



Homestead
Funds

RE Advisers

Products and Services Tailored for Cooperatives

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Driven By The Cooperative Experience

We understand electric cooperatives. Created by NRECA, we are a mutual fund manager with roots in rural America, we have a connection to the financial challenges electric cooperatives face.

Committed to Members. We seek to empower cooperatives and families with education, access and opportunity through straightforward investment planning and partnership.

Made in Rural America. Our focus is on Main Street, not Wall Street. We view investing from the perspective of those we serve, allowing us to create strategies that are truly aligned with our peers and partners and support driven by deeper understanding.

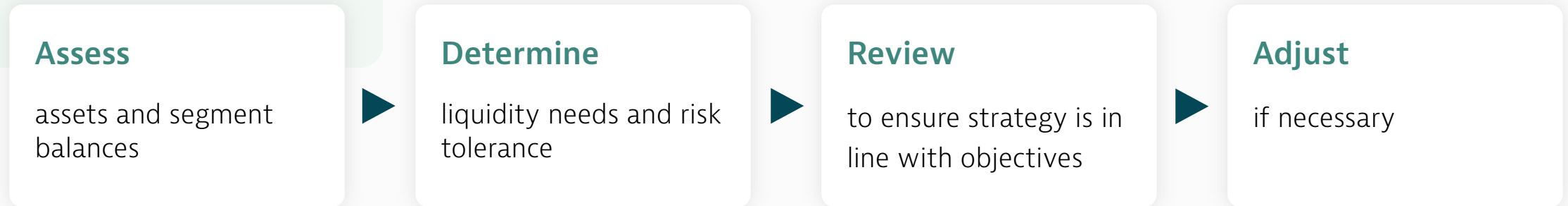


Directors' Considerations



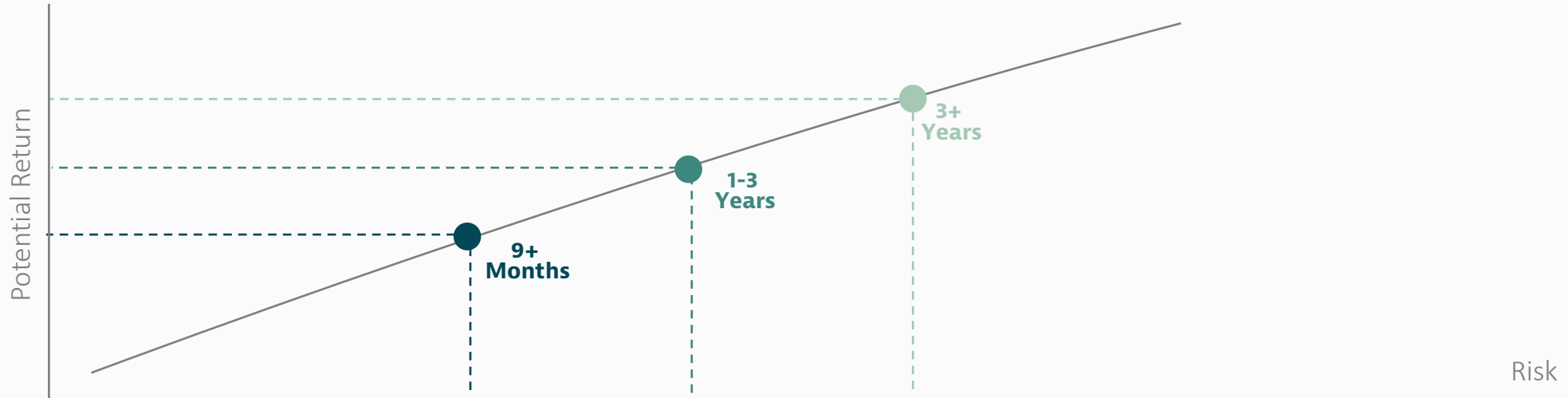
Managing Risk and Growing Capital

One of the electric cooperative directors' responsibilities is guiding how the organization's money and assets are used to fulfill its mission. In that role, directors will need to consider whether cooperative assets are strategically segmented to meet the organization's financial needs. An effective strategy incorporates a clear investment policy, well-defined goals and parameters for liquidity, quality and return.



