

Return Report



HP Fonds Monthly reporting

Reporting period: 1. May - 31. May 2026

May 2026

May was shaped by the following key developments:

- Oil fell 20% on peace rumors - while Iranian missiles continued to strike Kuwait. Hormuz remains closed, and markets are pricing on hope rather than reality.
- US consumer confidence at its lowest level on record - worse than the financial crisis, worse than 10% unemployment. The Dow Jones crossed 50,000 for the first time regardless.
- New Fed chair in place and the ECB ready to hike. Central banks' summer will be anything but relaxed.
- Refinancing auctions completed without drama: The July refinancing auctions landed at approximately DKK 94bn - somewhat below February and in line with seasonal patterns. Pricing held no surprises.
- A generational shift underway in callables: Nykredit, Nordea and DLR have opened 4% 2059 series, but with limited liquidity they continue to trade at a meaningful discount to the 4% 2056, which closes in August and should still be preferred.

The table below shows returns for HP Funds during the reported period. Click on the fund name for more information at hpfonds.dk or press "Click here" to view the individual summary pages.

LISTED FUNDS

Subfund	Summary	MTD	Excess return	YTD	Excess return
HP Invest Short Term Danish Mortgage Bonds	Click here	0.76%	0.14%	0.66%	0.34%
HP Invest Long Term Danish Bonds Accumulating	Click here	1.57%	0.46%	0.88%	0.08%
HP Invest Long Term Danish Bonds	Click here	1.56%	0.45%	1.15%	0.35%
HP Invest Green Bonds	Click here	1.27%	0.20%	1.21%	0.23%

UNLISTED FUNDS

Subfund	Summary	MTD	Excess return	YTD	Excess return
HP Engros Short Term Danish Bonds	Click here	0.78%	0.16%	0.98%	0.66%
HP Invest Short Term Danish Bonds	Click here	0.80%	0.18%	1.23%	0.91%
HP Invest Long Term Danish Mortgage Bonds	Click here	1.65%	0.54%	0.89%	0.08%
HP Hedge Danish Bonds	Click here	3.84%	-	4.86%	-
HP Hedge Fixed Income	Click here	3.24%	-	5.39%	-

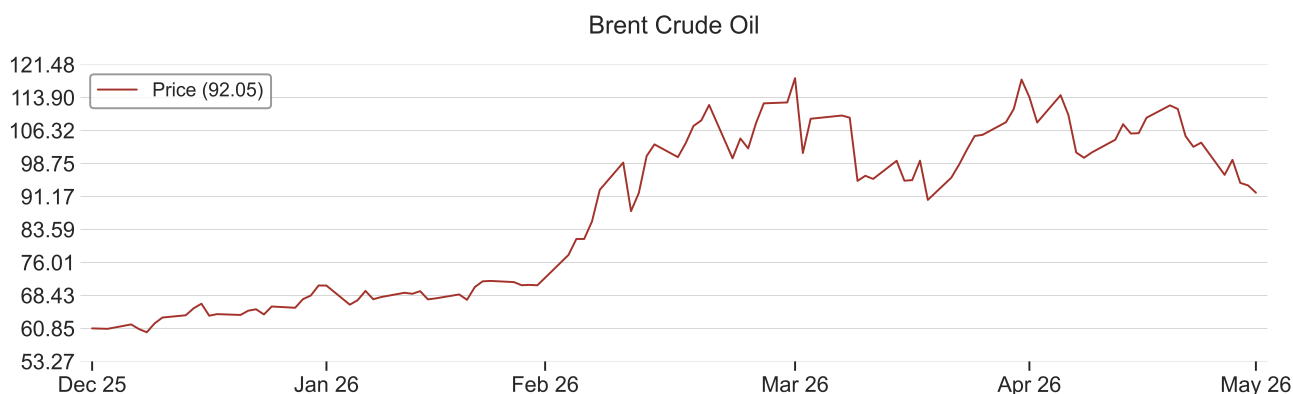
Returns are calculated after fees.

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Macro

While the world held its breath in April counting oil barrels, May brought cautious hope: peace negotiations between the US and Iran sent oil prices almost 20% below this year's peak. But the economic scars from two months of Hormuz closure are now showing up in full in the hard data - and central banks have a new player on the field.



Source: Bloomberg

Brent crude fell to approximately \$92.5 per barrel by month-end, driven by growing optimism around a 60-day ceasefire memorandum between the US and Iran. But euphoria would be too strong a word. Although the US and Iran are reportedly "mostly agreed" on the terms of the deal, Trump's final sign-off is still pending - and Iranian forces fired ballistic missiles at Kuwait in the middle of negotiations. Markets are celebrating peace rumors while the war continues. It is the kind of inconsistency that reminds you that geopolitics rarely follows a script.

