

Return Report



HP Fonds Monthly reporting

Reporting period: 1st of July - 31st of July 2026

July 2026

July was characterised by the following key developments:

- Summer holiday cancelled in the Middle East – the ceasefire collapsed, and Brent rose 20% in July.
- Europe surprised, the US disappointed – the Eurozone grew at twice the expected pace in Q2.
- The Fed held – but only just – three members voted to hike, the Dow fell 1,100 points and the 30-year yield hit its highest level since 2007.
- A quiet summer in the bond market, even as yields rose 25bp across the curve, with callables leading and the 5% series performing best of all.
- Low supply and declining conversions are providing a floor under spreads, while an elevated EUR/DKK has so far triggered neither intervention nor a rate hike.

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	-0.31%	0.16%	0.78%	0.56%
HP Invest Long Term Danish Bonds Accumulating	Click here	-1.48%	-0.11%	0.22%	-0.11%
HP Invest Long Term Danish Bonds	Click here	-1.44%	-0.07%	0.55%	0.22%
HP Invest Green Bonds	Click here	-1.31%	0.19%	0.35%	0.44%

UNLISTED FUNDS

Subfund	Summary	MTD	Excess return	YTD	Excess return
HP Engros Short Term Danish Bonds	Click here	-0.28%	0.18%	1.13%	0.91%
HP Invest Short Term Danish Bonds	Click here	-0.35%	0.11%	1.42%	1.20%
HP Invest Long Term Danish Mortgage Bonds	Click here	-1.49%	-0.12%	0.26%	-0.07%
HP Hedge Danish Bonds	Click here	1.67%	-	9.27%	-
HP Hedge Fixed Income	Click here	0.57%	-	7.74%	-

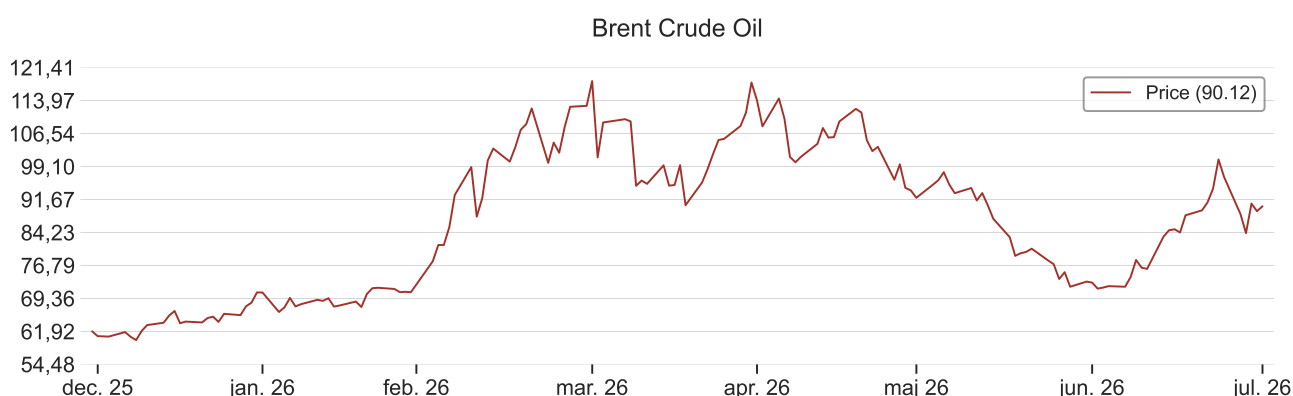
Returns are calculated after fees.

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Macro

While most had hoped for a quiet summer after months of geopolitical turbulence, the Middle East had other plans. July became the month in which the fragile peace between the US and Iran began to crack at the seams, and the global economy once again had to adapt to shifting signals from a waterway that has become the year's most important price indicator.



Source: Bloomberg

Brent crude rose by more than 20% in July, as a temporary pause in hostilities between the US and Iran collapsed and renewed military activity threatened to reinstate the blockade of the Strait of Hormuz. The month brought extraordinary price swings. Trump declared the ceasefire over at the NATO summit in Turkey and threatened renewed bombardment of Iran, sending oil prices sharply higher. Towards the end of the month, however, Brent fell by nearly 9% in a single session as Iran signaled its willingness to suspend attacks for as long as the US maintained its pause. The geopolitical risk premium is back, and the oil price has once again become a barometer of the mood at the negotiating table rather than of supply and demand.

