
MassMutual's new VA offers exposure to alternatives

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MassMutual has launched a new investment-focused variable annuity, called **Capital Vantage**, which “allows individuals to invest in both traditional and non-traditional asset classes including hedged equity, alternatives and tactical allocation strategies,” the company said in a release.

The contract will be offered in a B-share with a mortality and expense risk fee of 85 basis points a year and a five-year surrender charge period (starting at 7%), and a C-share with an M&E fee of 130 basis points (which drops to 85 basis points after the fifth contract anniversary) and no surrender charge period.

There's a 15 basis-point annual administrative fee and an optional return-of-premium death benefit for 35 basis points a year. Annual fund expense ratios start at 51 basis points.

Besides MassMutual funds, contract owners can invest in BlackRock, Fidelity, Ivy and Oppenheimer funds. They can choose a single risk-based asset allocation “fund-of-funds” or build their own portfolios with more than 50 funds in 12 asset classes, including money market, fixed income, balanced, large-cap value, small/mid cap growth and international/global funds.

The product also offers hedged equity, alternatives, tactical allocation funds, and specialized equity funds. Along with these investment options, the product includes standard annuity features such as annuitization options, tax-deferral and death benefit options.

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