

Hedge Fund Investments in a Self-Directed IRA

Hedge funds are a class of investing vehicles that employ the use of one or more alternative investment strategies. Although hedge funds are designed for the more experienced and accredited investor, these investments are allowed in self-directed retirement plans.

Hedge fund facts:

- These assets are not advertised or acquired on the open market.
- They are available only to a limited number of accredited investors who should retain independent financial and/or legal counsel to evaluate the risks and merits.
- They must adhere to regulations of the Security and Exchange Commission and/or individual state securities administrators.

Benefits of hedge funds in self-directed IRAs:

- Self-directed IRAs provide tax-sheltered retirement income of returns on investments.
- Hedge funds can add diversity to retirement portfolios.
- Unlock your IRA from the traditional investment options of just stocks and mutual funds.

Steps to invest in hedge funds with a self-directed IRA:

1. Set up and fund (IRA transfer or 401(k) rollover) a new plan with Midland IRA.
2. Identify the hedge fund and contact the manager.
3. Complete a subscription agreement for the investment.
4. Instruct Midland IRA with a letter of direction to send funds to the entity for purchase.

Examples of hedge fund investment strategies:

- Directional
- Event-driven
- Global macro
- Relative value (arbitrage)

Examples of hedge fund asset classes:

- Commodities
- Currencies
- Equities
- Fixed income