The growth picture in July offered an interesting crossroads: Europe surprised to the upside while the US disappointed. The Eurozone grew by 0.4% in Q2, double the consensus expectation of 0.2%, and accelerated from the flat Q1. Growth remains unevenly distributed, however. Spain delivered once again with 0.7% quarterly growth, while France returned to positive territory with 0.2% after a negative Q1. Germany and Italy both grew by a modest 0.2%. Beneath the surface, it is primarily net exports rather than domestic consumption driving growth, the latter continuing to suffer under energy pressure. On the other side of the Atlantic, the US economy grew at an annualized rate of 1.5% in Q2, below the consensus of 2.1% and down from 2.1% in Q1. Underlying private demand was, however, stronger than the headline figure suggests. It is primarily declining government spending and a negative trade balance that are weighing on the number.

European consumer confidence continued its gradual recovery in July, for the third consecutive month, but remains far from having recouped the losses incurred following the outbreak of war in February. The ECB kept rates unchanged at its July meeting on the 23rd, but the market reads this as a deliberate pause rather than a change of direction. The market points to the September meeting as the likely occasion for another hike, when the ECB will convene with fresh inflation and growth projections in hand. And the argument is there: core inflation, driven primarily by the services sector, is proving more persistent than the energy shock that started it all. But the ECB is holding a hot potato. If it raises

rates and oil falls again, it risks critics once more calling it a policy mistake, tightening in response to a shock that is already fading.

The Fed met on 29 July, and the outcome resembled at first glance a carbon copy of the June meeting: rates were held unchanged at 3.50-3.75%. But beneath the surface there was more drama. Three FOMC members (Hammack, Kashkari and Logan) dissented in favor of an immediate 25bp hike, and the market received confirmation that the pressure for a move is real and growing. Warsh himself called it a "healthy family disagreement" and held to his line of neither offering forward guidance nor providing his own forecast. The statement was once again unusually brief, and Warsh emphasized that the tightening in financial markets is itself doing some of the Fed's work. The market did not take it calmly: the Dow Jones fell more than 1,100 points in its worst single-day decline in over a year, the 30-year Treasury yield rose to its highest level since 2007, and the S&P 500 closed the day down 0.6%. The Jackson Hole symposium on 27-29 August, where Warsh is expected to speak, will be the next significant marker as to whether the Fed actually pulls the trigger in September.

Risk assets had a turbulent month. The renewed escalation in the Middle East sent energy stocks higher and broad indices lower in the first half of the month, while the subsequent pause in hostilities brought relief towards the end. Credit spreads widened moderately in line with the geopolitical uncertainty but remained far from stress levels. The bond market continues to price in a rate hike from the ECB in September, and long European yields are holding close to their highest levels since 2011.

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
31-03-2026	2.95	3.07	3.26	3.30	0.31
30-06-2026	2.81	2.91	3.09	3.25	0.29
31-07-2026	3.10	3.23	3.40	3.49	0.30

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
31-03-2026	2.73	2.89	3.08	3.12	0.35
30-06-2026	2.60	2.73	2.91	3.07	0.31
31-07-2026	2.91	3.07	3.22	3.31	0.31

Source: Nordea Analytics

Bond market

July is traditionally the holiday month and typically one of the quietest periods of the year in the Danish bond market, and this year the pattern has held. It is worth noting, however, that the calm has this time arrived despite market rates having generally risen by around 25bp across the curve during the month. This is a combination that would normally give rise to more movement in spreads and volatility than we have actually seen, suggesting that the underlying technical factors rather than the direction of rates have been the dominant driver of pricing in July.

	1 year	2 year	3 year	5 year	7 year
DK Mortgage CM		0.46	0.30	0.41	
DK Mortgage Callable CM			0.79	0.72	0.68
DK Mortgage Non-Callable CM	0.84		0.34		
DK Government CM		0.08	-0.13	-0.33	-0.50

Source: Nordea Analytics

Callable bonds have again delivered a solid month, with the high coupons in particular performing well. The 5% series stand out, while the 4% series have also had a decent run. Measured on OAS, the 4% series have performed around 1 point while the 5% series have performed 3 points. The primary explanation lies on the supply side. Daily issuance has been very limited, running at around DKK 200-300 million, which is significantly below normal levels.