In Europe, the picture remains bleak. Eurozone PMI data for May showed a deeper-than-expected downturn: output, new orders and employment all fell, while input prices rose at the fastest pace in three and a half years. Services were hit hardest, posting their steepest decline since February 2021. In the US, consumer confidence continues to freefall. The University of Michigan Consumer Sentiment Index hit a record low of 44.8 in May - the third consecutive monthly decline - with 57% of consumers spontaneously citing high prices as the primary drag on their personal finances. That is lower than April, lower than the financial crisis, and lower than at any point in surveys dating back to 1952. Equity markets rose anyway. That disconnect should worry more people than it does.

The biggest central bank story in May was not an interest rate decision, but a change of leadership. Kevin Warsh was confirmed by the Senate on 13 May as the new Federal Reserve Chair with a vote of 54-45 - the most divisive confirmation of a Fed chair in modern times. Warsh took office on 15 May and will chair the June meeting on 16-17 June. What makes the situation unusual is that Jerome Powell remains as a governor on the same committee - something that has not happened in nearly 80 years. Trump got his man at the helm, but markets are not yet convinced that Warsh will deliver the rate cuts the president is demanding: the inflation data leaves little obvious room for easing. The ECB holds its June meeting on 11 June, and expectations could not be clearer. A Bloomberg survey from May shows that economists now expect two rate hikes in 2026 - in June and September - driven by Iran-related inflation. The question is no longer whether the ECB will hike, but how fast and by how much.

Amid all the macroeconomic turbulence, the Dow Jones index crossed 50,000 points for the first time ever - carried by continued AI optimism and strong Q1 earnings from the major technology companies. Broad equity indices ended the month in positive territory, supported by peace optimism and tech momentum, while credit spreads held up surprisingly well despite the turbulent macro backdrop - a sign that markets continue to price in an imminent resolution to the conflict. The bond market, however, remains under pressure: expectations of ECB hikes and uncertainty around Warsh at the Fed are keeping long-term rates elevated. A genuine normalization of the rate environment requires Hormuz to reopen in earnest - and that has not happened yet.

In Denmark, coalition negotiations appear to be approaching a resolution. Mette Frederiksen continues to talk with the left wing and the Moderates, with a center-left coalition emerging as the most likely outcome. Lars Løkke Rasmussen's willingness to bridge across the center has cost him political capital on the right - but may prove to be what gives Denmark a functioning government in an otherwise turbulent time.

Date	DKK SWAP 2Y	DKK SWAP 5Y	DKK SWAP 10Y	DKK SWAP 30Y	DKK SWAP 10Y-2Y
30-09-2025	2.25	2.52	2.81	3.00	0.56
31-12-2025	2.39	2.76	3.12	3.43	0.73
30-01-2026	2.33	2.68	3.04	3.33	0.71
27-02-2026	2.29	2.55	2.89	3.18	0.60
31-03-2026	2.95	3.07	3.26	3.30	0.31
30-04-2026	2.96	3.07	3.27	3.34	0.30
29-05-2026	2.84	2.95	3.17	3.33	0.33

Date	EUR SWAP 2Y	EUR SWAP 5Y	EUR SWAP 10Y	EUR SWAP 30Y	EUR SWAP 10Y-2Y
30-09-2025	2.08	2.38	2.68	2.89	0.60
31-12-2025	2.17	2.57	2.93	3.25	0.76
30-01-2026	2.13	2.51	2.87	3.17	0.74
27-02-2026	2.07	2.36	2.69	2.99	0.62
31-03-2026	2.73	2.89	3.08	3.12	0.35
30-04-2026	2.75	2.89	3.08	3.16	0.33
29-05-2026	2.64	2.80	3.00	3.16	0.36

