

Value Fund

The Value Fund seeks capital growth over the long term and, secondarily, income. The Fund invests in stocks of established companies RE Advisers believes are selling at a discount to their true worth.

stocks

Fund Symbol: **HOVLX**

CUSIP Number: **437769201**

Inception Date:
November 1990

Asset Allocation: **Stock**

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

Expected Degree
of Share Price Volatility:
High

Fund Management

Portfolio Managers: Peter Morris, Stuart Teach, CFA, and Mark Ashton, CFA
Mr. Morris, a Director and President of RE Advisers and Vice President and Chief Investment Officer of NRECA, is a portfolio manager of the Value Fund and the Small-Company Stock Fund, which he has co-managed since inception. He is a Director and Vice President of RE Investment Corporation and a Director, President and Chief Executive Officer of Homestead Funds. He received his BS in Economics from Coe College and has been with NRECA since 1974.

Mr. Teach, a Director and Vice President of RE Advisers, is a portfolio manager for the Value Fund and the Small-Company Stock Fund and has co-managed these Funds since inception. He received his BS in Business Administration and Finance from The Ohio State University and his MBA in Finance from Miami University. He is a Director and President of RE Investment Corporation and has been with NRECA since 1985.

Mr. Ashton, an equity portfolio manager for RE Advisers and NRECA, co-manages and oversees the investment activities of the Value Fund and the Small-Company Stock Fund, since January 1999, with Mr. Morris and Mr. Teach. He received his BS in Finance from the University of Utah and his MBA specializing in Marketing Research from the University of Southern California. Mr. Ashton was a Vice President of Capital Research Company from 1984 to 1998 prior to joining RE Advisers and NRECA in 1999.

Investment Adviser: RE Advisers Corporation

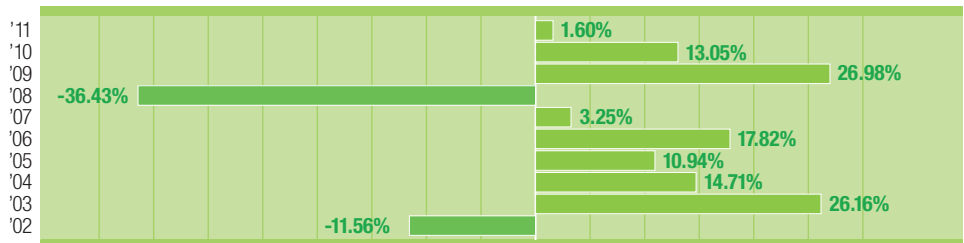
Performance

as of quarter end 03/31/12

VALUE FUND TOTAL RETURNS

	Year-to-Date	Average Annual				Since Nov '90 (HOVLX Fund inception)
		1 Year	3 Year	5 Year	10 Year	
Value Fund	10.26%	4.47%	22.53%	0.57%	5.39%	9.45%
Standard & Poor's 500 Stock Index	12.59%	8.54%	23.42%	2.01%	4.12%	9.46%

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.

Equity funds, in general, are subject to style risk, the chance that returns on stocks within the style category in which the fund invests will trail returns of stocks representing other styles or the market overall.

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