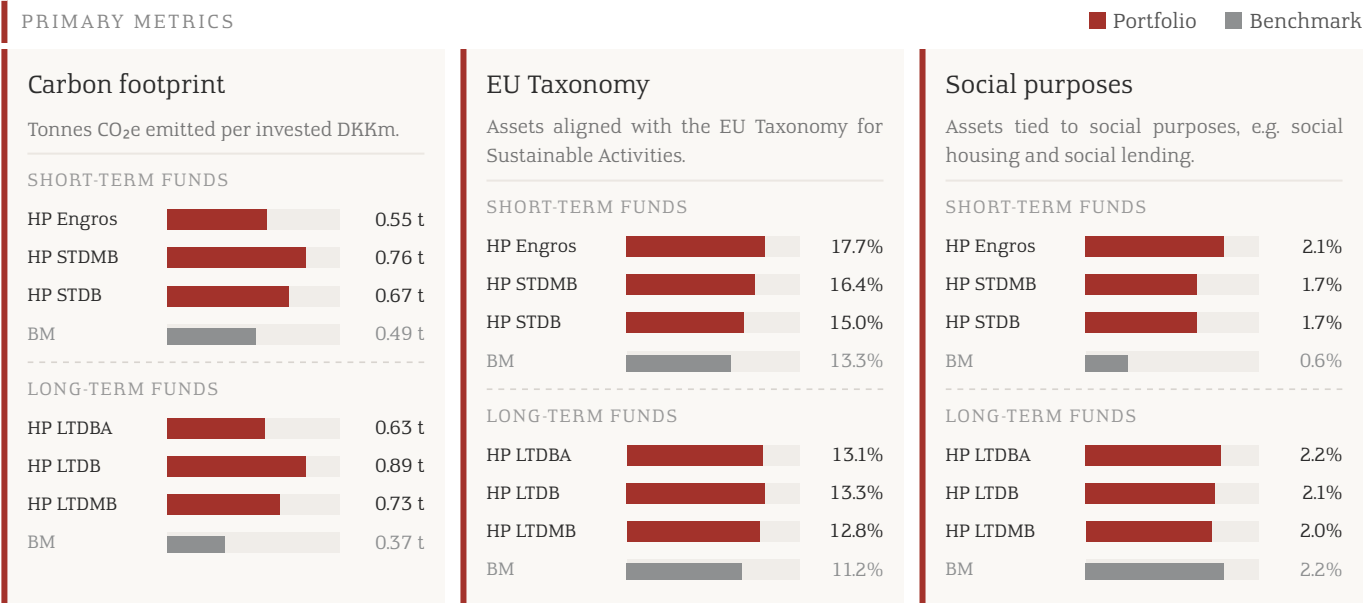
At the same time, conversion activity appears to be declining. For the 5% series, the final figures indicate that extraordinary draws for the October coupon date are on average approximately 2% lower than for the July coupon date, with only one ISIN above 10%, which is below market expectations. This reduces uncertainty around cash flows in the high-coupon segment and independently provides further support to pricing.

Danmarks Nationalbank has just published the monthly figures for the development of the foreign exchange reserve, showing that no intervention in the currency market was required in July to support the fixed exchange rate policy. This stands in contrast to June, when the Nationalbank for the first time since late 2022 actively defended the krone by purchasing DKK 0.7 billion. The absence of intervention in July supports our assessment that the weakening of the krone is more attributable to changes in the underlying demand for Danish kroner among domestic non-financial corporates than to genuine pressure calling for action. We also assess that the Nationalbank will going forward seek to make the EUR/DKK fluctuation band more symmetric around the central parity, which argues for the current rate differential between Denmark and the eurozone of -0.4 percentage points remaining unchanged for an extended period. The probability of an imminent standalone Danish rate hike is thereby further reduced.

July reinforces a picture we also saw hints of in June. The Danish bond market, and the callable segment in particular, is currently driven to a significant degree by supply and conversion behavior rather than by the general direction of rates. As long as issuance remains limited and conversion activity continues to decline, we continue to see good arguments for a preference for callable bonds into the autumn, with the same caveats as previously. A fresh wave of market turbulence could change the picture quickly.

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.