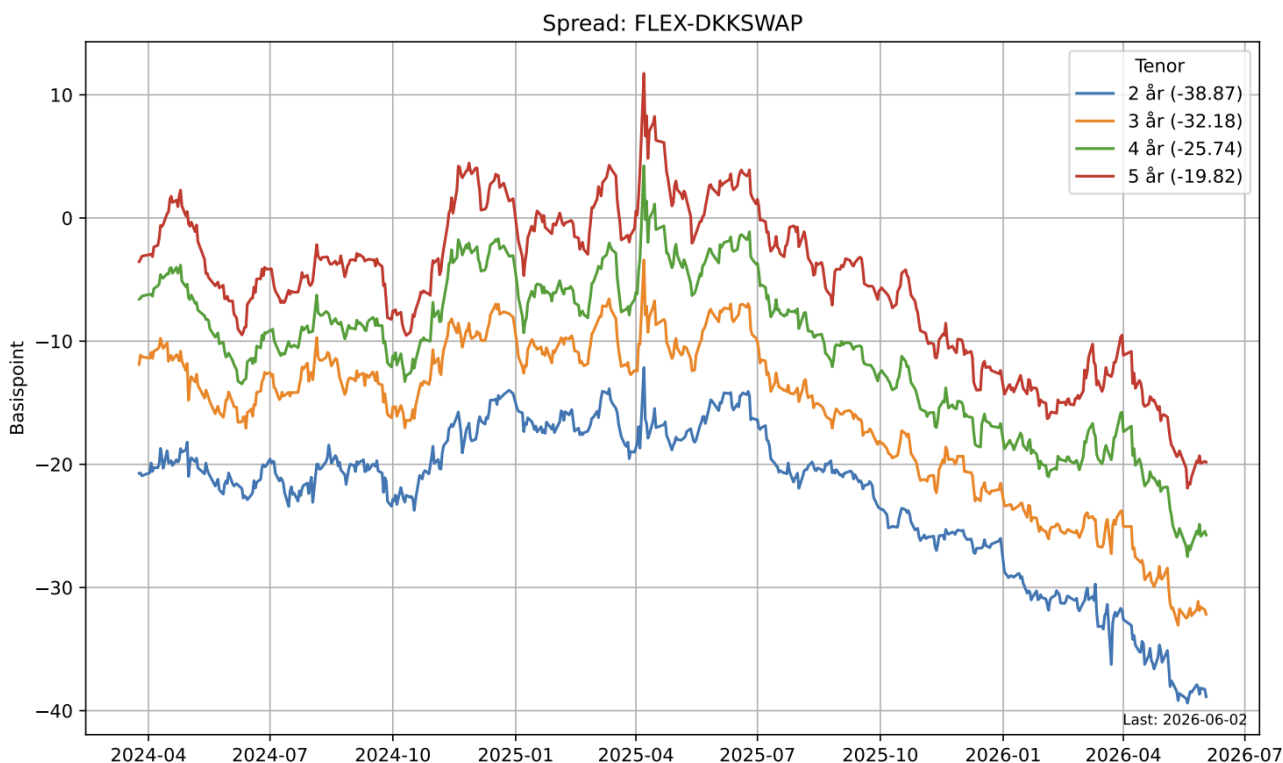
Source: Nordea Analytics

Bond market

May has been a quiet month for the Danish bond market. The long end of the swap curve has traded sideways to marginally lower, while the short and medium segments continue to reflect market expectations of upcoming rate hikes from the ECB and the Danish National Bank. A key observation during the month is that price movements in the large callable series are increasingly following European rate volatility rather than the traditional drivers such as credit spreads and rate changes - a development that warrants attention in portfolio management.

The structurally most interesting event in May is the opening of the 4% 2059 series. Nykredit, Nordea and DLR have all opened series, and the new generation of 30-year bonds is taking shape. The 4% 2056, however, remains extraordinarily liquid and will dominate trading activity ahead of its closure. The new 4% 2059 series are at a very early stage of build-up, and the illiquidity premium is real. We consider it too early to regard the 4% 2059 as a like-for-like alternative to the 4% 2056 - but the price spread may become interesting for investors with a slightly longer time horizon.

The refinancing auctions for flex and floater loans maturing on 1 July have now concluded. Total auction volume landed at approximately DKK 94bn, split between approximately DKK 18bn in flex bonds and DKK 76bn in floaters - of which just under DKK 21bn were CITA-based floaters. RD accounted for the largest floater share at just over DKK 31bn, primarily in 4-year CIB6 floaters, while Nykredit dominated with approximately DKK 25bn in 3-year CITA6 floaters. JYK contributed DKK 3bn in CIB3 floaters, and DLR rounded off with just under DKK 10bn in the 5-year CIB6.



Source: Nordea Analytics

The auctions proceeded without notable surprises. Bid-to-cover ratios were generally acceptable, and floater/flex spreads remained stable in the weeks leading up to and during the auctions. Pricing is consistent with the general

market tone, where ample liquidity in the Danish money market supports demand for shorter variable-rate exposure. Compared to the February auction, which totaled approximately DKK 112bn, the May auction was somewhat smaller - reflecting the natural seasonal variation in refinancing needs.

The krone has at times traded close to levels that have historically triggered intervention by the National Bank. Movements in the net position have sparked speculation about minor krone sales, but the moves have been too modest and short-lived to conclude that intervention has taken place to any meaningful degree. The seasonal pressure from dividend payments has now passed, and commercial krone selling from larger Danish corporates appears to be tapering off - factors that point to somewhat less pressure on the krone in the months ahead.

The threshold for a standalone Danish rate hike remains assessed as high. The balance of payments shows a solid surplus, the pension sector's structural demand for krone assets is intact, and the National Bank is unlikely to signal monetary tightening without a more sustained and pronounced krone pressure than we have seen in May. Any adjustment to the rate differential vis-à-vis the ECB is, in our assessment, still some way off.

	1 year	2 year	3 year	5 year	7 year
DK Mortgage CM		0.29	0.37	0.69	
DK Mortgage Callable CM			0.26	0.70	0.98
DK Mortgage Non-Callable CM	0.62		0.57		
DK Government CM		0.22	0.24	0.47	0.66

Source: Nordea Analytics

Sustainability Report

This report provides a consolidated overview of the sustainability footprint across HP Fonds' bond subfunds. Unlike conventional ESG reports based on data from the issuing banks, this report draws on data from the specific mortgage cover pools backing the bonds – broken down by short-term and long-term subfunds and compared against relevant benchmarks. Subfund-specific sustainability reports are available in the individual return reports published on hpfonds.dk. Data is from 2025Q4.

