

《US hedge fund loses 73 percent betting against China》

Remember the hedge fund that gained roughly 100 million dollars in two days in August 2015?

Yes, it is the same fund that has plummeted 73 percent this year through June, betting against the Chinese economy.

The Nexus fund at Emerging Sovereign Group (ESG) dropped 17 percent in June alone, according to a Bloomberg report on Saturday. The June results mark the sixth consecutive month of negative returns for the fund.



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In 2015, Nexus purchased a string of put options that gave it the right to sell the currency at preset prices, within agreed-upon time frames, and gained 35 percent from the devaluation of the Renminbi by the most since 1994.

But the fund has underperformed since 2016 as the fund continues to short China. It lost 15.5 percent in 2016.

New York-based ESG was founded in 2002 by Kevin Kenny, Jason Kirschner and Mete Tuncel with seed money from investing legend Julian Robertson of Tiger Management. Carlyle Group took a stake in 2011 but sold it back to the founders in October as it stepped away from hedge funds.

ESG managed 3.5 billion dollars (as of December) in three funds.

Bearish funds have suffered as economic growth accelerated in the first half, and the Chinese currency has edged higher against the dollar.

