



C/O BFDS
P.O. BOX 219486
KANSAS CITY, MO 64121-9486

Item Number: 00128560

IMPORTANT 2015 TAX INFORMATION

Dear Shareholder:

This table shows the total percent of Homestead Funds' ordinary income distribution (as reported in box 1a of your 2015 IRS Form 1099-DIV) earned on investments in U.S. Government and agency obligations. In some states, interest earned on these securities is exempt from state tax.

| Security Type | Daily Income Fund | Short-Term Bond Fund | Short-Term Government Securities Fund |
|---|-------------------|----------------------|---------------------------------------|
| Direct U.S. Government Obligations | | | |
| U.S. Treasury | 14.4% | 2.2% | 11.6% |
| Total Direct U.S. Government Obligations | 14.4% | 2.2% | 11.6% |
| Indirect U.S. Government Obligations | | | |
| Federal Agriculture Mortgage Corp. | 1.2% | - | - |
| Federal Farm Credit Bank | 0.6% | 0.2% | - |
| Federal Home Loan Bank | 4.9% | - | - |
| Federal Home Loan Mortgage Corporation | 1.1% | 0.1% | - |
| Federal National Mortgage Association | 0.4% | - | - |
| Government National Mortgage Association | - | - | 4.2% |
| Other U.S. Government Agencies | - | 1.3% | 52.7% |
| Total Indirect U.S. Government Obligations | 8.2% | 1.6% | 56.9% |

The Homestead Stock Index, Value, Growth, Small-Company Stock and International Value Funds did not have any reportable U.S. Government interest in 2015.

Due to the complexity and diversity of state requirements, it is not possible for us to give you guidance concerning what must be reported and on what forms. We recommend that you contact your local taxing authorities or a tax advisor about your state's requirements. Please call us at **800-258-3030** if you have any questions concerning this information.

Sincerely,

Beth Civerolo
Director, Mutual Fund Operations

Must be preceded or accompanied by a prospectus. RE Investment Corporation, Distributor. 1/16.