

Hedge fund special purpose vehicles are used to break c...

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If you have any doubt just [read this](#) about Zurich Financial Services in the FT.

As the FT noted:

Many mutual funds prohibit rapid turnover trading as it can increase transaction costs and siphon profits from long-term investors. Zurich helped the hedge funds evade the mutual funds' "timing police" by setting up special-purpose vehicles that allowed the hedge funds to trade under disguised identities.

Zurich admitted no wrong doing. But as is commonplace when no wrong-doing has happened paid a fine of \$4 million and repaid profits earned of \$12.8 million.