first half of the year to prevent the spread of the coronavirus, shutting down whole industries. Never before have governments spent so much money to cushion households and businesses against the blow of a recession. Interest rates in most developed economies have fallen to zero, and in some cases, below zero.

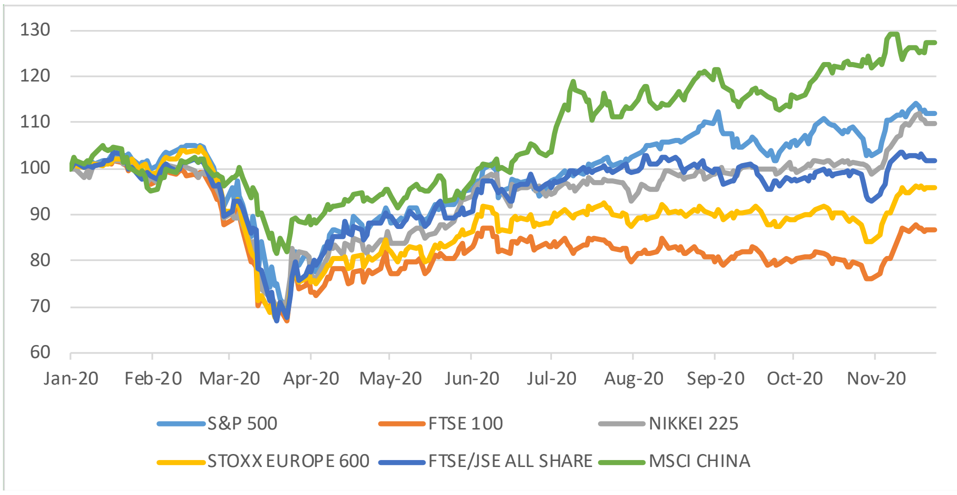
Never before in peacetime have so many millions of workers had to change their daily routine. Office buildings have emptied out as people worked from home. The transition went surprisingly well and for many, this will become a permanent arrangement. Similarly, the new hygiene habits we have all learned could stay with us forever.

Business models had to change overnight. Some businesses have gone from strength to strength, especially those who operate and sell online. For others, especially in tourism and other face-to-face businesses, the recovery could be very slow. Some business models might never recover.

MARKET ROLLERCOASTER

The market rollercoaster was also historic. The collapse in global equities in March was the quickest bear market on record. Central banks stepped in with unprecedented stimulus measures to backstop financial markets. They did more in a few weeks than during the whole of the 2008/09 Global Financial Crisis. For many benchmarks, the subsequent recovery was also the fastest. Trying to time this would have been near impossible. Things happened too quickly. Remaining invested throughout the turmoil of this year has been the right approach, providing your portfolio was sufficiently diversified – because while some asset classes and sectors did well, others struggled.

CHART 1: GLOBAL EQUITY BENCHMARKS IN 2020 (LOCAL CURRENCY)

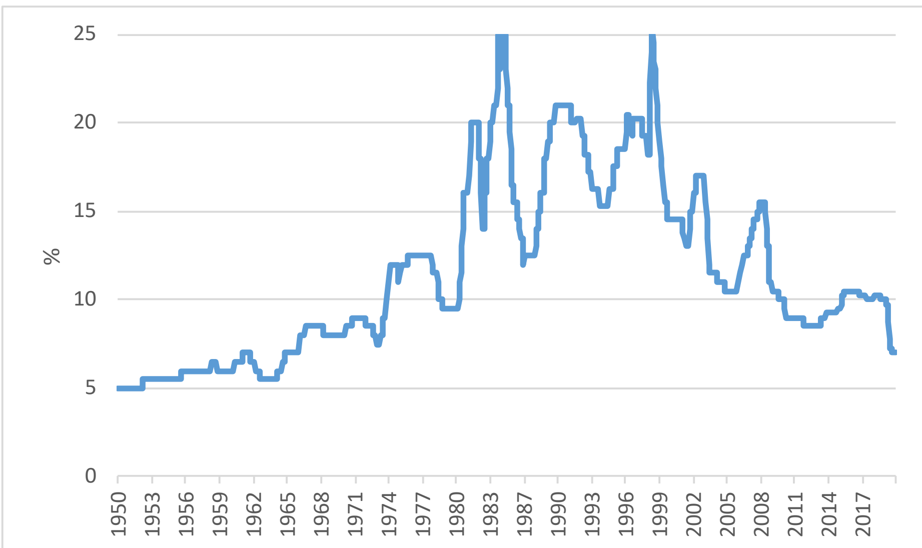


SOURCE: REFINITIV DATASTREAM

The unique feature of Covid-19 is how it hits some people like a ton of bricks, while others don't even know they are ill. It can be deadly to one person and harmless to another. In the same way, the economic and societal impact is also uneven. Some are largely unaffected, especially skilled workers in the knowledge economy who can work from home. Some, especially in the high-tech fields, are better off. But many have seen their dreams interrupted or livelihoods destroyed. Unfortunately, it has largely been the case that those who were struggling economically before Covid-19 were hardest hit. Inequality is a pre-existing condition that has been worsened by the pandemic.