Balancing Risk, Liquidity and Return

Different account types shown are based on the specific functions, time horizons and liquidity need of assets.



Working Capital

Time Horizon: 0-9 months

Use: Operating and surprise expenses

Objective: Capital preservation

Risk: Minimum volatility

OPERATING

Managed Reserves

Time Horizon: 1-3 years

Use: Periodic cash needs

Objective: Capital preservation

Risk: Minimum to moderate volatility

RESERVE

Benefits/Trust Structures

Time Horizon: Over 3 years

Use: Grow corporate assets

Objective: Total return

Risk: Moderate to high volatility

STRATEGIC

Building Both Short- and Long-Term Value for Your Cooperative

Align Goals to an Investment Strategy

- We can work with leadership and the board to create an investment plan that can work toward your cooperative's financial goals based on risk and time horizons.

Support For Your Mission

- We can work with your cooperative leadership to develop an investment policy statement for board approval.

Regular Account Reviews

- We can meet in person or virtually with your board to present new investment recommendations and annual account reviews to ensure your investments are aligned with your financial goals.

About Homestead Funds



Homestead
Funds

Inspired by Cooperative Values



Aligned

The investment manager for Homestead Funds, RE Advisers, returns its profit to NRECA. This additional source of revenue is available to support member needs and initiatives.



Accessible

With a mission to serve, we are here to offer an attentive ear and provide a helping hand, so you are confident and well taken care of.



Affordable

We provide value in many ways, working hard to keep costs down to ensure your hard-earned money is always working for you.

The expense ratios for all of Homestead Funds' active equity and bond funds are in line with or below their peer group medians, as determined by Morningstar.

Programs Designed for Cooperatives



Corporate Accounts

Invest across our family of mutual funds to help meet your cooperative's tolerance for risk and expected time horizon.



Deferred Compensation

Reward your directors, CEOs and other highly compensated employees with deferred compensation plans and other supplemental benefits.



Community Purpose Accounts

Support your community by funding scholarships and community initiatives.



Employer-Sponsored Savings Program

You can help employees and their families tackle a top financial challenge: not being prepared for an emergency.



Storm Reserve Accounts

Make a plan to help grow your assets into capital you can use for emergencies and future spending needs.

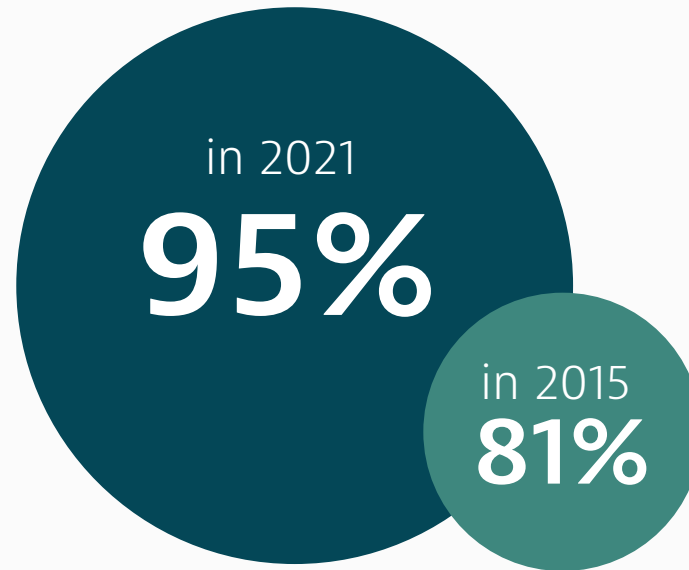


Retiree Medical

Consider establishing a retiree welfare plan trust as a way to help your cooperative and your retirees manage rising health care costs.

