

International Value Fund

This Fund invests primarily in equity securities traded principally outside the United States, including securities traded in emerging markets, believed by the Fund's subadviser to be undervalued and thereby offering above-average potential for capital appreciation.

stocks

Fund Symbol: **HISIX**

CUSIP Number: **437769805**

Inception Date:
January 2001

Asset Allocation:
International stock

Portfolio Characteristics:
Large- and medium-sized, non-U.S.-based companies

Expected Degree of Share Price Volatility:
Very high

Performance information for the International Value Fund (formerly the International Stock Index Fund) reflects its investment experience in the State Street MSCI® EAFE® Index Portfolio from its inception through October 16, 2005, in the Vanguard Developed Markets Index Fund from October 17, 2005 to June 9, 2006, and as an actively managed fund subadvised by Mercator Asset Management from June 12, 2006, to period end.

International investing involves special risks such as currency fluctuation and political instability.

Fund Management

Portfolio Manager: Jim Chaney

Mr. Chaney is one of seven investment professionals at Mercator Asset Management, responsible for day-to-day management of the fund. Mercator manages international stock accounts for numerous corporate and public pension plans. Mercator's investment approach is to identify attractive, undervalued securities traded in stock markets outside the U.S. that have good earnings prospects. As subadviser, Mercator selects, buys and sells securities for the International Value Fund in accordance with the Fund's investment objective and policies and under the supervision of RE Advisers and the Board of Directors.

Investment Subadviser: Mercator Asset Management, LP (under the supervision of RE Advisers Corporation and the Board of Directors)

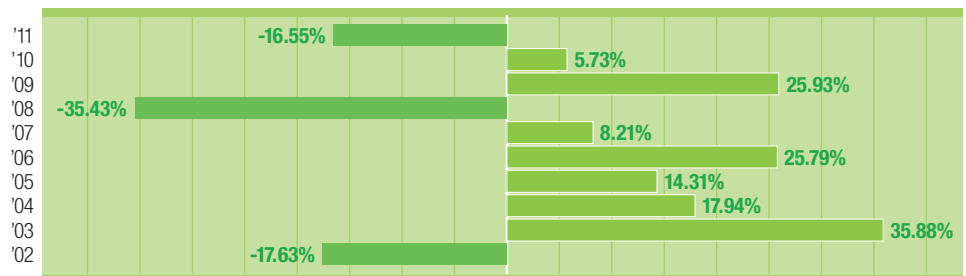
Performance

as of quarter end 03/31/12

INTERNATIONAL VALUE FUND TOTAL RETURNS

	Year-to-Date	Average Annual			10 Year	Since Jan '01 (HISIX Fund Inception)
		1 Year	3 Year	5 Year		
International Value Fund	13.76%	-7.99%	14.10%	-3.35%	5.27%	2.37%
MSCI® EAFE® Index	10.86%	-5.77%	17.13%	-3.51%	5.70%	2.93%

INTERNATIONAL VALUE 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.

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