

Return Report



HP Fonds Monthly reporting

Reporting period: 1st of June - 30th of June 2026

June 2026

June was marked by the following key developments:

- A peace agreement between Iran and the US sent oil prices sharply lower and fueled a rally across financial markets.
- The ECB raised rates amid a cooling economy and now looks like the one who arrived late to the party.
- Callable bonds clearly won out in June, following the peace agreement and lower rate volatility.
- The krone was historically weak, briefly trading at levels not seen since 2000.
- Denmark's National bank intervened for the first time in three years – an independent rate hike is unlikely to be on the horizon.

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	0.43%	0.06%	1.10%	0.41%
HP Invest Long Term Danish Bonds Accumulating	Click here	0.83%	-0.08%	1.72%	-0.00%
HP Invest Long Term Danish Bonds	Click here	0.86%	-0.05%	2.02%	0.30%
HP Invest Green Bonds	Click here	0.47%	0.03%	1.68%	0.26%

UNLISTED FUNDS

Subfund	Summary	MTD	Excess return	YTD	Excess return
HP Engros Short Term Danish Bonds	Click here	0.43%	0.06%	1.42%	0.73%
HP Invest Short Term Danish Bonds	Click here	0.54%	0.17%	1.78%	1.08%
HP Invest Long Term Danish Mortgage Bonds	Click here	0.88%	-0.03%	1.78%	0.06%
HP Hedge Danish Bonds	Click here	2.50%	-	7.48%	-
HP Hedge Fixed Income	Click here	1.66%	-	7.14%	-

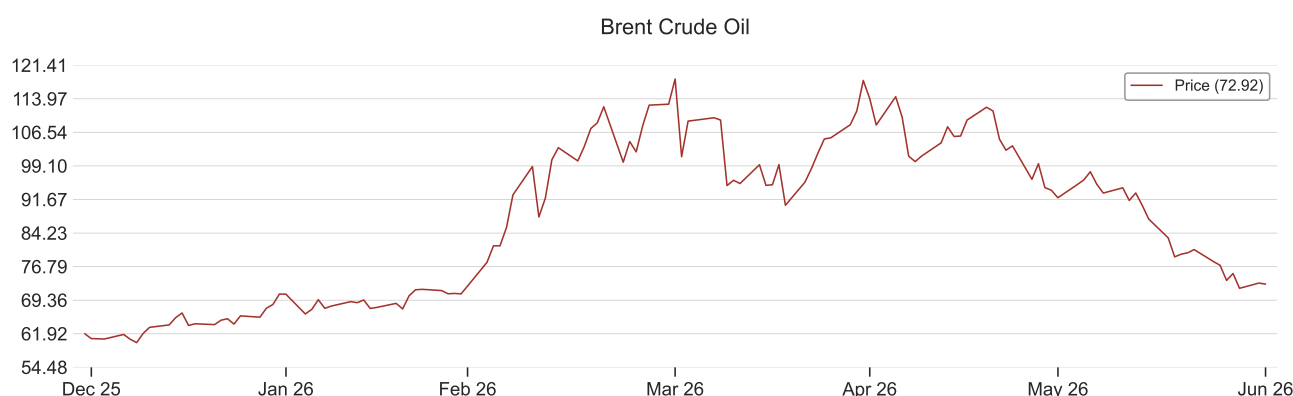
Returns are calculated after fees.

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Macro

From the moment the US and Iran signed a preliminary peace agreement in Geneva on 17 June, the world began to breathe again. After more than 100 days of war, closed straits, and an energy shock that left its mark on everything from inflation figures to central bank meetings, June marked the turning point. But as any seasoned market participant knows, peace on paper and peace in practice are two different things.



Kilde: Bloomberg

Brent crude fell to its lowest level since the days before the outbreak of the conflict – only around 7% above the pre-conflict level – a remarkable correction after trading more than 50% higher at the peak of the conflict. The agreement provides for the Strait of Hormuz to reopen duty-free for 60 days, while the US lifts its naval blockade of Iranian ports and negotiations begin on Iran's nuclear program. The market has embraced the news with open arms – perhaps a little too open. Analysts warn that the oil price decline is purely sentiment-driven, and that the market is pricing in the best-case scenario without sufficiently accounting for potential complications in implementation. Iran continues to insist on sovereignty over the strait and much remains unresolved once the 60-day window expires.