Another pre-existing condition in South Africa was low economic growth (in fact, we were already in a recession towards the end of 2019), and high and rising levels of government debt. As a result, South Africa lost its last investment grade credit rating when Moody's gave us the chop to junk status. As a result, South African government bonds were excluded from the FTSE World Government Bond Index. Many thought that this would be catastrophic. And yet life has gone on. Interest rates have declined, not increased, and the prime rate is at a 50-year low. Inflation is close to the bottom end of the SA Reserve Bank's target range. The rand has recovered most of its losses. And the JSE has been remarkably resilient, given everything that has happened this year.

CHART 2: PRIME OVERDRAFT RATE %



SOURCE: SA RESERVE BANK

Government has put a plan on the table to increase long-term economic growth and to reduce borrowing. Given Government's poor track record with implementing plans, scepticism is warranted, but these are steps in the right direction. The arrests of several high-profile individuals on corruption charges are also a sign that the wheels of justice are starting to finally turn.

The most recent historic event has been the election of Joe Biden as US President with Kamala Harris being the first woman to become Vice President. It is interesting that female leaders of countries tended to fare much better in handling the pandemic this year. The US, notably, has handled the virus poorly. Donald Trump has refused to concede, but it is hard to see how he can avoid the inevitable. While he has many fans, and in fact won several million more votes in 2020 than in 2016, investors will not miss his shoot-from-the-hip style and volatile impact on markets. We therefore face the prospect of a calmer year ahead when it comes to relations between the US, its allies, its foes and its emerging rival superpower, China.

A SHOT IN THE ARM

The race to develop a vaccine has also been historic. The timescale for vaccine development has been compressed from years to mere months. So far, candidate vaccines developed by Pfizer and BioNTech, Moderna and AstraZeneca have proven very effective in preventing infections. If they receive official approval before year-end, they can start making a difference early next year, initially in Europe and North America. The logistical challenges associated with mass production and distribution are substantial. However, other promising vaccines are also in the pipeline, and could also be ready for mass production during the course of next year. The more options there are, the quicker a large enough portion of the global population can be immunised to prevent further major outbreaks. At least one candidate, developed by Johnson & Johnson, will likely be produced by Aspen in South Africa if it receives the official go-ahead. Perhaps we won't be too far behind in the queue. Until then, social distancing, masks and hand washing will have to remain part of our daily routines, especially going into the festive season when friends and family will be congregating after a tough year.

I am therefore reminded of Winston Churchill's speech after the defeat of German forces in the battle of El Alamein in November 1942. He said that the battle did not mark the end. "It is not even the beginning of the end. But it is, perhaps, the end of the beginning." He was right. Although victory against the Nazis seemed a given at that point, it would still be a further two-and-a-half gruelling years off. The good news is that now, as was the case then, there is light at the end of the tunnel. We can start to reimagine a return to concerts, test matches and overseas holidays.

FAILING TO PLAN IS PLANNING TO FAIL

It is safe to say that 2020 did not turn out as planned for any of us. Looking ahead to 2021, there might be a widespread reluctance to make any firm plans. However, planning still needs to happen for the next year and beyond. This includes financial plans, of course. The trick will be to include a measure of flexibility in the plans, but also greater robustness. And then the hard part is always sticking to the plans, even when the stress hormones are released and the fight-or-flight instinct kicks in. Despite the historical tumult of 2020, staying invested – sticking to the plan – has worked out remarkably well.

TAX PLANNING

RETIREMENT ANNUITY OR TAX-FREE INVESTMENT ACCOUNT – TWO WAYS TO MINIMISE YOUR TAX LIABILITY

By Spencer Marshall | Financial Planner | PWM Bryanston

One of my older clients was terrified of the taxman. She would often tell me the story of Al Capone, who was jailed not for being the boss of one of the most notorious gangs of all time, but on charges of tax evasion.

She would get really anxious on the 1st of July each year (when tax season opened) and would diligently contact her Accountant to check if her tax return had been submitted. She was convinced that if she did not do her return on time she would end up in jail, just like Al Capone.

She was, of course, 100% correct – tax evasion is illegal and a criminal offence which can result in either a hefty fine or imprisonment.