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	14.2%	10.5%	11.3%	8.0%
B	6.6%	4.6%	5.8%	4.7%
C	22.6%	16.2%	20.7%	19.4%
D	19.4%	16.4%	18.4%	19.7%
E	7.5%	6.1%	7.0%	6.3%
F	3.0%	2.2%	2.7%	2.0%
G	1.7%	1.0%	1.6%	1.0%
Unclassified	24.9%	43.1%	32.5%	39.0%

Climate reduction targets

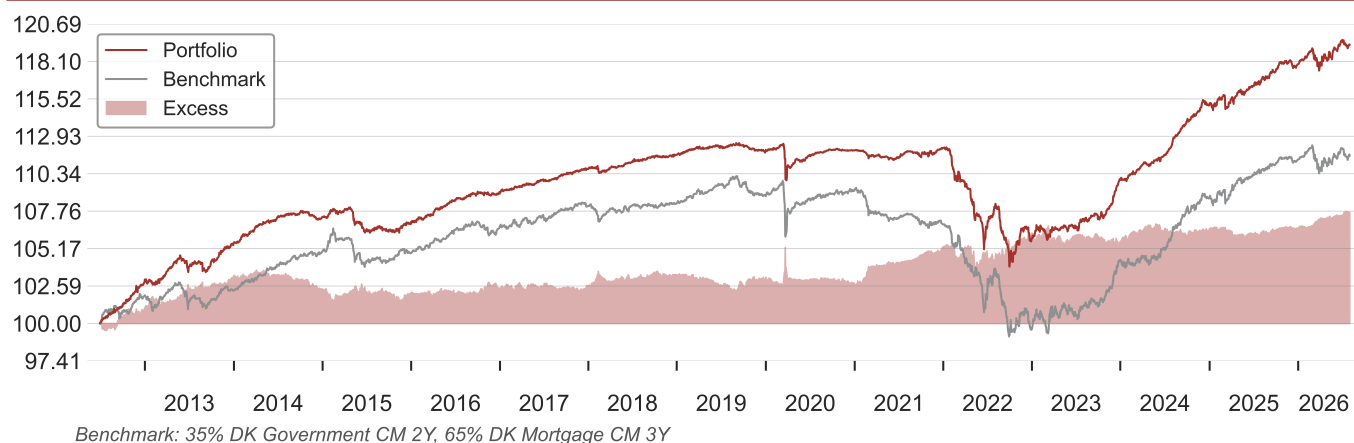
Share of mortgage issuers that have communicated concrete targets for reducing the climate impact of their activities – applicable across all subfunds.

100%

Benchmark: 100%

Portfolio data coverage: 78.2%. Benchmark data coverage: 64.0%. 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	Jul
Portfolio	0.46%	0.47%	-0.95%	0.22%	0.78%	0.43%	-0.28%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%	0.37%	-0.47%
Excess return	0.03%	0.02%	0.49%	-0.04%	0.16%	0.06%	0.18%

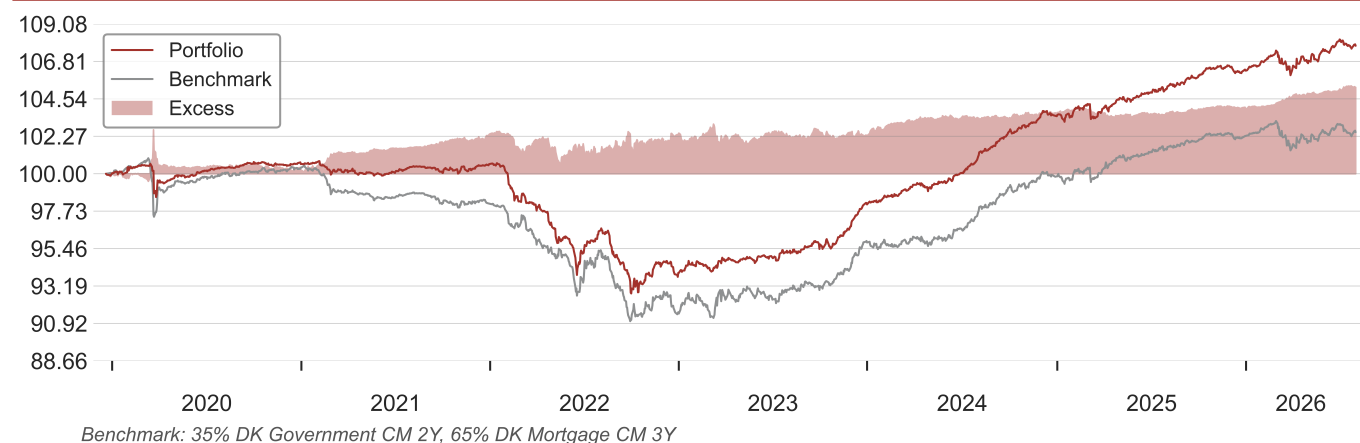
Return	Portfolio	Benchmark	Excess return
Year-to-date return	11.3%	0.22%	0.91%
Quarter-to-date return	-0.28%	-0.47%	0.18%
Accumulated return	19.25%	11.58%	7.67%
Annualised return	1.26%	0.78%	0.48%
Rolling 1-year annualised return	2.15%	1.03%	1.13%
Rolling 3-year annualised return	3.63%	3.31%	0.32%
Rolling 5-year annualised return	1.29%	0.74%	0.55%

