

Comparison between a Retirement Annuity, Unit Trust and an Endowment

Retirement Annuity	Unit Trust	Endowment
Contributions tax deductible.	Contributions not tax deductible.	Contributions not tax deductible.
Money tied up till age 55	Can withdraw at any time	10 year term
Funds protected from creditors	Funds not protected from creditors	Funds not protected from creditors
Secure and moderate investment portfolios available.	Secure and aggressive investment portfolios available	Secure and aggressive investment portfolios available.
Only 1/3 is available after age 55. The other 2/3 must be used to purchase an annuity which will provide a monthly income, which will be taxed.	Full amount available at any time,	Full amount available after 5 – 10 years, but will have penalties deducted if taken before 10 years.
Fees taken off investment performance. Investor may have a negative return when the market performs poorly	Costs vary on the portfolio selected. Deducted upfront as the contribution is received. Investor may have a negative return when the market performs poorly	100% allocation. Fees taken off investment performance. Investor may have a negative return when the market performs poorly
Inflexible	Flexible	Inflexible