Examples of tax evasion include, but are not limited to, the falsification of information in an income tax return, a cash business failing to report the full amount of its income received, or a business claiming a deduction for an expense it did not incur or pay.

Tax efficiency, on the other hand, is a legal way for a taxpayer to minimise their tax liability and is the focus of this article.

Every year around this time – ahead of the tax year-end on 28/29 February – we remind our clients to consider taking advantage of some of the incentives Government has put in place to encourage us to save. We repeat this message every year to remind them of the products on offer if they want less of their hard-earned money and savings to land up in the hands of the taxman.

Two of the most tax-efficient investments are the good, old-fashioned Retirement Annuity and the much newer Tax-free Investment Account (which was introduced in 2015).

From a financial planning perspective, we recommend that clients fully utilise the tax benefits a retirement annuity has to offer before investing any excess amounts in a tax-free savings account. However, this advice can differ depending on personal circumstances.

RETIREMENT ANNUITIES

SARS offers an incentive to save for your retirement in the form of a retirement annuity (RA).

The law permits you to invest up to 27.5% of the higher of taxable income or remuneration, restricted to an amount of R350 000 p.a., into your RA, pension or provident fund and allows you to deduct the contributions from your taxable income, thereby reducing your tax liability.

Note: Any contributions made by your employer to your retirement fund must be included in the 27.5%.

If you have not reached these limits, you have until the end of February 2021 to take advantage of this tax saving in the 2021 tax year.

PRACTICAL EXAMPLE

John D is 52 years old and earns an annual salary of R1 million. John contributes R14 400 p.a. to a retirement annuity and R75 000 p.a. to his company pension fund. His employer also makes an annual contribution of R50 000 to his pension fund. (The employer contribution is seen as a fringe benefit and is added to John's gross taxable income.)

John is considering making an additional lump sum contribution to his RA before the end of the tax year, in order to utilise his maximum allowable tax deduction, and wants to know how much more he can contribute and how much tax he will save.

John's remuneration for the year of assessment is calculated as follows:

Salary	R1 000 000
Employer contribution to pension fund	R 50 000
John's gross taxable income	R1 050 000
Maximum allowable contribution	27.5% x R1 050 000 = R288 750

John is allowed to contribute a maximum of R288 750 to his RA and pension fund in the current year of assessment (he is within the R350 000 cap).

He is currently contributing R139 400 p.a. towards retirement savings and can contribute an additional R149 350 for the year.

This additional lump sum contribution will reduce John's tax liability by R61 233 (based on his marginal tax rate of 41%). So, essentially, his R149 350 lump sum investment is only costing him R88 116.

As an added incentive, growth is free of dividends tax, income tax on interest and capital gains tax when investing in a retirement annuity. A portion of this tax saving could then be reinvested into a tax-free investment account, which offers additional tax saving benefits.

TAX-FREE INVESTMENT ACCOUNTS

Tax-free investment accounts were introduced in South Africa on 1 March 2015, to encourage South Africans to save more. They offer a very low pricing structure, plus growth is free of dividends tax, income tax on interest and capital gains tax. A further benefit is that you can access these funds at any time.

Currently, you are permitted to contribute a maximum of R36 000 per tax year with a maximum contribution of R500 000 over your lifetime – if you exceed either of these two parameters a penalty will be levied. The deadline for contributions for the 2021 tax year is 28 February 2021.

The benefits can be considerable over time and a tax-free savings account can make a valuable and flexible addition to your retirement income.

Over and above the tax advantages offered by these two products, it is important to be aware of the annual exemptions and exclusions offered by SARS on your discretionary savings.

South African sourced interest received by natural persons:

Persons under 65 years	R23 800
Persons aged 65 years and older	R34 500

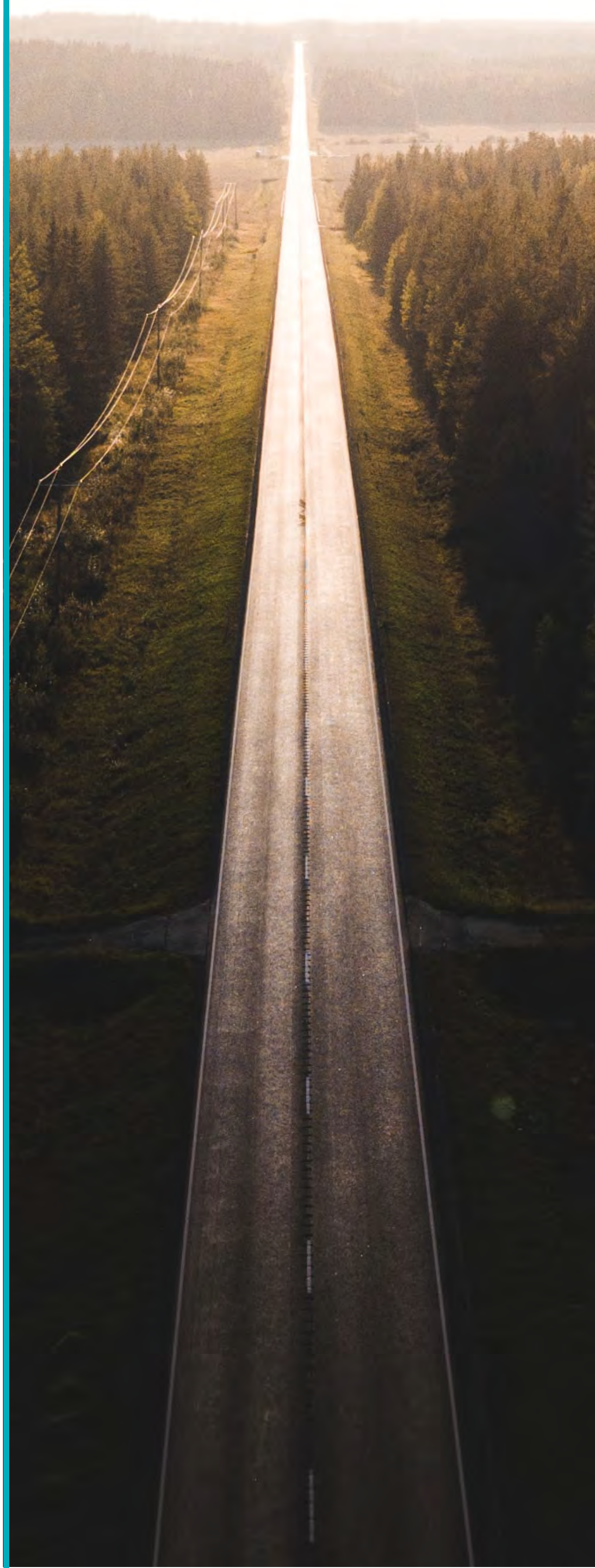
Capital Gains Tax annual exclusion:

Natural persons	R40 000

Next time you sit down with your financial planner, don't forget to ask him or her to have a look at your overall investment portfolio and to assist you in structuring it in such a way that you take maximum advantage of the above tax incentives, and remember...

"Death, taxes and childbirth! There's never a convenient time for any of them."

— Margaret Mitchell, Gone with the Wind



HOW MUCH VALUE DOES AN ADVISER ADD?

By Stanley Tordiffe | Financial Planner | PWM Cape Town

One of the greatest strengths we have as financial planners is to empower individuals to live the richest lives they can within their given resources, in best optimising their finances to help them achieve their life goals and ambitions.

When presenting clients with their lifestyle financial plans where we include their life scenario analysis (whale graphs), my experience is that it often gives great satisfaction to the individual to know how long their funds will last deep into retirement, after having mapped out their scenario tailored to their personal spending priorities.

Financial planners add far more value than what is evidenced in an annual investment statement. By better aligning your finances to your values, you are placed in an optimal position to reach your life goals. In addition, tax strategies and advantages that you may be unaware of could be utilised, asset allocations rebalanced, and general but silly material mistakes avoided. Mistakes never happen without the best intentions, but rather when we don't understand the consequences of our actions that may only follow years later.

Nevertheless, when initially deciding to get financial advice, one first needs to gain an understanding and develop a conviction of the financial benefit that can be derived.

The first meaningful and comprehensive study on this topic was conducted in 2001 by Vanguard in the US. The findings were that, on average, clients gained the benefit of approximately 3% per annum (net after all fees) to their overall worth.

Furthermore, a more recent study in the UK has just been concluded by the independent agency International Longevity Centre UK. The design was rather simple: take a long-term view of individuals with and without advisers, and then compare the growth in their overall net worth. Over 90 000 UK residents were included in the study.

An overview of these studies is given below.

VANGUARD STUDY IN THE US

In creating the Vanguard Advisor's Alpha (how much measurable value is added by an adviser) concept in 2001, they outlined how advisers could add value, or alpha, through relationship-oriented services such as providing cogent wealth management via financial planning.

They have regularly updated this report and their research shows that, overall in the US, individuals are better off by 3% per annum.

Vanguard added: "Based on our analysis, advisors can potentially add 'about 3%' in net returns by using the Vanguard Advisor's Alpha framework. Because clients only get to keep, spend, or bequest net returns, the focus of wealth management should always be on maximizing net returns.