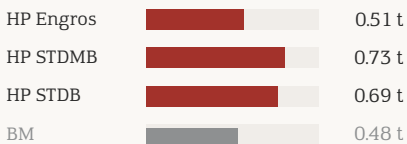
PRIMARY METRICS

■ Portfolio ■ Benchmark

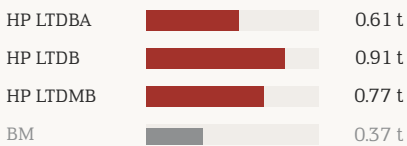
Carbon footprint

Tonnes CO₂e emitted per invested DKKm.

SHORT-TERM FUNDS



LONG-TERM FUNDS



EU Taxonomy

Assets aligned with the EU Taxonomy for Sustainable Activities.

SHORT-TERM FUNDS



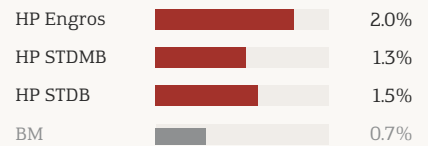
LONG-TERM FUNDS



Social purposes

Assets tied to social purposes, e.g. social housing and social lending.

SHORT-TERM FUNDS



LONG-TERM FUNDS



SECONDARY METRICS

Energy labels

EU regulation requires all residential buildings to achieve at least grade E by 2030 and D or better by 2033. The distribution below shows the AUM-weighted energy label profile across the short-term and long-term subfunds respectively.

ENERGY LABEL	HP KORTE AFDELINGER	BM KORTE	HP LANGE AFDELINGER	BM LANGE
A	12.3%	10.4%	11.6%	8.0%
B	5.9%	4.6%	5.9%	4.7%
C	20.6%	16.5%	21.2%	19.4%
D	18.2%	16.7%	18.6%	19.6%
E	7.0%	6.2%	7.1%	6.3%
F	2.7%	2.2%	2.8%	2.0%
G	1.6%	1.0%	1.7%	1.0%
Unclassified	31.7%	42.3%	31.1%	39.0%

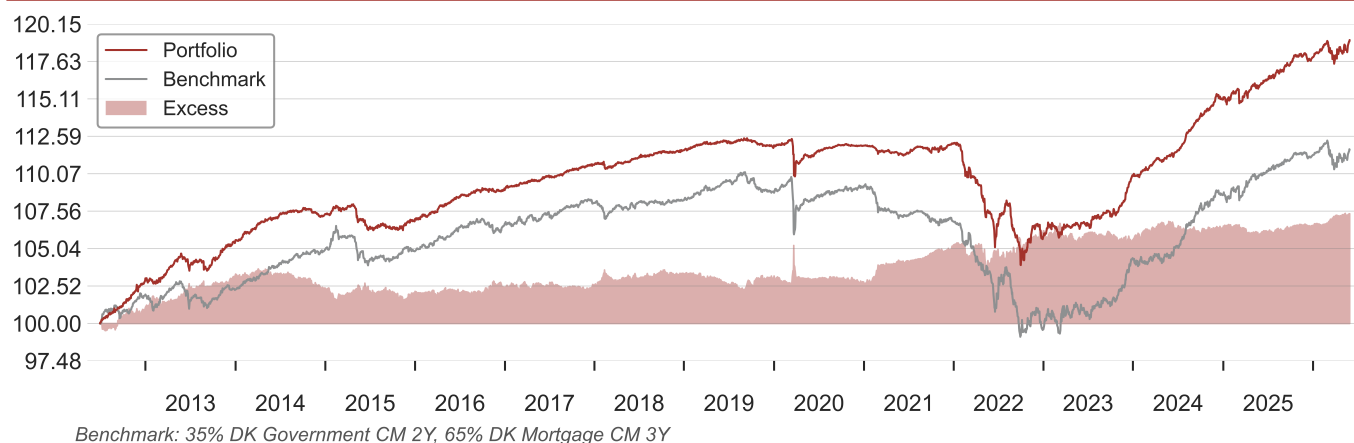
Climate reduction targets

Share of mortgage issuers that have communicated concrete targets for reducing the climate impact of their activities – applicable across all subfunds.

100%
Benchmark: 100%

Portfolio data coverage: 73.3%. Benchmark data coverage: 64.5%. The report is based on data from the mortgage institutions as of quarter end and is updated quarterly as new cover pool data becomes available.