Employers Are Taking a Larger Role in Supporting Financial Wellness

Employers understand that helping their employees on the path toward financial wellness is not just a “nice to have” but also an important part of attracting and retaining talent as well as helping to ensure a happy and productive workplace.



of employers feel a **sense of responsibility** for the financial wellness of their employees

Source: Bank of America, “2021 Workplace Benefits Report”

Ways We Help Cooperative Employees

Our financial education, tools and resources can help your employees develop good financial habits and make smarter long-term decisions when it comes to their finances.

⤵ Online Presentations (15 to 60 minutes)

These live sessions can be tailored to fit the interests of your employees and aim to provide tools for action. The presenters are available to answer questions.

⤵ One-on-One Guidance

Employees can have confidential conversations with our representatives to create a custom plan to help meet their needs.

⤵ Presentations in Your Inbox

Tight on time? We can send you links to presentations and videos to share with your employees that cover a range of investing topics.

⤵ Investor Education

Browse our website for resources made specifically for cooperatives. Share the resources you think are most valuable to your employees.

Ten No-Load Mutual Funds

Money Market Fund

Short-Term

Time Frame: Less than 1 year

⤵ Daily Income Fund

Bond Funds

Medium-Term

Time Frame: Less than 5 years

⤵ Short-Term Government Securities Fund

⤵ Short-Term Bond Fund

⤵ Intermediate Bond Fund

Stock and Balanced Funds

Long-Term

Time Frame: More than 5 years

⤵ Rural America Growth & Income Fund

⤵ Stock Index Fund

⤵ Value Fund

⤵ Growth Fund

⤵ International Equity Fund

⤵ Small-Company Stock Fund

Investing in mutual funds involves risk, including the possible loss of principal.

As a money market fund, the Daily Income Fund has limited potential for income production. You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

