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## Small-Company Stock Fund Wins Lipper Award

For the second year in a row, Lipper named Homestead's Small-Company Stock Fund the top fund in the small-cap core category for the 10-year period ending November 2015. Announced annually, this year on March 22, the Lipper awards recognize funds that have delivered consistently strong risk-adjusted three-, five- and 10-year performance relative to their peers, based on Lipper's proprietary performance-based methodology.



The Lipper Fund Awards are based on the Lipper Leader ratings for Consistent Return; which are calculated using a utility function based on the effective return over multiple non-overlapping periods: three-, five-, and ten-year horizons. The calculations over multiple periods ensure that all periods in which a fund underperforms the average of its peer group are identified. Then Lipper uses a utility function based on behavioral finance theory to penalize periods of under performance against the peer group average, with more significant weightings being given to excess negative returns. In determining the universe of funds considered for an award, Lipper includes those registered for sale in the respective country as of the end of the calendar year that have at least 36 months of performance history. 168 funds were evaluated for this award. The calculation periods end November 30 of the respective evaluation year.

*Past performance does not guarantee future results.* Share prices of small-capitalization stock funds may be more volatile than those of large-capitalization stock funds. Smaller companies may have limited product lines, markets or financial resources, or their management teams may have less depth and expertise, compared with large-capitalization companies.

**About Homestead Funds:** With \$3.2 billion in assets as of 12/31/15, Homestead Funds was created in 1990 to give National Rural Electric Cooperative Association (NRECA) members a convenient way to obtain professional and affordable money management. The funds are open to investors outside of the cooperative community.

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*Investing in mutual funds involves risk, including the possible loss of principal. Investors are advised to consider fund objectives, risks, charges and expenses before investing. The prospectus contains this and other information and should be read carefully before you invest. To obtain a prospectus, call 800.258.3030 or download a PDF at [homesteadfunds.com](http://homesteadfunds.com).*

Homestead Funds' investment advisor, RE Advisers Corporation, and distributor, RE Investment Corporation, are indirect, wholly owned subsidiaries of NRECA. RE Investment Corporation, Distributor. 03/16