HP Engros Short Term Danish Bonds



Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	0.46%	0.47%	-0.95%	0.22%	0.78%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%
Excess return	0.03%	0.02%	0.49%	-0.04%	0.16%

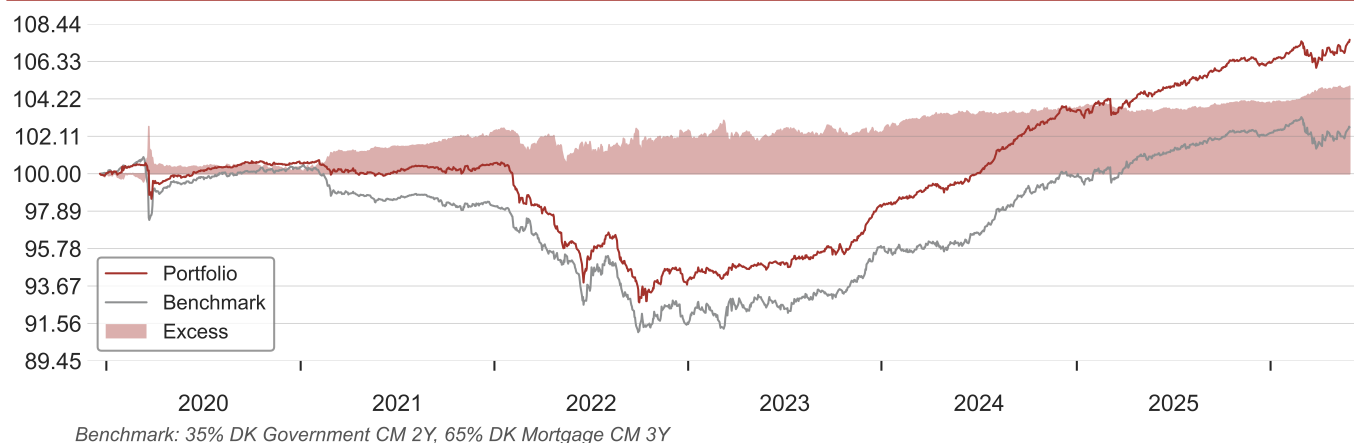
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.98%	0.32%	0.66%
Quarter-to-date return	1.01%	0.90%	0.11%
Accumulated return	19.07%	11.69%	7.39%
Annualised return	1.26%	0.80%	0.46%
Rolling 1-year annualised return	2.42%	1.42%	0.99%
Rolling 3-year annualised return	3.65%	3.36%	0.29%
Rolling 5-year annualised return	1.30%	0.76%	0.54%

Fund information

12-month holding period return	2.88%
NAV	1,190.72
ISIN	DK0061553245
Exchange Status	Unlisted
Distribution Policy	Accumulating
Inception date	26-06-2012

Investors are encouraged to seek individual advice regarding their own investment-related matters, and HP Fonds wishes to note that past performance is not a guarantee of future returns. The expected returns are based on the moderate return scenario for the indicated investment periods, as set out in the PRIIP documents.

HP Invest Short Term Danish Bonds



Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	0.54%	0.60%	-1.00%	0.29%	0.80%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%
Excess return	0.11%	0.16%	0.44%	0.02%	0.18%

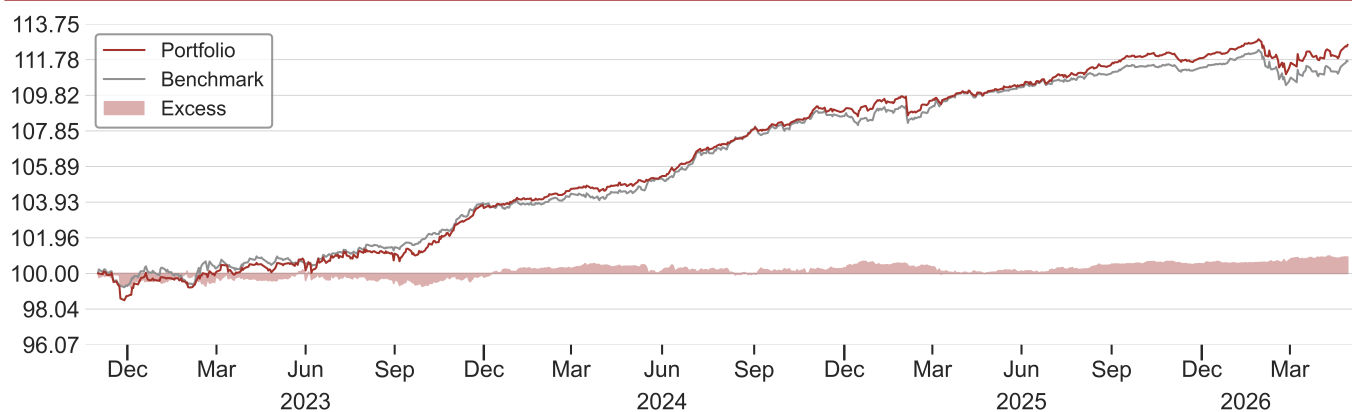
Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.23%	0.32%	0.91%
Quarter-to-date return	1.09%	0.90%	0.20%
Accumulated return	7.56%	2.62%	4.93%
Annualised return	1.14%	0.40%	0.73%
Rolling 1-year annualised return	2.66%	1.42%	1.23%
Rolling 3-year annualised return	4.18%	3.36%	0.83%
Rolling 5-year annualised return	1.45%	0.76%	0.68%

