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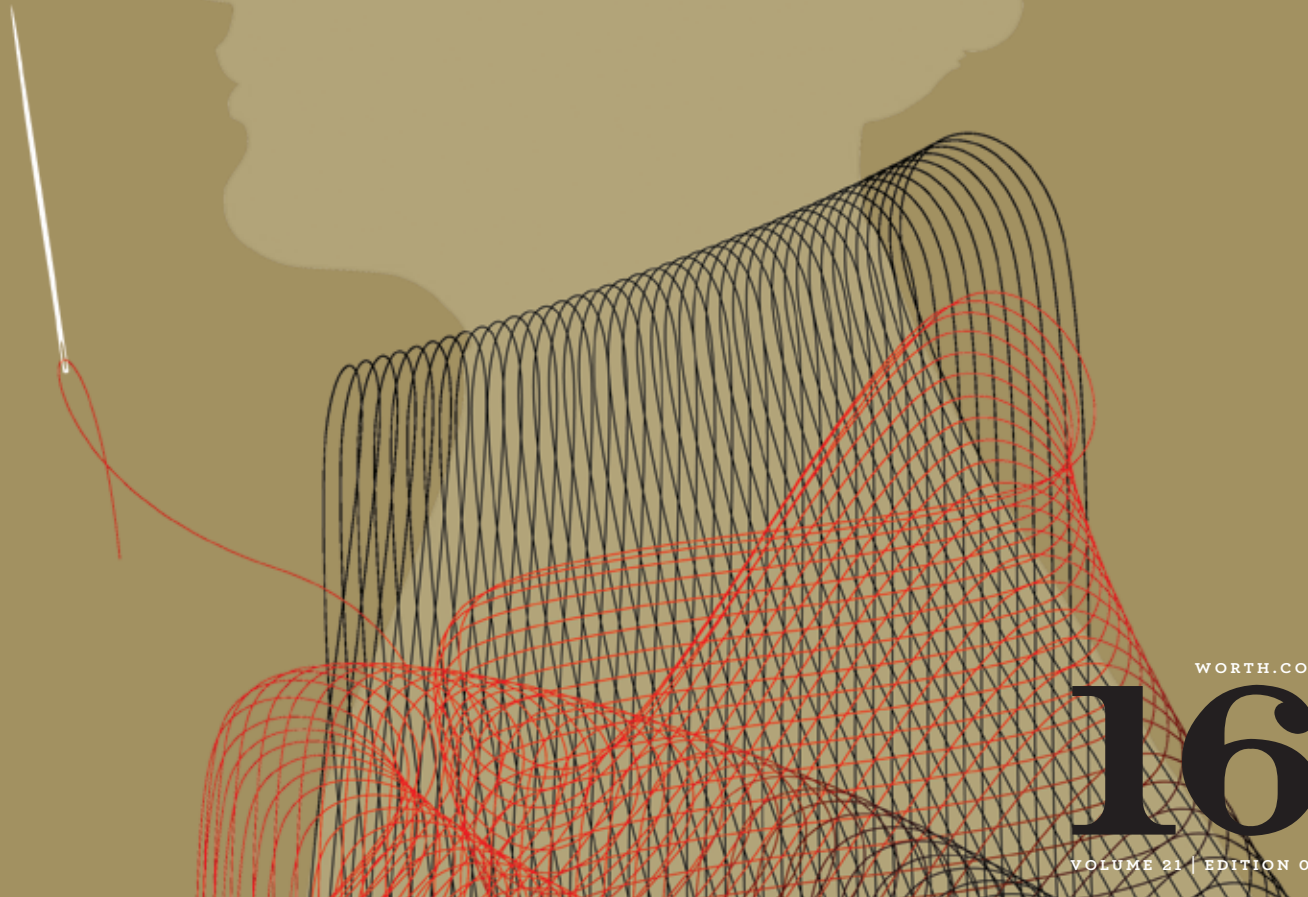
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Los Angeles—Orange County, CA | **Leading Wealth Advisor**

**Signature Estate & Investment Advisors LLC**

Vince A. DiLeva, MS, CFP®, AIF®, Senior Partner

# “When it comes to annuities, do the pros outweigh the cons?”

By Vince A. DiLeva

**While all investments have pros and cons, for some reason annuities get less positive press than other alternatives.** If you are looking for ways to potentially protect your retirement income you may want to consider whether an annuity would be suitable for your unique needs and circumstances.

## **ANNUITIES: THE PROS**

Annuities are long-term contracts between an individual investor and an insurance company designed to help one save, grow and protect retirement assets. Annuities may either be immediate or deferred. Additionally, an annuity may either be fixed or variable.

An immediate annuity is a fixed annuity purchased with a single payment, and it has a specified income payment plan which usually starts anytime within the following 12 months. Distributions for fixed immediate annuities are tied to interest rates and mortality tables, so they are best used when interest rates are high to maximize the income you receive.

Deferred annuities provide tax-deferred growth while you are earning money and putting it aside. You do not start the distribution phase until you retire. Deferred annuities can either be fixed or variable. One can choose a fixed annuity in which the insurance company pays a fixed interest rate and guarantees\* both the principal and earnings. Alternately,

one can choose a variable annuity in which a portion of one's principal is allocated to sub-accounts that may allow for a more diversified portfolio. Variable annuities are sold by prospectus—available from your financial professional—which outlines both the features and costs. It should be read carefully before investing.