Fund information

12-month holding period return	3.18%
NAV	1,192.50
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	Jul
Portfolio	0.54%	0.60%	-1.00%	0.29%	0.80%	0.54%	-0.35%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%	0.37%	-0.47%
Excess return	0.11%	0.16%	0.44%	0.02%	0.18%	0.17%	0.11%

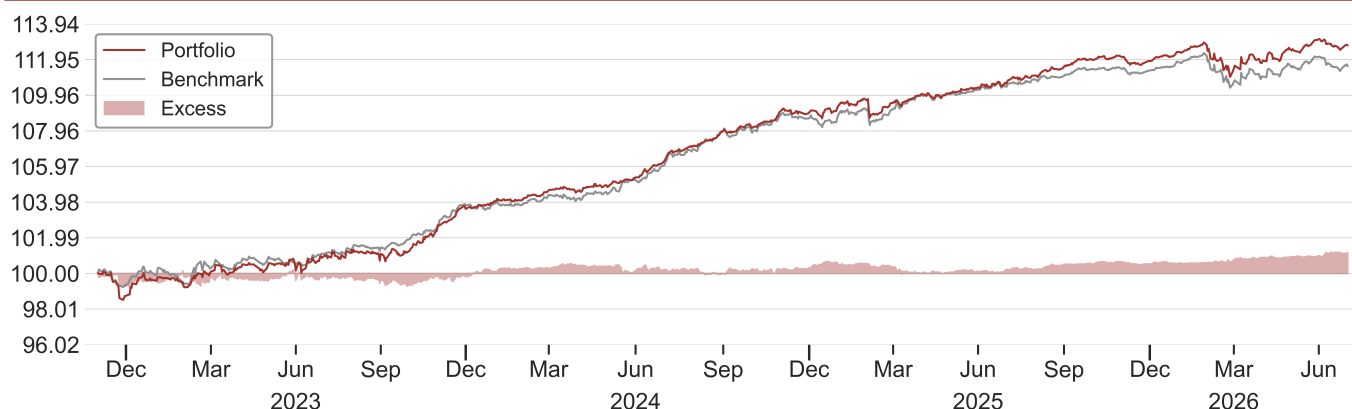
Return	Portfolio	Benchmark	Excess return
Year-to-date return	1.42%	0.22%	1.20%
Quarter-to-date return	-0.35%	-0.47%	0.11%
Accumulated return	7.76%	2.52%	5.24%
Annualised return	1.14%	0.38%	0.76%
Rolling 1-year annualised return	2.46%	1.03%	1.44%
Rolling 3-year annualised return	4.20%	3.31%	0.88%
Rolling 5-year annualised return	1.42%	0.74%	0.68%

Fund information

12-month holding period return	3.40%
NAV	100.69
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	Jul
Portfolio	0.46%	0.47%	-1.29%	0.28%	0.76%	0.43%	-0.31%
Benchmark	0.43%	0.45%	-1.44%	0.27%	0.62%	0.37%	-0.47%
Excess return	0.03%	0.02%	0.14%	0.01%	0.14%	0.06%	0.16%

