

Short-Term Government Securities Fund

This Fund seeks to provide an extra measure of credit protection, as it invests primarily in fixed-income securities whose principal and interest payments are guaranteed by the U.S. Government. The U.S. Government does not guarantee the Fund's price or yield. These will fluctuate with market conditions.

bonds

Fund Symbol: **HOSGX**

CUSIP Number: **437769409**

Inception Date: **May 1995**

Asset Allocation:
Fixed income

Expected Degree
of Share Price Volatility:
Low

Average Weighted Maturity
on 03/01/12: **2.64 years**

Annualized 30-Day SEC Yield
on 03/01/12: **0.46%**

Fund Management

Portfolio Manager: Douglas Kern, CFA

Mr. Kern, a senior fixed-income portfolio manager for RE Advisers, is the portfolio manager for the Short-Term Government Securities Fund and the Short-Term Bond Fund, which he has managed since inception. He received his BA in Business Administration and his MBA in Finance from Pennsylvania State University. He has been with NRECA since 1985.

Investment Adviser: RE Advisers Corporation

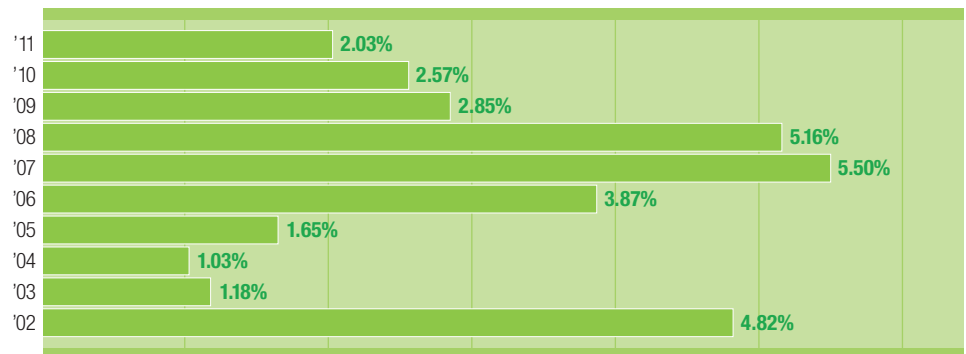
Performance

as of quarter end 03/31/12

SHORT-TERM GOVERNMENT SECURITIES FUND TOTAL RETURNS

	Year-to-Date	Average Annual				Since May '95 (HOSGX Fund Inception)
		1 Year	3 Year	5 Year	10 Year	
Short-Term Gov. Securities Fund	0.16%	2.30%	2.24%	3.36%	3.06%	4.01%
BofA Merrill Lynch 1-5 Year U.S. Treasury Index	-0.19%	3.13%	2.33%	4.42%	3.97%	5.05%

SHORT-TERM GOVERNMENT SECURITIES 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.

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