"It is important to note that we do not believe this potential 3% improvement can be expected annually; rather, it is likely to be very lumpy. Furthermore, although every advisor has the ability to add this value, the extent of the value will vary based on each client's unique circumstances and the way the assets are actually managed, versus how they could have been managed."

INTERNATIONAL LONGEVITY CENTRE UK: THE VALUE OF FINANCIAL ADVICE

This new research report, conducted in the UK by the International Longevity Centre UK, found that those who received financial advice in the 2001-2007 period had accumulated significantly more liquid financial assets and pension wealth than their unadvised equivalent peers by 2012-14.

'The Value of Financial Advice', produced by ILC-UK with the support of Royal London, analysed data from the largest representative survey of individual and household assets in Great Britain, the Wealth and Assets Survey. It found that, even allowing for the fact that some groups are more likely to seek advice than others, those who received financial advice in the 2001-2007 period did better than an equivalent group who did not receive such advice, by 2012-14.

The report examines the impact of financial advice on two groups, the 'affluent' and the 'just getting by'. The 'affluent' group consists of a wealthier subset of people who are also more likely to have degrees, be part of a couple, and be homeowners. The 'just getting by' group consists of a less wealthy subset who are more likely to have lower levels of educational attainment, be single, divorced or widowed and be renting.

'The Value of Financial Advice' found that:

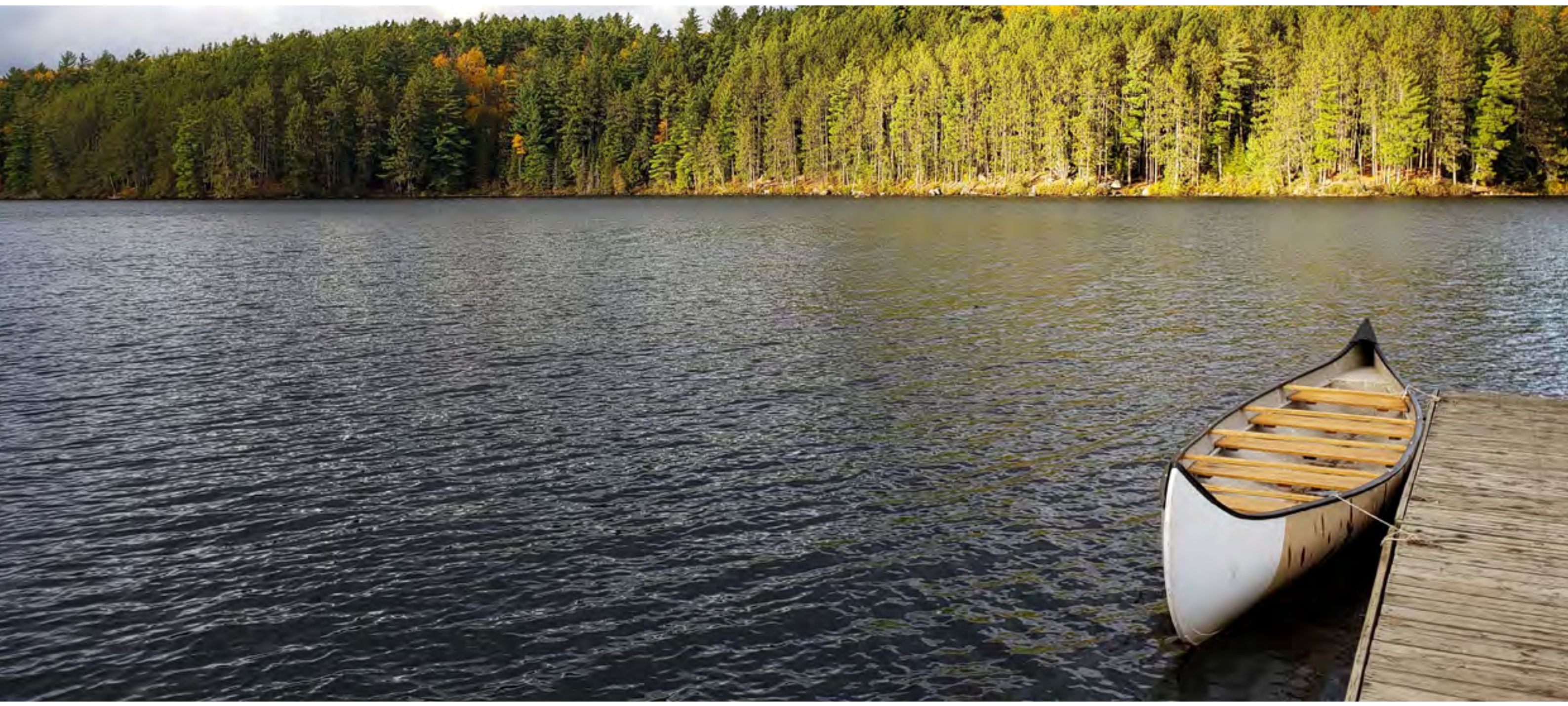
- The 'affluent but advised' accumulated on average £12,363 (or 17%) more in liquid financial assets than the 'affluent and non-advised' group, and £30,882 (or 16%) more in pension wealth (total £43,245).
- The 'just getting by but advised' accumulated on average £14,036 (or 39%) more in liquid financial assets than the 'just getting by but non-advised' group, and £25,859 (or 21%) more in pension wealth (total £39,895).