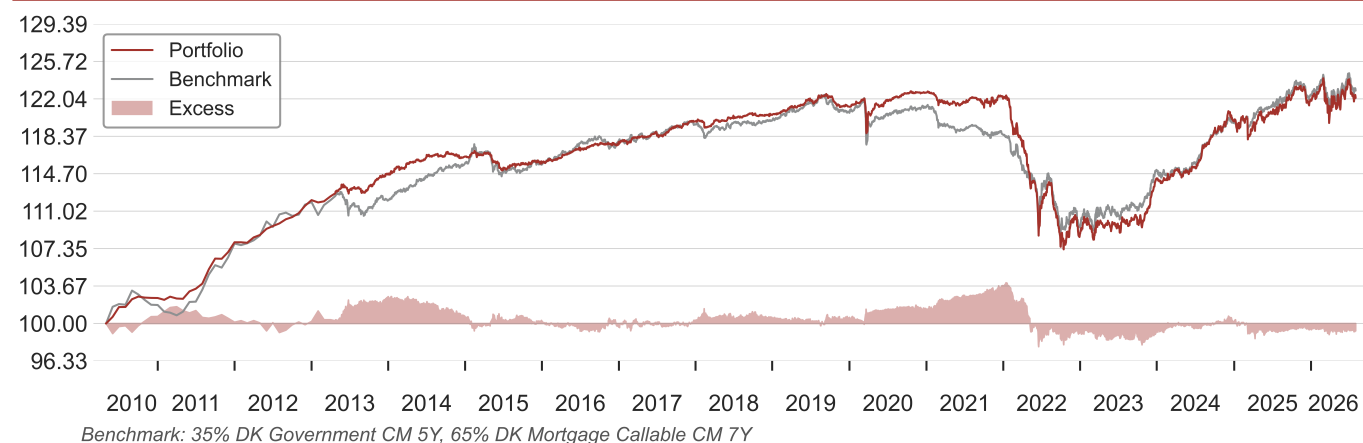
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.78%	0.22%	0.56%
Quarter-to-date return	-0.31%	-0.47%	0.16%
Accumulated return	12.74%	11.58%	1.16%
Annualised return	3.33%	3.03%	0.29%
Rolling 1-year annualised return	1.86%	1.03%	0.83%
Rolling 3-year annualised return	3.73%	3.34%	0.39%

Fund information

12-month holding period return	3.05%
NAV	102.04
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	Jul
Portfolio	0.66%	1.13%	-2.56%	0.12%	1.57%	0.83%	-1.48%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%	0.91%	-1.37%
Excess return	0.07%	0.12%	-0.38%	-0.18%	0.46%	-0.08%	-0.11%

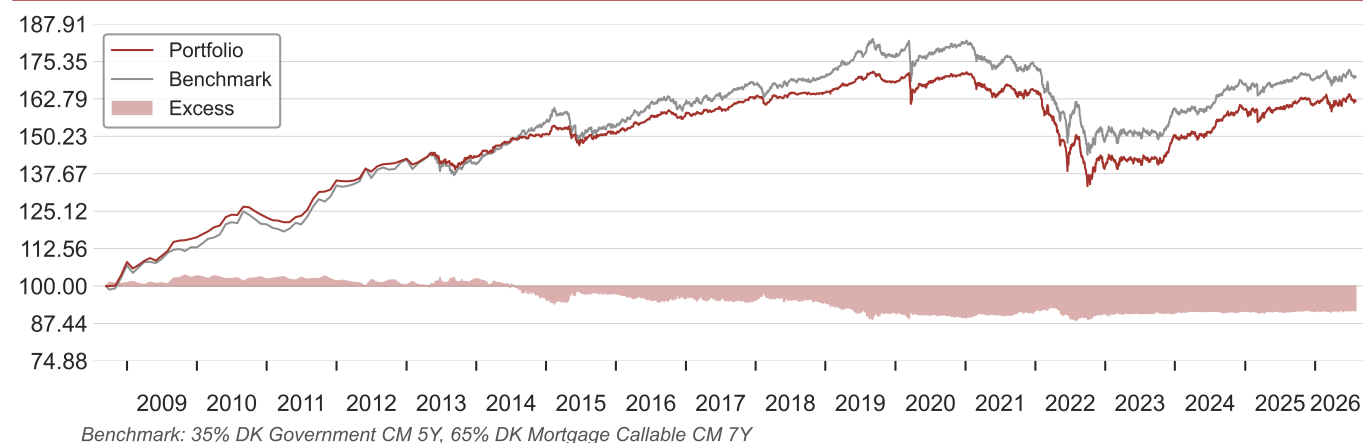
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.22%	0.33%	-0.11%
Quarter-to-date return	-1.48%	-1.37%	-0.11%
Accumulated return	22.14%	22.86%	-0.72%
Annualised return	1.24%	1.27%	-0.04%
Rolling 1-year annualised return	0.96%	0.96%	-0.00%
Rolling 3-year annualised return	3.57%	3.36%	0.21%
Rolling 5-year annualised return	0.00%	0.57%	-0.57%

Fund information

12-month holding period return	4.08%
NAV	122.14
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	Jul
Portfolio	0.73%	1.19%	-2.46%	0.18%	1.56%	0.86%	-1.44%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%	0.91%	-1.37%
Excess return	0.14%	0.19%	-0.28%	-0.13%	0.45%	-0.05%	-0.07%