On June 11th, the ECB raised its three key interest rates by 25 basis points, taking the deposit rate to 2.25%. The rationale was largely psychological: the ECB was determined to avoid repeating the mistake of 2022, when it sat on its hands for too long while inflation accelerated. But the comparison appears to be a stretch. Back then, the underlying conditions were fundamentally different – pent-up consumer demand following the Covid lockdowns, extremely loose fiscal policy in the form of massive support packages, and a labor market in full expansion. Today the picture is more mixed: defense investment and infrastructure programs are adding demand from above, but the European consumer is suffering under energy-driven price pressure, and the labor market is showing the first signs of weakness. This is a supply shock – not an overheating economy.

That makes the ECB's move more questionable in hindsight. The sharp drop in oil prices following the peace agreement is now pulling inflation back down, and the rate hike that seemed all but inevitable just a few weeks ago looks today more like a panic move than a well-calculated policy decision. The market currently has one further rate hike priced in for the remainder of 2026, but whether it materializes at all is, in our view, doubtful at best.

On the same day the peace agreement was signed in Geneva, the Federal Reserve held rates unchanged at 3.50-3.75% under Kevin Warsh's first meeting as chair. The decision itself was expected. What surprised markets was the tone and

format. The FOMC statement ran to just 130 words, down from 341 at the April meeting – a deliberate signal from Warsh that the Fed has communicated too much and steered too little. The dot plot told a more hawkish story: the median year-end rate projection rose to 3.8%, and 9 of 18 members now see at least one further rate hike before year-end. Notably, Warsh chose not to submit his own projection and announced five task forces to review the Fed's communication, data inputs, and monetary policy operations. A new era at the Fed has begun, but whether it brings easing or tightening remains an open question.

Peace immediately left its mark on risk appetite. Equity indices rose sharply in the second half of the month, driven primarily by energy price optimism and relief over the conflict's resolution. The S&P 500 gained 1.75% and the Nasdaq 2.54% on the day Trump called off the planned strikes and signaled an imminent peace deal. Credit spreads tightened correspondingly, and June ended as one of the strongest months of the year for risk assets, despite the ongoing monetary policy uncertainty. Bond markets reacted more cautiously: falling oil prices give the ECB and the Fed more room to maneuver, but persistent core inflation is keeping long-end yields from falling too quickly.

June 2026 will be remembered as the month the acute crisis phase ended – but the structural aftereffects of four months of energy shock, inflationary pressure, and monetary tightening have yet to be fully digested.

Date	DKK SWAP 2Y	DKK SWAP 5Y	DKK SWAP 10Y	DKK SWAP 30Y	DKK SWAP 10Y-2Y
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
30-06-2026	2.81	2.91	3.09	3.25	0.29

Date	EUR SWAP 2Y	EUR SWAP 5Y	EUR SWAP 10Y	EUR SWAP 30Y	EUR SWAP 10Y-2Y
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
30-06-2026	2.60	2.73	2.91	3.07	0.31

Source: Nordea Analytics

Bond market

June has been shaped by the peace agreement, and the geopolitical turmoil that dominated markets through the spring has for now subsided. This is clearly reflected in the pricing of callable mortgage bonds, where the 4% 2056 on-the-run has performed by around 5 OAS points over the month. By comparison, adjustable-rate bonds have traded broadly unchanged on spread. The difference reflects that callable bonds are exposed to declines in implied rate volatility – which the receding turmoil has driven – while the pricing of adjustable-rate bonds is less influenced by that factor.

	1 year	2 year	3 year	5 year	7 year
DK Mortgage CM		0.70	0.86	1.43	
DK Mortgage Callable CM			1.28	1.82	2.17
DK Mortgage Non-Callable CM	0.82		0.90		
DK Government CM		0.38	0.49	0.89	1.24

Kilde: Nordea Analytics

Callable bonds have therefore performed well in June, both in absolute terms and relative to government and adjustable-rate bonds, driven by the combination of falling volatility and the tightening we have seen in 4% 2056, which is now trading at more or less unchanged spread relative to the start of the year.

The krone has traded markedly weak against the euro throughout June, with EURDKK at times moving through levels not seen during Denmark's National bank's "opening hours" since the turn of the millennium. For the first time in more than three years, Denmark's National bank has now intervened in the currency market, buying kroner totaling DKK 700 million in June. The amount is modest in this context, and if anything underscores that the pressure for a weaker krone has been relatively limited in practice. It is also notable that intervention did not occur earlier, given how weak the krone has traded.