The report also found that financial advice led to greater levels of saving and investment in the equity market:

- The 'affluent but advised' group were 6.7% more likely to save and 9.7% more likely to invest in the equity market than the equivalent non-advised group.
- The 'just getting by but advised' group were 9.7% more likely to save and 10.8% more likely to invest in the equity market than the equivalent non-advised group.

Those who had received advice in the 2001-2007 period also had more pension income than their peers by 2012-14:

- The 'affluent but advised' group earned £880 (or 16%) more per year than the equivalent non-advised group.
- The 'just getting by but advised' group earned £713 (or 19%) more per year than the equivalent non-advised group.



The report found that 9 in 10 people are satisfied with the advice received, with the clear majority deciding to go with their adviser's recommendation.

Despite the advantages of receiving advice, only 16.8% of people saw an adviser in the years 2012-2014. Indeed, 'The Value of Financial Advice' found that even amongst those who took out an investment product in the last few years, around 40% didn't take advice, rising to 78% of people who took out a personal pension.

After controlling for a range of factors, 'The Value of Financial Advice' concluded that the two most powerful driving forces of whether people sought advice were whether the individual trusts an independent financial adviser to provide advice, and the individual's level of financial capability.

Therefore, the report makes a series of recommendations to raise demand for financial advice, including:

- Using advice to support the auto-enrolled – there is a duty on employers to ensure staff can access the best information and advice on their pensions.
- Mandating default guidance for those seeking to access their pension savings – to ensure people can get crucial information in a complex marketplace and avoid worst outcomes.
- Helping to create informed consumers through continued development and rolling out the pensions dashboard.
- Ensuring regulators continue to place emphasis on access to independent financial advice.

Ben Franklin, Head of Economics of Ageing, ILC-UK said:

"Our results show that those who take advice are likely to accumulate more financial and pension wealth, supported by increased saving and investing in equity assets, while those in retirement are likely to have more income, particularly at older ages.

"But the advice market is not working for everyone. A high proportion of people who take out investments and pensions do not use financial advice, while only a minority of the population has seen a financial adviser. "Since advice has clear benefits for customers, it is a shame that more people do not use it. The clear challenge facing the industry, regulator and government is therefore to get more people through the 'front door' in the first place."

Sir Steve Webb, Director of Policy, Royal London said:

"This powerful research shows for the first time the very real return to obtaining expert financial advice. What is most striking is that the proportionate impact is largest for those on more modest incomes.

"Financial advice need not be preserved for the 'better off' only, but can make a real difference to the quality of life in retirement of people on lower incomes as well. The evidence shows that when people take advice they are overwhelmingly satisfied and benefit as a result. More needs therefore to be done to overcome the barriers to advice."

Sources:
The value of financial advice - A Research Report from ILC-UK July 2017
Putting a value on your value: Quantifying Vanguard Advisor's - Alpha® (2001) - Vanguard research September 2016

COMPANY NEWS

By Paul Steven | Portfolio Manager | Old Mutual Wealth Private Client Securities

ALTRON REPORTED SOLID RESULTS

Altron reported solid interim results to the end of August 2020. Revenue for the period was up 7% to R9.1bn, largely due to a strong performance from the group's UK operations (Bytes UK), which continued to enjoy strong tailwinds from enterprise digital transformation in the region. Along with the results, management disclosed a plan to categorise several of their businesses as non-core and held for sale, as they are no longer aligned with the group's long-term strategy. Excluding these discontinued operations, revenue for the period was up 14% and earnings before interest, tax, depreciation and amortisation (EBITDA) grew 17% to R883m. A dividend of 33c per share – an increase of 14% from the prior year – was declared.

Management also provided details on their previously announced intention to unbundle and separately list Bytes UK, which contributed over half of the group's earnings. The board has set a minimum offer price of £450m for Bytes UK. This offer price represents around 90% of Altron's current market price, which points to significant value unlock, should the unbundling and separate listing be successful. According to management, early discussions with potential Bytes UK shareholders have been positive.