Fund information

12-month holding period return	3.17%
NAV	100.50
ISIN	DK0061150984
Exchange Status	Unlisted
Distribution Policy	Distributing
Inception date	18-12-2019

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HP Invest Short Term Danish Mortgage Bonds



Benchmark: 35% DK Government CM 2Y, 65% DK Mortgage CM 3Y

Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	0.46%	0.47%	-1.29%	0.28%	0.76%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%
Excess return	0.03%	0.02%	0.14%	0.01%	0.14%

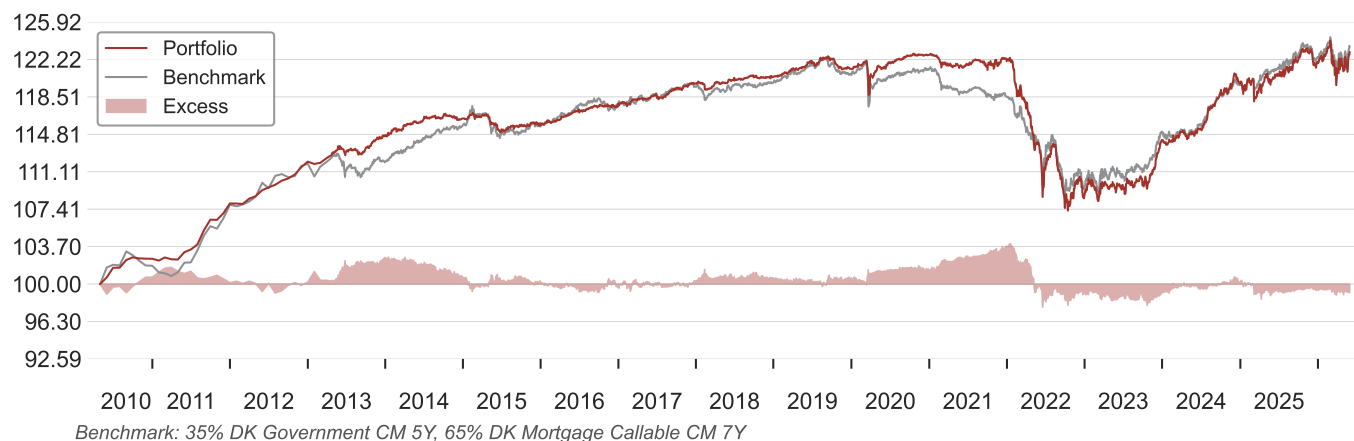
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.66%	0.32%	0.34%
Quarter-to-date return	1.04%	0.90%	0.14%
Accumulated return	12.60%	11.69%	0.91%
Annualised return	3.46%	3.22%	0.24%
Rolling 1-year annualised return	2.19%	1.42%	0.77%
Rolling 3-year annualised return	3.84%	3.46%	0.38%

Fund information

12-month holding period return	2.82%
NAV	101.92
ISIN	DK0061929205
Exchange Status	Listed
Distribution Policy	Distributing
Inception date	30-11-2022

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HP Invest Long Term Danish Bonds Accumulating



Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	0.66%	1.13%	-2.56%	0.12%	1.57%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%
Excess return	0.07%	0.12%	-0.38%	-0.18%	0.46%

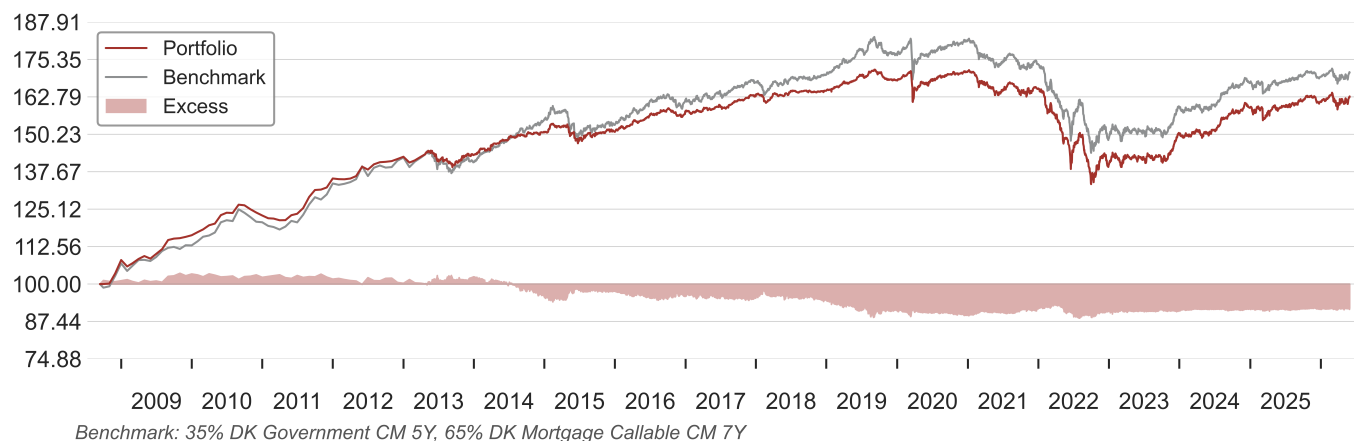
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.88%	0.80%	0.08%
Quarter-to-date return	1.70%	1.43%	0.27%
Accumulated return	22.95%	23.44%	-0.49%
Annualised return	1.29%	1.32%	-0.03%
Rolling 1-year annualised return	1.78%	1.75%	0.03%
Rolling 3-year annualised return	3.78%	3.51%	0.26%
Rolling 5-year annualised return	0.22%	0.69%	-0.47%

