

**B**usiness bookstores contain many different books on the general topic of hedge funds. Most of these books are written for potential investors. These books focus primarily on the investment characteristics of hedge funds, admittedly the most important topic related to this investment alternative. Some of these texts are little more than marketing devices designed to encourage greater use of hedge funds in investor portfolios. An investor considering an investment in a hedge fund for the first time should read one or two of these books before making an investment.

To reach a large market, these investment books are mostly written at a very simple level. They generally do not presume any prior knowledge of investments, finance, mathematical methods, accounting, or the law. The authors develop a survey that usually leaves the reader less than an expert after reading the text. After getting a general background, the investor will likely need to hire some combination of investment professionals, tax advisers, accountants, and lawyers before making an investment.

A small number of books have been written for professionals. Usually, these books are not sold commercially. Instead, they are distributed by law firms and accountants to their customers, and most readers cannot get copies of them. Even if available, these books, while they are extremely valuable to professionals, should provide little value to most readers because of the highly technical treatment of narrow topics.

The academic research on hedge funds is accumulating. The ambitious student can read a survey of the important papers concerning hedge funds and develop a good understanding of this important investment product. But few people have the time or background to learn about hedge funds from academic papers.

Some books have been written for the entrepreneur who wants to start a hedge fund. I wrote one of these for John Wiley & Sons a couple of years ago and have discovered that there is considerable demand for a book that bridges the gap between the nontechnical texts written for mass appeal and the technical books and academic papers. Although the previous book was a bit more technical than most others on the market, it also included information needed by hedge fund venture capitalists.