One possible explanation is that Denmark's National bank has this time had a broader rationale to lean on than simply the current exchange rate. Denmark has a strong economy with a substantial current account surplus relative to the rest of the eurozone, which in isolation makes a weaker krone easier to accept as temporary. Seen in that light, the extended period without intervention may reflect an assessment that the pressure is transitory, rather than an actual shift in the approach to the fixed exchange rate policy. The fact that intervention has nonetheless occurred now can equally be viewed as a signal to the market as it can be a genuine defensive action.

The intervention brings Denmark, in isolation, a step closer to an independent rate hike, but given the modest amount involved, this remains not our base case as necessary. Even if it were to happen, we do not believe it would have a significant effect on the bond market itself. The reason is that around 10 bp is already priced into the short end of the curve, and a hike of that magnitude would therefore largely confirm current market pricing rather than trigger a significant rate reaction.

We enter the second half of the year with a majority of positive factors for the Danish bond market. We believe the ECB has delivered its last rate hike of this cycle, which should support a normal rate structure and contribute to borrowers continuing to favor short-term financing. This would mean that net issuance in the mortgage market remains limited

for the rest of the year, which is supportive for spread development in isolation – particularly in the callable segments, where limited supply has historically provided good carry.

This must, however, be weighed against the risk of renewed turmoil in financial markets. Should a new wave of risk aversion emerge – whether geopolitically or macroeconomically driven – it could push credit spreads wider across markets, and Danish mortgage bonds would not be immune to that development. Our base case remains a relatively stable rate and spread environment heading into H2, but with a clear awareness that this positive narrative rests on an assumption of continued calm in financial markets.

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

PortfolioBenchmark

Carbon footprint	EU Taxonomy	Social purposes
Tonnes CO ₂ e emitted per invested DKKm.	Assets aligned with the EU Taxonomy for Sustainable Activities.	Assets tied to social purposes, e.g. social housing and social lending.
SHORT-TERM FUNDS	SHORT-TERM FUNDS	SHORT-TERM FUNDS
HP Engros0.59 t	HP Engros17.4%	HP Engros2.2%
HP STDMB0.79 t	HP STDMB15.3%	HP STDMB1.7%
HP STDB0.75 t	HP STDB14.3%	HP STDB1.7%
BM0.48 t	BM13.1%	BM0.7%
LONG-TERM FUNDS	LONG-TERM FUNDS	LONG-TERM FUNDS
HP LTDBA0.66 t	HP LTDBA13.7%	HP LTDBA2.3%
HP LTDB0.94 t	HP LTDB14.1%	HP LTDB2.2%
HP LTDMB0.75 t	HP LTDMB13.2%	HP LTDMB2.1%
BM0.37 t	BM11.2%	BM2.2%

