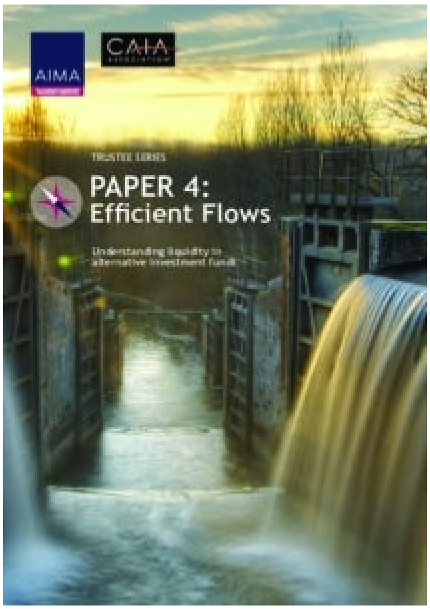
# Four Facets of Liquidity in the Hedge Fund Space

Stockholm (HedgeNordic) – Hedge funds often impose restrictions preventing investors from redeeming capital at short notice for the benefit of both parties, but liquidity arrangements vary widely across the industry depending on investment strategy and financial instruments traded.

In the fourth instalment in a series of papers focused on the hedge fund industry, the Alternative Investment Management Association (AIMA) and the Charted Alternative Investment Analyst (CAIA) Association examine four facets of liquidity in the hedge fund space. The paper discusses (a) the liquidity of assets in which hedge fund managers invest; (b) the liquidity requirements for different strategies; (c) the funding liquidity of different strategies; and (d) the liquidity offered to hedge fund investors.

Most hedge funds tailor liquidity arrangements to the investment strategies they pursue to ensure investors can get the best possible return without compromising their ability to access their capital. Regardless of whether investors face mounting uncertainties as the future unfolds or not, understanding how to access the capital allocated to hedge funds and under what conditions is essential. The paper co-written by AIMA and CAIA represents a useful guide on the key concepts surrounding liquidity in the hedge fund space.

The complete paper can be downloaded below:

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