Fund information

12-month holding period return	3.84%
NAV	122.95
ISIN	DK0060227239
Exchange Status	Listed
Distribution Policy	Accumulating
Inception date	29-04-2010

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HP Invest Long Term Danish Bonds



Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	0.73%	1.19%	-2.46%	0.18%	1.56%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%
Excess return	0.14%	0.19%	-0.28%	-0.13%	0.45%

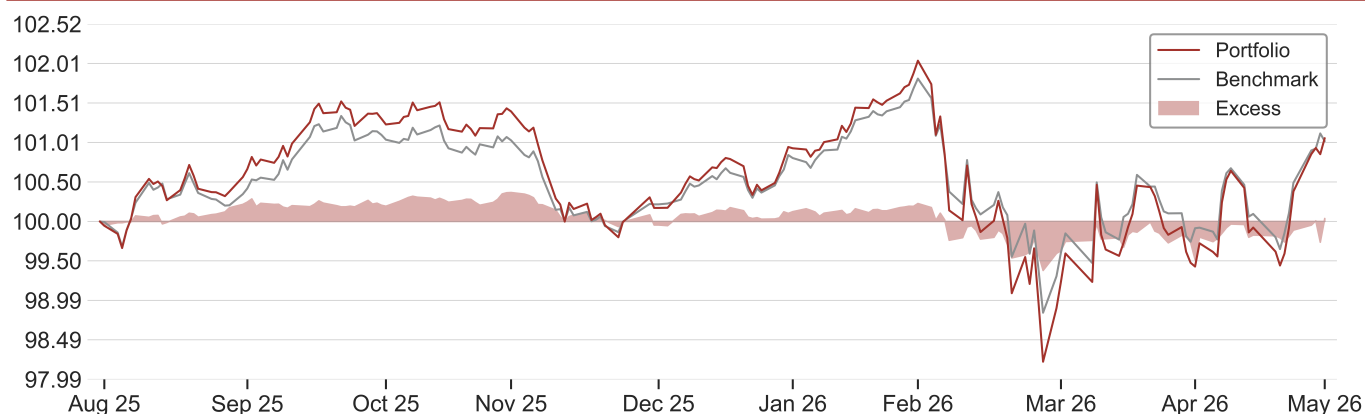
Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.15%	0.80%	0.35%
Quarter-to-date return	1.74%	1.43%	0.32%
Accumulated return	62.95%	70.94%	-7.99%
Annualised return	2.80%	3.07%	-0.28%
Rolling 1-year annualised return	1.94%	1.58%	0.36%
Rolling 3-year annualised return	4.45%	3.99%	0.45%
Rolling 5-year annualised return	-0.32%	-0.45%	0.13%

Fund information

12-month holding period return	3.76%
NAV	92.93
ISIN	DK0060141786
Exchange Status	Listed
Distribution Policy	Distributing
Inception date	12-09-2008

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HP Invest Long Term Danish Mortgage Bonds



Benchmark: 35% DK Government CM 5Y, 65% DK Mortgage Callable CM 7Y

Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	0.76%	1.11%	-2.76%	0.19%	1.65%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%
Excess return	0.17%	0.10%	-0.59%	-0.11%	0.54%

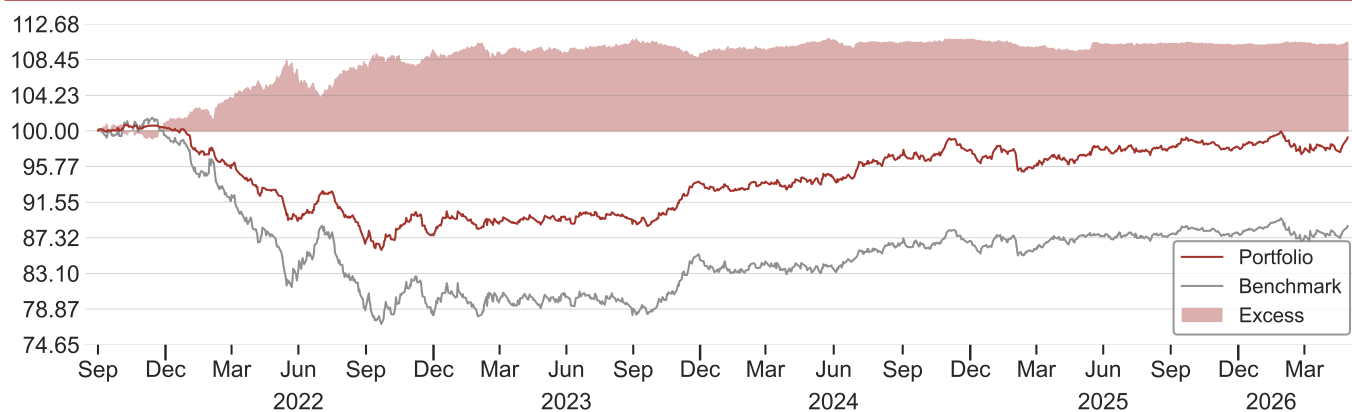
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.89%	0.80%	0.08%
Quarter-to-date return	1.85%	1.43%	0.42%
Accumulated return	1.06%	1.02%	0.04%