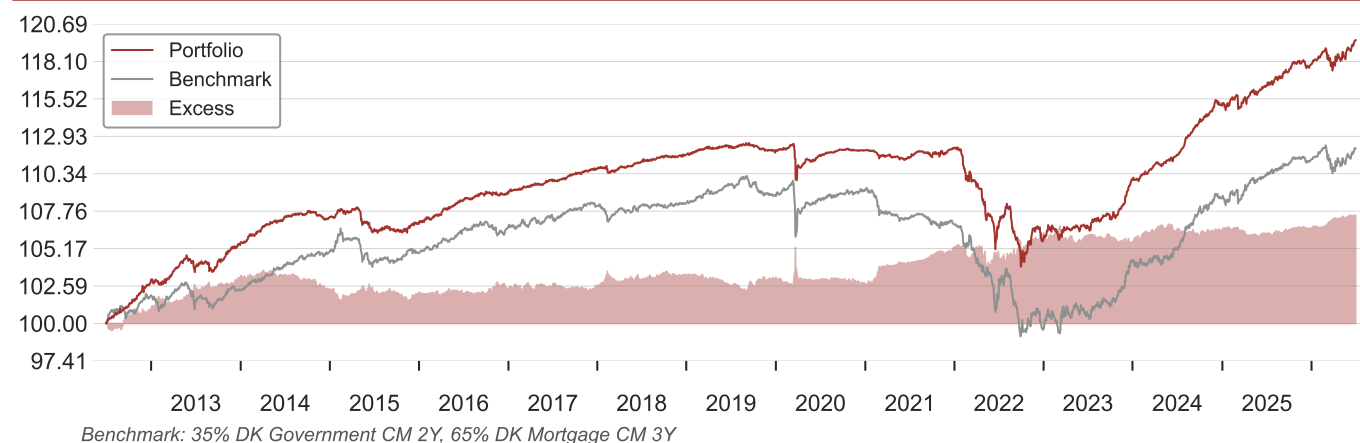
SECONDARY METRICS

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	A	13.2%	10.3%	11.8%	8.0%
B	B	6.4%	4.6%	6.1%	4.7%
C	C	22.7%	16.5%	21.9%	19.4%
D	D	20.5%	16.7%	19.4%	19.6%
E	E	7.7%	6.2%	7.3%	6.3%
F	F	2.9%	2.2%	2.8%	2.0%
G	G	1.7%	1.0%	1.7%	1.0%
	Unclassified	24.9%	42.4%	29.0%	38.9%

Climate reduction targets	100%
Share of mortgage issuers that have communicated concrete targets for reducing the climate impact of their activities – applicable across all subfunds.	Benchmark: 100%

Portfolio data coverage: 79.6%. Benchmark data coverage: 64.3%. 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	Jun
Portfolio	0.46%	0.47%	-0.95%	0.22%	0.78%	0.43%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%	0.37%
Excess return	0.03%	0.02%	0.49%	-0.04%	0.16%	0.06%

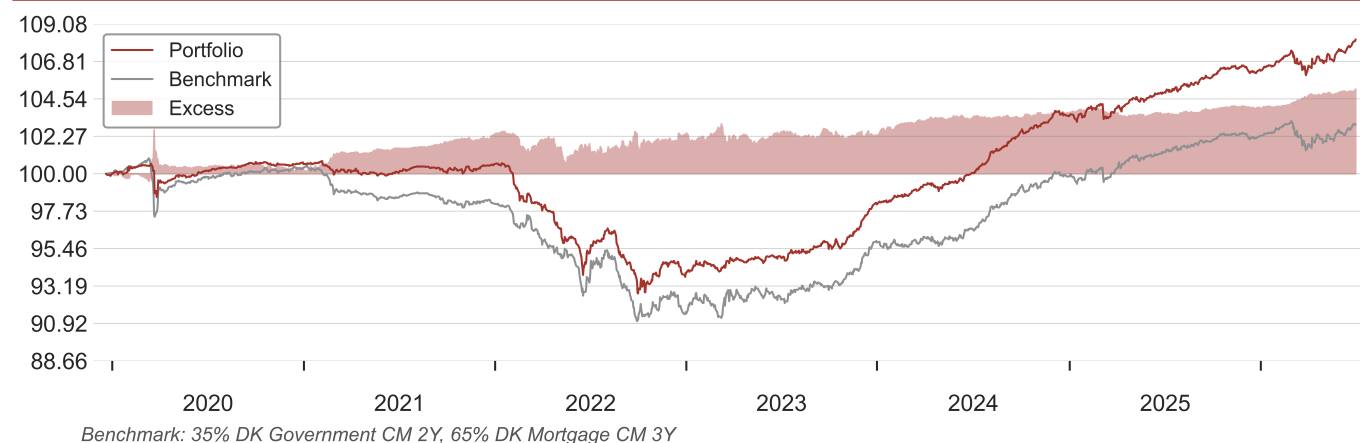
Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.42%	0.69%	0.73%
Quarter-to-date return	1.44%	1.27%	0.18%
Accumulated return	19.59%	12.10%	7.49%
Annualised return	1.29%	0.82%	0.47%
Rolling 1-year annualised return	2.70%	1.68%	1.02%
Rolling 3-year annualised return	3.91%	3.69%	0.22%
Rolling 5-year annualised return	1.41%	0.88%	0.53%

Fund information

12-month holding period return	2.84%
NAV	1,195.89
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



