

Daily Income Fund

This Fund is managed to earn current income and to maintain a stable net asset value. This Fund carries the lowest risk of all the Homestead Funds and is suitable for conservative investors. The Fund's share price is expected—although not guaranteed—to remain constant at \$1.00. However, the level of interest income earned will fluctuate with changes in short-term interest rates.

money market

Fund Symbol: **HDIXX**

CUSIP Number: **437769102**

Inception Date:
November 1990

Asset Allocation:
Money market

Expected Degree of
Share Price Volatility:
Very low

Average Weighted Maturity
on 03/01/12: **47 days**

Fund Management

Portfolio Manager: John Szczur

Mr. Szczur, a money market portfolio manager for RE Advisers and the Director, Pension Investments for NRECA, is a Director of RE Investment Corporation and has been with NRECA since September 2010. He received his BS in Business Economics from the University of Pittsburgh at Johnstown, PA, an MBA in Finance and Investments from George Washington University in Washington, DC, and an MS in Real Estate and Urban Development from American University in Washington, DC. Prior to joining NRECA, he was Director of Investments at the Central Pension Fund of the International Union of Operating Engineers and Participating Employers in Washington, DC, since 1997.

Investment Adviser: RE Advisers Corporation

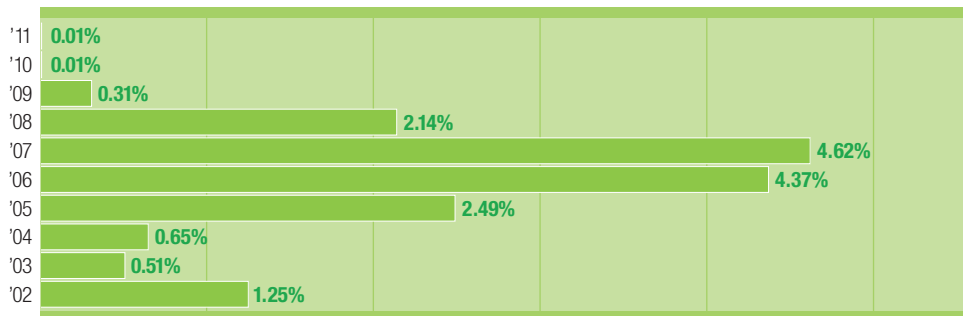
Performance

as of quarter end 03/31/12

DAILY INCOME FUND RETURNS

Annualized Seven-Day Effective Yield (on 04/02/12)	Year-to-Date Total Returns	Average Annual Total Returns				Since Nov '90 (HDIXX Fund Inception)
		1 Year	3 Year	5 Year	10 Year	
0.01%	0.002%	0.01%	0.07%	1.17%	1.59%	3.09%

DAILY INCOME FUND CALENDAR YEAR TOTAL RETURNS



The total returns shown above represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. An investment in the Daily Income Fund is not insured or guaranteed by the FDIC or any other government agency. While this fund seeks to maintain a constant \$1.00 per share price, it is possible to lose money by investing in this fund.

Investments in fixed-income funds are subject to interest rate, credit and inflation risk.

Investors should carefully consider fund objectives, risks, charges and expenses before investing. The prospectus contains this and other information about the fund and should be read carefully before investing. To obtain a prospectus, call 1-800-258-3030 or visit homesteadfunds.com. RE Investment Corporation, Distributor. 04/12