Fund information

12-month holding period return	3.92%
NAV	100.16
ISIN	DK0063856489
Exchange Status	Unlisted
Distribution Policy	Distributing
Inception date	28-08-2025

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HP Invest Green Bonds



Benchmark: 100% Bloomberg MSCI Euro Green Bond

Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	0.64%	1.28%	-2.20%	0.25%	1.27%
Benchmark	0.77%	1.22%	-2.60%	0.55%	1.07%
Excess return	-0.13%	0.05%	0.40%	-0.30%	0.20%

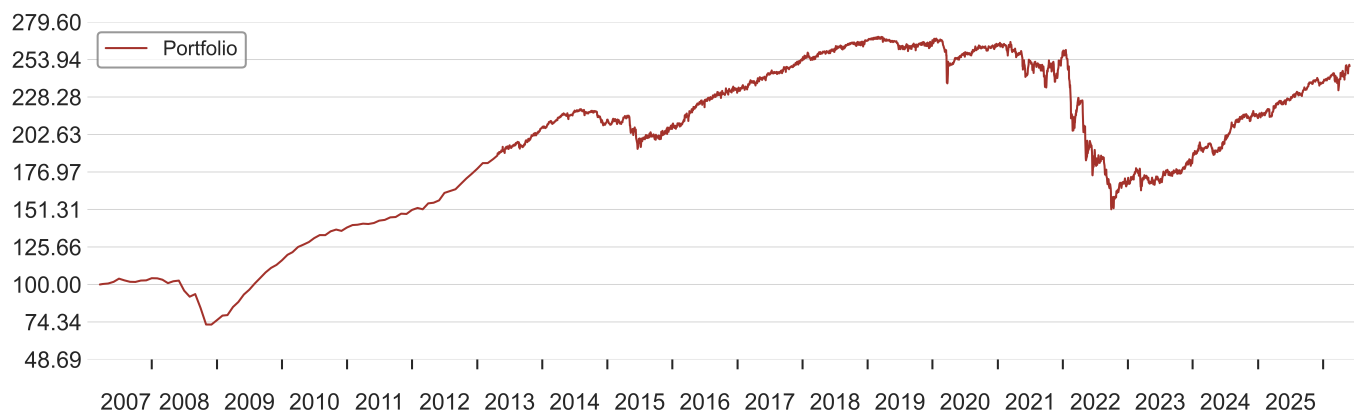
Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.21%	0.98%	0.23%
Quarter-to-date return	1.52%	1.63%	-0.11%
Accumulated return	-0.76%	-11.26%	10.51%
Annualised return	-0.16%	-2.53%	2.37%
Rolling 1-year annualised return	2.10%	1.41%	0.68%
Rolling 3-year annualised return	3.43%	3.35%	0.07%

Fund information

Yield to maturity	3.74%
NAV	100.73
ISIN	DK0060118610
Exchange Status	Listed
Distribution Policy	Distributing
Inception date	30-09-2021
Tonnes CO ₂ reduction per invested DKKm per year	204.31

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HP Hedge Danish Bonds



Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	1.56%	1.22%	-2.61%	0.86%	3.84%

Return	Portfolio
Year-to-date return	4.86%
Quarter-to-date return	4.74%
Accumulated return	149.46%
Annualised return	4.87%
Rolling 1-year annualised return	10.12%
Rolling 3-year annualised return	13.35%
Rolling 5-year annualised return	-0.69%

Fund information	
Expected 12-month holding period return	8-12%
NAV	249.46
ISIN	DK0060153369
Exchange Status	Unlisted
Distribution Policy	Accumulating
Inception date	15-03-2007

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HP Hedge Fixed Income



Time-weighted return	Jan	Feb	Mar	Apr	May
Portfolio	1.01%	1.38%	-2.78%	2.52%	3.24%

Return	Portfolio
Year-to-date return	5.39%
Quarter-to-date return	5.84%
Accumulated return	15.09%
Annualised return	1.86%
Rolling 1-year annualised return	13.90%
Rolling 3-year annualised return	19.94%
Rolling 5-year annualised return	0.97%

Fund information	
Expected 12-month holding period return	8-12%
NAV	115.09
ISIN	DK0061077534
Exchange Status	Unlisted
Distribution Policy	Accumulating
Inception date	09-10-2018

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