

After leaving Danske Bank – team of two ready to pursue billions

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Two former Danske Bank executives are setting up a new hedge fund named Caba Capital.

After 14 years as chief executive of Danske Capital, Niels-Ulrik Mousten is teaming up with Carsten Bach, former head of Investment Management at Danske Markets, a unit that invested Danske Bank's capital. The pair is setting up a new hedge fund, Caba Capital, in which affluent individuals and institutional investors will be place DKK 100 million (EUR 13.4 million) to begin with, reports Danish business daily Børsen.

"We expect high returns of about 8 percent with minor fluctuations, and the asset class is uncorrelated to equities and bonds. We generated better returns at Danske Bank, but I will not promise more than what I feel certain that I can deliver," Bach tells Børsen.

In the long term, Bach and Mousten expect that the fund's AUM could reach DKK 3 billion. Caba has a fixed charge of 1 percent, while the success fee is at 15 percent – a price that Mousten himself describes as modest.

Caba Capital will invest in the yield spread between Danish and Swedish mortgage bonds and government bonds, and the hedge fund will be managed by Nykredit portfolio Administration. Minimum subscription is DKK 750,000.

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