NASPERS AND PROSUS ANNOUNCED A SHARE BUYBACK SPLIT

Naspers and Prosus announced a US$5bn share buyback to be split US$1.4bn to Prosus and US$3.6bn to Naspers using cash resources held at Prosus. At current share prices, it is estimated that the group will buy back 4.5% of Naspers and 1% of Prosus shares. This should provide some relief to the group's widest ever discount on a look-through basis. The buyback will reduce Prosus's net cash balance to zero and will not materially change Naspers's 72.5% holding of Prosus. This move highlights the limited merger and acquisition opportunities for the group after its failed acquisition attempts of Just Eat and eBay. It also highlights the value the group sees in its own portfolio at the current discount levels. Post the share buyback, Prosus will own around 4.5% of Naspers.

ALL PHOTOGRAPHERS SHOULD KNOW THESE 5 THINGS

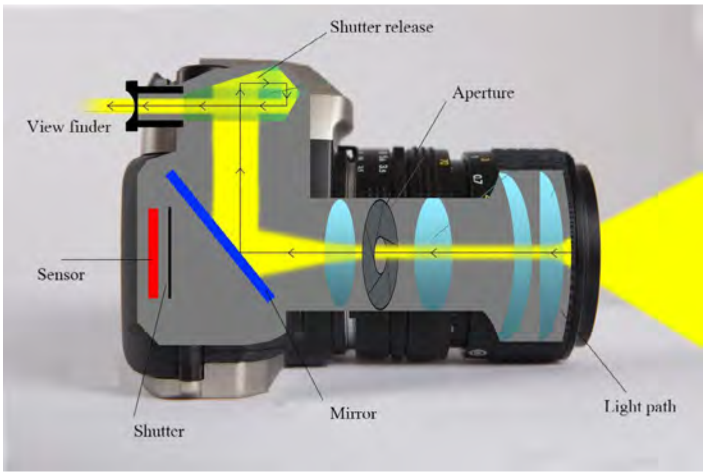
By Jess Semple | ORMS Cape Town

Want to get off auto and start taking control of your camera's full manual functionality? We know this can be an intimidating journey: you need to know how your camera actually works, what all the different modes and settings mean, and have a comprehensive understanding of how you can be creative with those settings. Luckily, we can make this seemingly mammoth task a bit simpler by offering our list of the top 5 things all beginner photographers need to know. This is definitely not a comprehensive list, but it is enough to get you started!

1. Know what photography actually is, from a technical standpoint.

   If we break it down into its simplest technical functionality as is relevant nowadays, photography can be described as focusing a source of light onto a light-sensitive material. This definition may sound cold, clinical and soulless, but it is a solid starting point for us to explain how digital photography works.

   The lens on the front of a camera focuses and directs the light into the camera's body. With digital cameras, this light then falls onto the camera's digital sensor. This sensor captures the light, records it, and it is then processed into the information that makes up a digital image as we know it.



2. Learn digital photography's roots.

   If we hop in a time machine and go back a few decades, we would find rolls of film in place of a digital sensor. Film is sensitive to light due to the chemicals that it is coated in, and when it encounters the light that travels through a lens it, like a sensor, records that light in the form of an analogue image.

   While film is certainly old-school, it is definitely here to stay, with many individuals returning to analogue photography as a medium. Find out why so many people are switching back to film photography in this video on OrmsTV, or learn how you can easily start shooting analogue today, even if you are an absolute beginner!

3. Understand the difference between how DSLRs and mirrorless cameras work.

   In our modern era, you will generally encounter two main types of cameras: DSLRs and mirrorless cameras. Let's talk about the differences between the two.

   DSLR stands for Digital Single-Lens Reflex and the term comes from the analogue world, where film cameras are described as being 'Single-Lens Reflex' in nature. As light enters the lens on a DSLR, it passes through the aperture and reaches a mirror towards the back of the camera. This mirror reflects the light up into a pentaprism, which flips the light from being upside-down to right way around, and then the light is viewable through the appropriately named 'viewfinder'.

When the photographer wants to take a photo, they press a button to release the shutter, a mechanism that flips the mirror out of the way of the camera's sensor, allowing the light to hit the camera's sensor, exposing an image according to the settings you have inputted into the camera. The sensor, in conjunction with the camera's processor, then manipulates the exposure into a digital image that is saved onto the internal storage device (such as a memory card) inserted into the camera.

If you examine the diagram of a mirrorless camera below, you will see that it shares most of the features present in a DSLR, with the exception of a mirror (hence the name 'mirrorless').