About RE Advisers

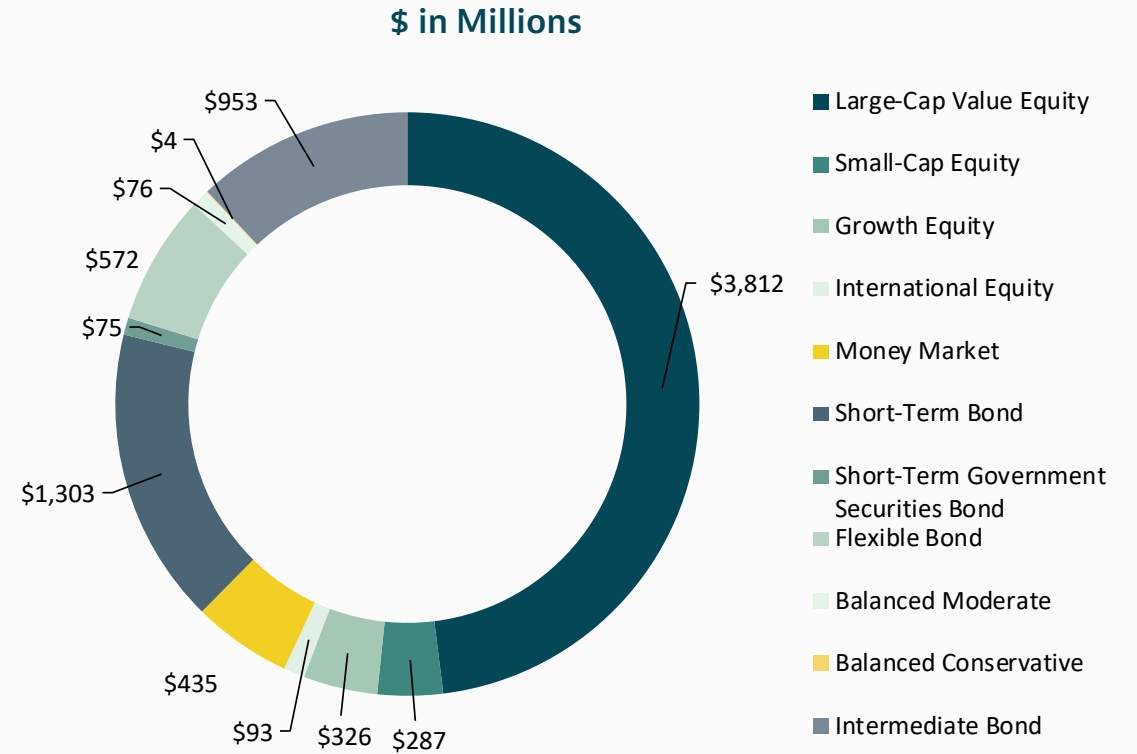


Investment Management Strategies

RE Advisers' assets under management include equity, fixed-income and balanced strategies managed for mutual funds, retirement plans and separately managed accounts.

~\$7.9B

Assets Under Management*



Data as of 3/31/2022.

*Excludes market value of the Homestead Stock Index Fund. RE Advisers is not the investment advisor for this fund.

Separately Managed Account (SMA) Capabilities

- An SMA provides a **personalized approach** to investing that can be customized to help meet your financial goals.
- Compared with investing in a mutual fund where your money is pooled with other investors, you have **direct ownership** of the securities and you can be involved in the buy/sell activity of the account.
- SMAs can be **tax-efficient**, compared with investments in a mutual fund where capital gains from the portfolio are passed along to all shareholders. SMA investors are only taxed on realized gains in their portfolios.
- While SMAs tend to have high investment minimums, the fees are typically **cost-competitive** in comparison with other common investment vehicles.

REA does not offer legal or tax advice. Please consult the appropriate professional regarding your individual circumstance.





Connect

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800.258.3030, option 2

Email:
invest@homesteadfunds.com

If you would like more information, feel free to send an email or give us a call.



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Past performance does not guarantee future results. Investing in mutual funds involves risk, including the possible loss of principal.

Investors should carefully consider fund objectives, risks, charges and expenses before investing. The prospectus contains this and other information about the funds and should be read carefully before investing. To obtain a prospectus, call 800.258.3030 or visit homesteadfunds.com.

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Debt securities are subject to interest rate risk, credit risk, extension risk, income risk, issuer risk and market risk. The value of U.S. government securities can decrease due to changes in interest rates or changes to the financial condition or credit rating of the U.S. government. Investments in asset-backed and mortgage-backed securities are also subject to prepayment risk as well as increased susceptibility to adverse economic developments. High-yield, lower-rated securities involve greater risk than higher-rated securities. Loans are subject to risks involving the enforceability of security interests and loan transactions, inadequate collateral, liabilities relating to collateral securing obligations, and the liquidity of the loans.

Equity securities generally have greater price volatility than fixed-income securities and are subject to issuer risk and market risk. The Stock Index Fund pursues its objective by investing substantially all of its assets in another pooled investment vehicle (a "master fund"). The ability of the Stock Index Fund to meet its investment objective is directly related to the ability of the master fund to meet its investment objective. Index funds may hold securities of companies that present risks that an investment advisor researching individual securities might otherwise seek to avoid and are subject to tracking error risk. Value stocks are subject to the risk that returns on stocks within the style category will trail returns of stocks representing other styles or the market overall. Growth stocks are subject to the risk that returns on stocks within the style category will trail returns of stocks representing other styles or the market overall. Securities of small and medium-sized companies tend to be riskier than those of larger companies. International investing involves currency, economic and political risks, which may be greater for investments in emerging and frontier markets.

Homestead Funds' investment advisor and/or administrator, RE Advisers Corporation, and distributor, RE Investment Corporation, are indirect wholly-owned subsidiaries of NRECA. 04/22