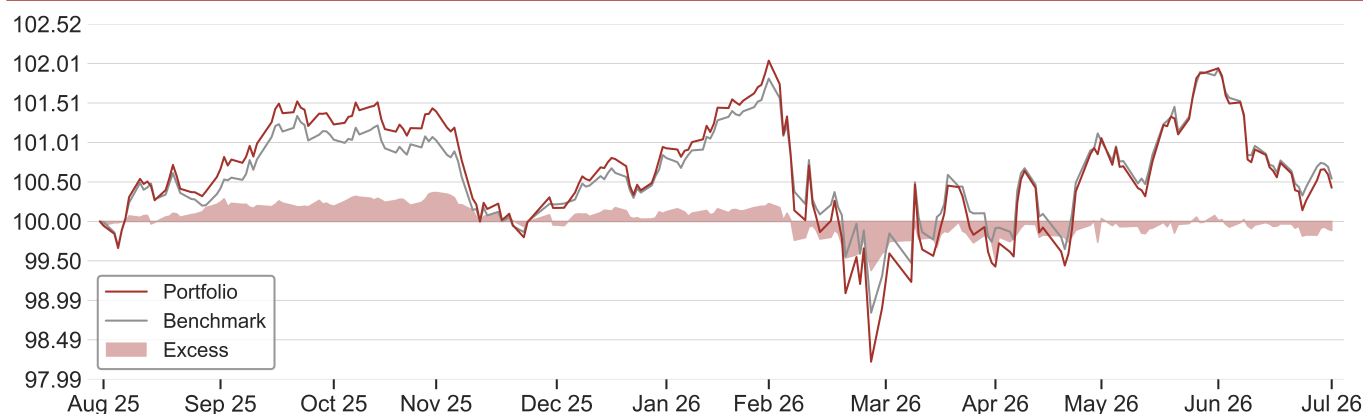
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.55%	0.33%	0.22%
Quarter-to-date return	-1.44%	-1.37%	-0.07%
Accumulated return	61.98%	70.13%	-8.16%
Annualised return	2.73%	3.02%	-0.28%
Rolling 1-year annualised return	1.27%	0.96%	0.30%
Rolling 3-year annualised return	4.31%	3.88%	0.44%
Rolling 5-year annualised return	-0.66%	-0.79%	0.13%

Fund information

12-month holding period return	3.91%
NAV	92.37
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	Jul
Portfolio	0.76%	1.11%	-2.76%	0.19%	1.65%	0.88%	-1.49%
Benchmark	0.59%	1.01%	-2.18%	0.31%	1.11%	0.91%	-1.37%
Excess return	0.17%	0.10%	-0.59%	-0.11%	0.54%	-0.03%	-0.12%

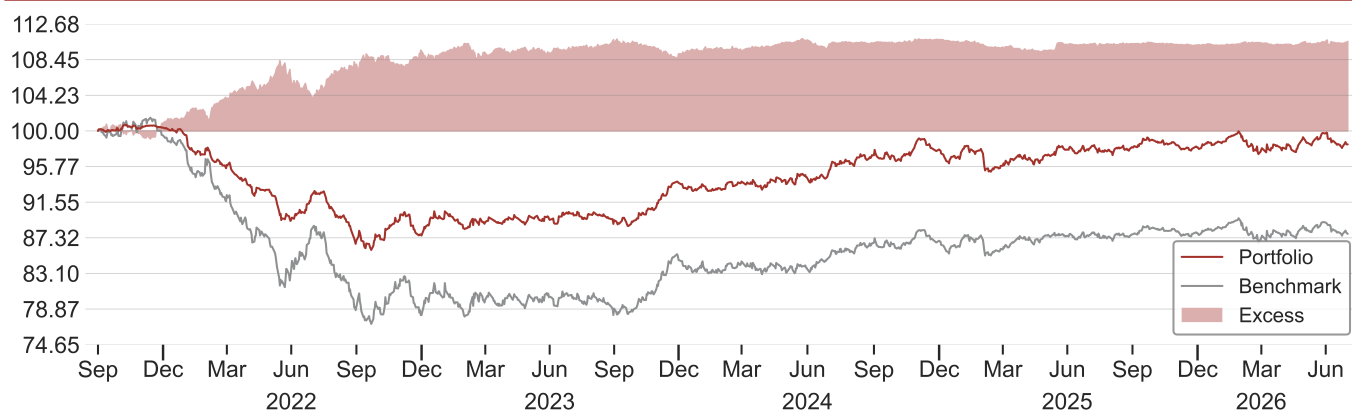
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.26%	0.33%	-0.07%
Quarter-to-date return	-1.49%	-1.37%	-0.12%
Accumulated return	0.43%	0.55%	-0.12%