A variable annuity with a guaranteed income rider (an optional benefit available for an additional cost) provides a guaranteed\* income stream for the rest of your life, which is appealing to those who may not have an employer-sponsored pension. Today, pensions are becoming rare for the American worker. For example, in 1980, 46 percent of employees were part of a pension plan. Today, less than 17 percent of companies offer a pension plan.\*\* This tells us that we are all responsible for planning our own retirement; we cannot rely on companies to provide us a pension stream. The guaranteed income rider available with variable annuities helps provide retirees an income stream.

For many individuals, Social Security and pensions represent a small part of retirement income, with the largest percentage of retirement income coming from their investment portfolios. One advantage of an annuity is that it can provide a steady stream of income in retirement so your retirement income does not have to rely as much on volatile stock and bond markets. This may

lessen the impact market-based investments would have on your retirement income. By purchasing an annuity and transferring some of the risk to an insurance company, one can reduce the volatility in a portion of his or her retirement income.

In short, with all of the uncertainty in the world today, an annuity can help create an income stream with the net result being a more stable retirement for you and your family.

## **ANNUITIES: THE CONS**

The single biggest drawback of annuities is that they can be expensive. There are combinations of costs, including, but not limited to mortality and expense risk charges, sales and surrender charges, administrative fees and charges for optional benefits and riders.

Another con of annuities is their lack of flexibility. Annuities are less flexible than other retirement accounts. Once you purchase an annuity your capital is tied up in the annuity contract. For this reason, and depending on your needs and circumstances, annuities should not be a sizable piece of your liquid net worth.

Annuities can be complex, as can many investment options for your retirement strategy. Not all annuities are created equal, so, whatever options you choose, I recommend that you take a careful look at their pros—and their cons. ☺

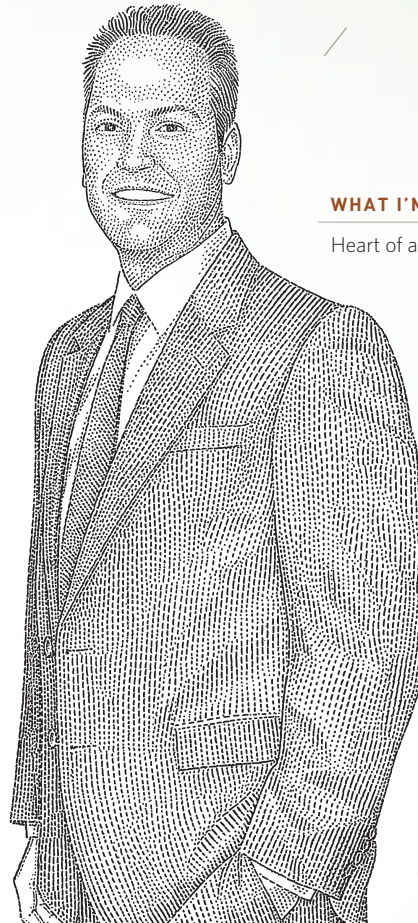
\*Guarantees apply to certain insurance and annuity products including optional benefits (not securities, variable or investment advisory products), and are subject to product terms, exclusions and limitations and the insurer's claims-paying ability and financial strength. \*\*Standard & Poor's 2005; Employee Benefit Research Institute, March 1998. Vince DiLeva is a registered representative, offering securities through Signator Investors, Inc., member FINRA 2121 Avenue of the Stars, Ste. 1600 Los Angeles, CA 90067 310.712.2320. SEIA, LLC and investment advisory services are offered independent of Signator Investors, Inc and any subsidiaries or affiliates. 412-20111216-90347.

**“If you are looking for stability in your retirement, we suggest you take a closer look at annuities.”**

– Vince A. DiLeva

**IF I WEREN'T A WEALTH ADVISOR, I'D BE...**

*An architect*



**How to reach Vince A. DiLeva**

*Please call my office at 310.712.2320 to schedule a meeting, either over the telephone or face to face.*

**WHAT I'M READING NOW...**

*Heart of a Lion, by Kyle Keiderling*

**MY HOBBIES ARE...**

*Coaching, surfing, CrossFit and golfing*

**About Vince A. DiLeva**

Vince A. DiLeva has been in the financial services industry for 17 years. He joined Signature Estate & Investment Advisors LLC in 1997 as the firm was opening its doors. In less than 10 years, SEIA reached its \$1 billion in assets under management milestone, and the following year, Mr. DiLeva was named a senior partner. Mr. DiLeva is a Certified Financial Planner™ professional and holds a master of science in financial services. He specializes in investment management and overall wealth management strategies for affluent individuals and corporations. Mr. DiLeva lives in Redondo Beach, Calif., with his wife and three children.

Assets Under Management  
**\$280 million (DiLeva)**  
**\$2.1 billion (firm, as of 12/31/11)**

Minimum Fee for Initial Meeting  
**None required**

Minimum Net Worth Requirement  
**\$500,000 (for investment services)**  
**\$5 million (Private Client Group)**

Largest Client Net Worth **\$60 million**

Financial Services Experience  
**17 years**

Compensation Method  
**Asset-based and fixed fees**

Primary Custodian for Investor Assets  
**Charles Schwab and Fidelity**

Professional Services Provided  
**Investment advisory services, money management services and retirement and estate planning**

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