Instead of the light being reflected by a mirror into a pentaprism and then into the viewfinder, with mirrorless cameras, the light falls directly onto the camera's sensor. The camera's processor interprets the light on the sensor, and the photographer can view the resulting image via the EVF (Electronic Viewfinder) before it is even actually taken and recorded onto the memory card. This image will look exactly the same in the viewfinder as it will when it is captured, saved and then viewed in the camera's media playback.

4. Learn what all the symbols on your camera's mode dial mean.

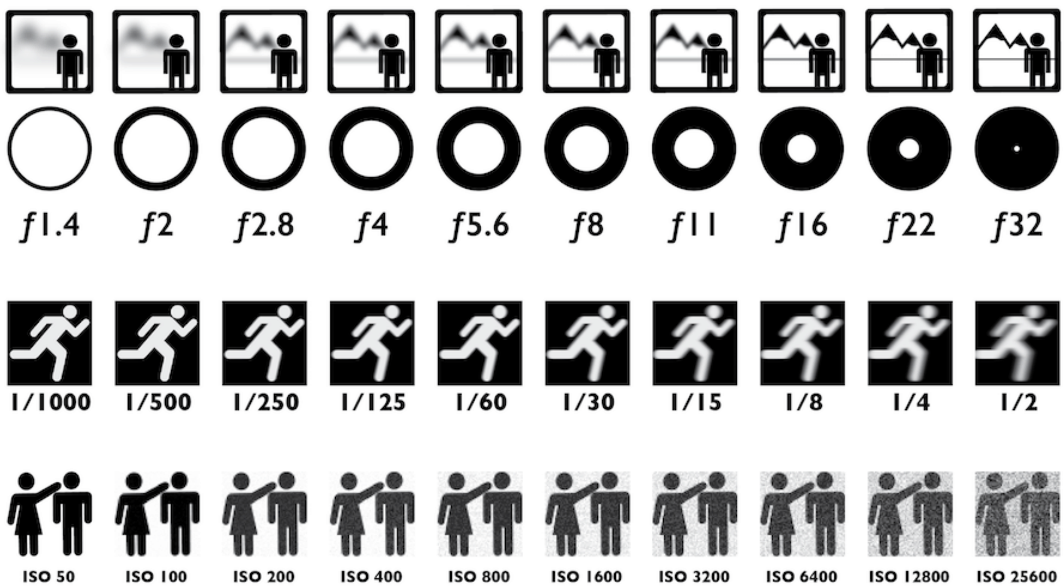
   Upon examining most digital cameras, you should notice a 'mode dial' located on the top panel. Each of these modes will focus the camera's various functionalities towards a different type of shooting. Anything with an 'A', a 'P', an 'S' or small symbols indicates an 'auto' mode where the camera has most of the control over the exposure settings. 'M' is the mode in which you should eventually be shooting: manual, where you as the photographer have full control over all the settings.

5. Understand how the exposure triangle works and what creative applications your exposure settings possess.

   Let's break down our exposure settings as succinctly as we can.
   Aperture: The aperture is a controllable opening in the lens made up of multiple blades. It works the same way as our eyes do: opening up in dark conditions to let in more light and closing down in bright light to let in less light. It is measured in f-stops, with smaller numbers indicating a wider opening and larger numbers designating smaller openings.

   Shutter Speed: Shutter speed refers to how long the shutter stays open, exposing your sensor to the incoming light. It is measured in fractions of a second. 1/1000th of a second is a faster shutter speed (allowing light in for a shorter amount of time), while 1/15th of a second is a slower shutter speed (letting light in for a longer period of time).

   ISO: This parameter comes from the days of analogue when film types had different chemical sensitivities to light. ISO is the digital equivalent. The ISO number determines the sensor's sensitivity to light due to increased or decreased electrical current running through the sensor at a given time, causing more or less light sensitivity. Lower numbers like 100, 200, etc. designate a decreased sensitivity (i.e. more light required due to a lower electrical current), while higher numbers such as 3200, 6400 and even up into the tens of thousands require less light, as the sensor is more sensitive to light.



Of course, these simple exposure settings also have amazing creative functionality. If you would like to learn more about that, you can read this detailed blog post.

In Summary

We hope that introducing you to these foundational principles of photography will enrich your understanding of the art form and give you a solid jumping off point for further study and creative experimentation. Don't feel like you need to obtain an expert grasp of all of these factors immediately: take it slow and enjoy the process of learning. Happy snapping!

LIFESTYLE EVENTS

COVID-19 IMPACT – LARGE GATHERINGS AND EVENTS ARE POSTPONED UNTIL FURTHER NOTICE.

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