Fund information

12-month holding period return	3.98%
NAV	99.53
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	Jul
Portfolio	0.64%	1.28%	-2.20%	0.25%	1.27%	0.47%	-1.31%
Benchmark	0.77%	1.22%	-2.60%	0.55%	1.07%	0.44%	-1.50%
Excess return	-0.13%	0.05%	0.40%	-0.30%	0.20%	0.03%	0.19%

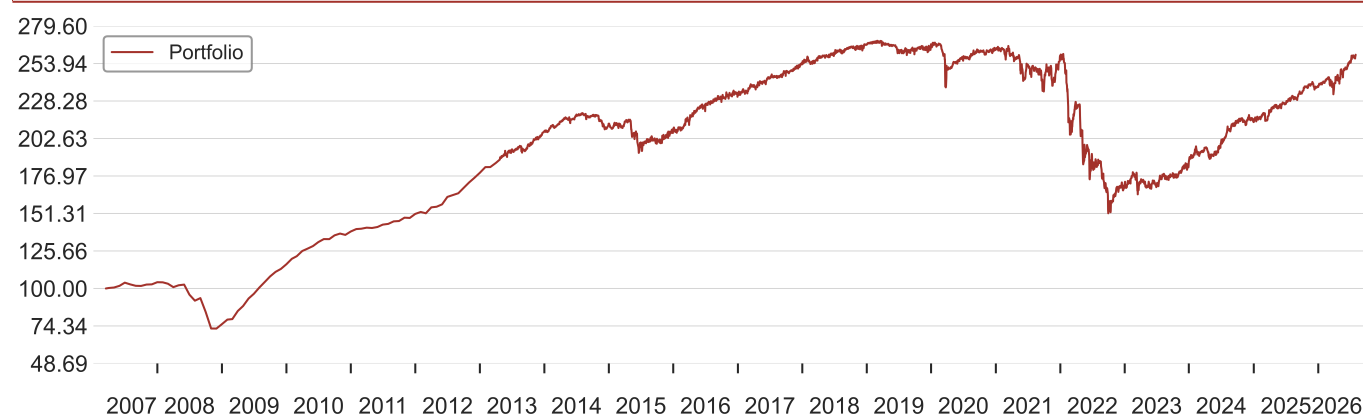
Return	Portfolio	Benchmark	Excess return
Year-to-date return	0.35%	-0.09%	0.44%
Quarter-to-date return	-1.31%	-1.50%	0.19%
Accumulated return	-1.60%	-12.21%	10.61%
Annualised return	-0.33%	-2.66%	2.32%
Rolling 1-year annualised return	0.51%	0.18%	0.34%
Rolling 3-year annualised return	2.95%	2.91%	0.04%

Fund information

Yield to maturity	3.83%
NAV	99.87
ISIN	DK0060118610
Exchange Status	Listed
Distribution Policy	Distributing
Inception date	30-09-2021
Tonnes CO ₂ reduction per invested DKKm per year	208.88

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HP Hedge Danish Bonds



Time-weighted return	Jan	Feb	Mar	Apr	May	Jun	Jul
Portfolio	1.56%	1.22%	-2.61%	0.86%	3.84%	2.50%	1.67%

Return	Portfolio
Year-to-date return	9.27%
Quarter-to-date return	1.67%
Accumulated return	159.95%
Annualised return	5.05%
Rolling 1-year annualised return	12.78%
Rolling 3-year annualised return	13.73%
Rolling 5-year annualised return	0.66%

Fund information	
Expected 12-month holding period return	8-12%
NAV	259.95
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	Jul
Portfolio	1.01%	1.38%	-2.78%	2.52%	3.24%	1.66%	0.57%

Return	Portfolio
Year-to-date return	7.74%
Quarter-to-date return	0.57%
Accumulated return	17.67%
Annualised return	2.11%
Rolling 1-year annualised return	13.29%
Rolling 3-year annualised return	18.95%
Rolling 5-year annualised return	2.60%

Fund information	
Expected 12-month holding period return	8-12%
NAV	117.67
ISIN	DK0061077534
Exchange Status	Unlisted
Distribution Policy	Accumulating
Inception date	09-10-2018

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