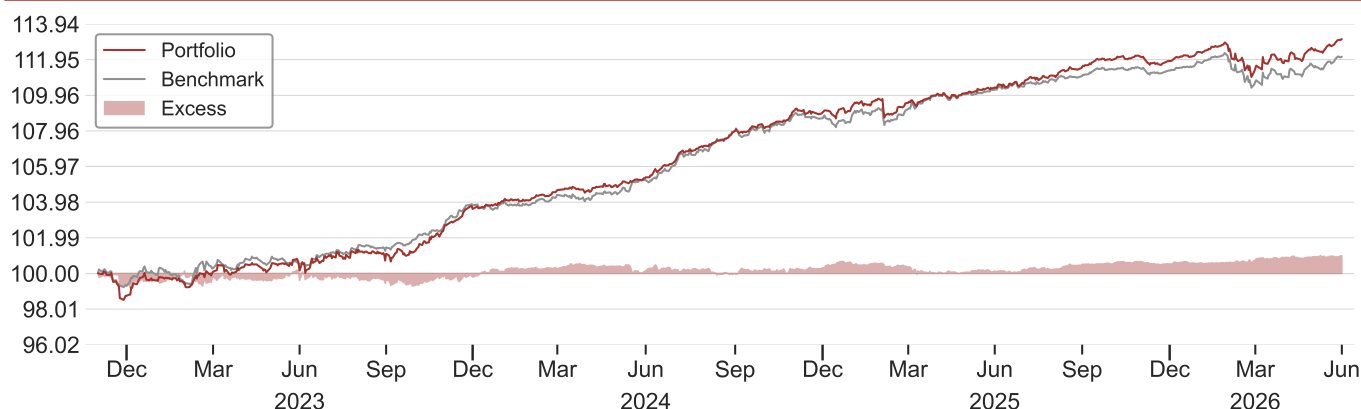
Time-weighted return	Jan	Feb	Mar	Apr	May	Jun
Portfolio	0.54%	0.60%	-1.00%	0.29%	0.80%	0.54%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%	0.37%
Excess return	0.11%	0.16%	0.44%	0.02%	0.18%	0.17%

Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.78%	0.69%	1.08%
Quarter-to-date return	1.64%	1.27%	0.37%
Accumulated return	8.14%	3.00%	5.14%
Annualised return	1.21%	0.45%	0.75%
Rolling 1-year annualised return	3.05%	1.68%	1.37%
Rolling 3-year annualised return	4.46%	3.69%	0.77%
Rolling 5-year annualised return	1.55%	0.88%	0.67%

Fund information		
12-month holding period return		3.13%
NAV		101.04
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	Jun
Portfolio	0.46%	0.47%	-1.29%	0.28%	0.76%	0.43%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%	0.37%
Excess return	0.03%	0.02%	0.14%	0.01%	0.14%	0.06%

Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.10%	0.69%	0.41%
Quarter-to-date return	1.48%	1.27%	0.21%
Accumulated return	13.09%	12.11%	0.99%
Annualised return	3.50%	3.24%	0.25%
Rolling 1-year annualised return	2.45%	1.68%	0.77%
Rolling 3-year annualised return	4.13%	3.69%	0.44%

Fund information

12-month holding period return	2.77%
NAV	102.36
ISIN	DK0061929205
Exchange Status	Listed
Distribution Policy	Distributing
Inception date	30-11-2022

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HP Invest Long Term Danish Bonds Accumulating



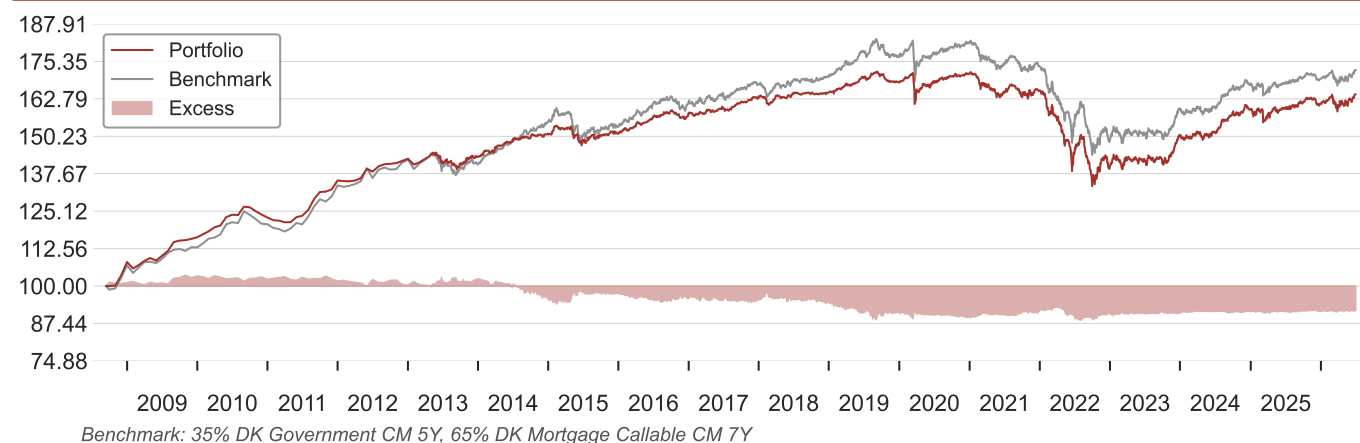
Time-weighted return	Jan	Feb	Mar	Apr	May	Jun
Portfolio	0.66%	1.13%	-2.56%	0.12%	1.57%	0.83%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%	0.91%
Excess return	0.07%	0.12%	-0.38%	-0.18%	0.46%	-0.08%

Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.72%	1.72%	-0.00%
Quarter-to-date return	2.55%	2.35%	0.20%
Accumulated return	23.97%	24.57%	-0.59%
Annualised return	1.34%	1.37%	-0.03%
Rolling 1-year annualised return	2.69%	2.65%	0.04%
Rolling 3-year annualised return	4.26%	4.05%	0.21%
Rolling 5-year annualised return	0.38%	0.91%	-0.54%

Fund information	
12-month holding period return	3.80%
NAV	123.97
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	Jun
Portfolio	0.73%	1.19%	-2.46%	0.18%	1.56%	0.86%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%	0.91%
Excess return	0.14%	0.19%	-0.28%	-0.13%	0.45%	-0.05%

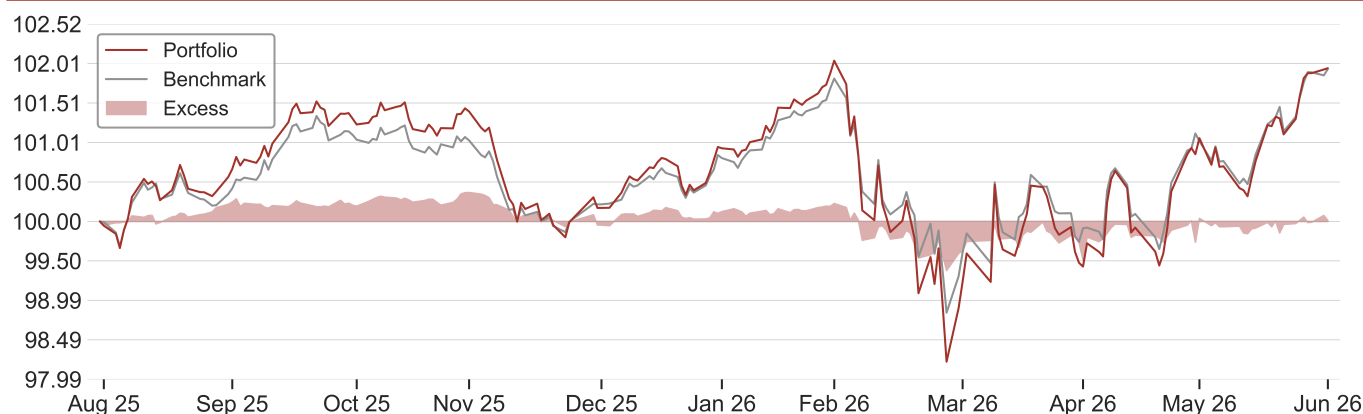
Return	Portfolio	Benchmark	Excess return
Year-to-date return	2.02%	1.72%	0.30%
Quarter-to-date return	2.62%	2.35%	0.27%
Accumulated return	64.35%	72.50%	-8.15%
Annualised return	2.83%	3.11%	-0.28%
Rolling 1-year annualised return	2.96%	2.65%	0.31%
Rolling 3-year annualised return	5.06%	4.54%	0.52%
Rolling 5-year annualised return	-0.10%	-0.25%	0.15%

Fund information

12-month holding period return	3.69%
NAV	93.73
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	Jun
Portfolio	0.76%	1.11%	-2.76%	0.19%	1.65%	0.88%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%	0.91%
Excess return	0.17%	0.10%	-0.59%	-0.11%	0.54%	-0.03%

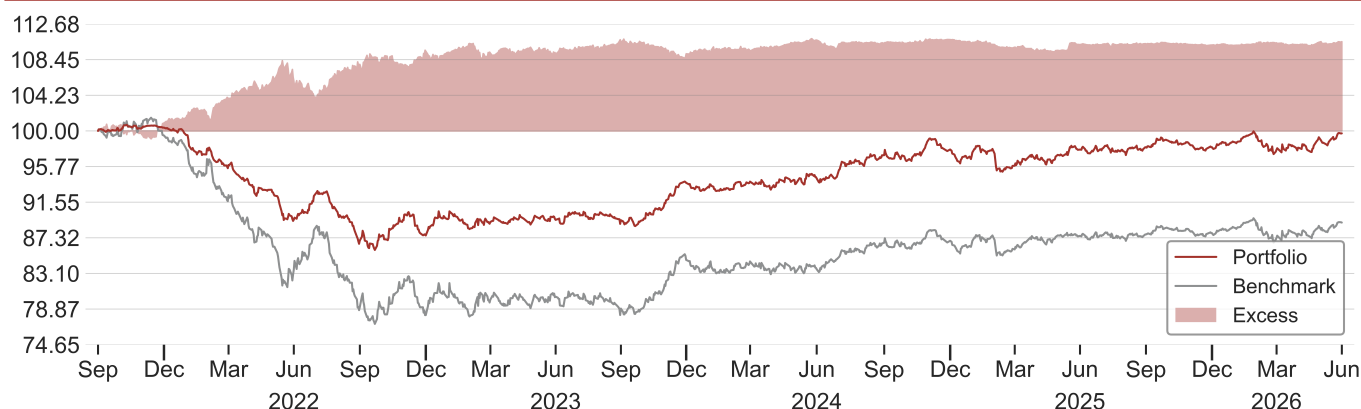
Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.78%	1.72%	0.06%
Quarter-to-date return	2.75%	2.35%	0.40%
Accumulated return	1.95%	1.94%	0.01%

Fund information

12-month holding period return	3.81%
NAV	101.05
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	Jun
Portfolio	0.64%	1.28%	-2.20%	0.25%	1.27%	0.47%
Benchmark	0.77%	1.22%	-2.60%	0.55%	1.07%	0.44%
Excess return	-0.13%	0.05%	0.40%	-0.30%	0.20%	0.03%

Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.68%	1.42%	0.26%
Quarter-to-date return	2.00%	2.08%	-0.08%
Accumulated return	-0.29%	-10.87%	10.58%
Annualised return	-0.06%	-2.40%	2.33%
Rolling 1-year annualised return	1.97%	1.80%	0.17%
Rolling 3-year annualised return	3.68%	3.52%	0.17%

Fund information

Yield to maturity	3.68%
NAV	101.20
ISIN	DK0060118610
Exchange Status	Listed
Distribution Policy	Distributing
Inception date	30-09-2021
Tonnes CO ₂ reduction per invested DKKm per year	208.54

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HP Hedge Danish Bonds



Time-weighted return	Jan	Feb	Mar	Apr	May	Jun
Portfolio	1.56%	1.22%	-2.61%	0.86%	3.84%	2.50%

Return	Portfolio
Year-to-date return	7.48%
Quarter-to-date return	7.35%
Accumulated return	155.69%
Annualised return	4.99%
Rolling 1-year annualised return	12.97%
Rolling 3-year annualised return	14.43%
Rolling 5-year annualised return	0.24%

Fund information	
Expected 12-month holding period return	8-12%
NAV	255.69
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	Jun
Portfolio	1.01%	1.38%	-2.78%	2.52%	3.24%	1.66%

Return	Portfolio
Year-to-date return	7.14%
Quarter-to-date return	7.60%
Accumulated return	17.00%
Annualised return	2.05%
Rolling 1-year annualised return	14.72%
Rolling 3-year annualised return	20.99%
Rolling 5-year annualised return	2.16%

Fund information	
Expected 12-month holding period return	8-12%
NAV	117.00
ISIN	DK0061077534
Exchange Status	Unlisted
Distribution Policy	Accumulating
Inception date	09-10-2018

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