



As described in the enclosed supplement to the Prospectus, the Homestead Funds Board of Directors (the "Board"), based upon the recommendation of Homestead Advisers Corp. (the "Adviser"), has determined that it is in the best interest of our shareholders to liquidate and terminate the Homestead Rural America Growth & Income Fund ("Fund"). The Adviser's recommendation was based on the small amount of assets in the Fund and the Adviser's assessment that the Fund cannot continue its operations in an economically viable manner. We appreciate the liquidation and termination of the Fund may come as a surprise and we regret the need to terminate the Fund.

This letter will guide you as to what actions you will need to take in your account to prepare for this change. Our representatives are available to guide you and answer any questions you may have.

Important Resources:

Homestead Funds Phone Number: 1-800-258-3030 Option 1 for transaction processing or website login help
Option 2 for fund guidance

Homestead Funds Website: www.homesteadfunds.com

- Click Log In in the upper right corner to access your account online

Shareholders may wish to consult with their tax advisor about their particular situation.

Actions Needed

Exchange/Redemption

- The Fund will liquidate its holdings on the close of business on June 12, 2024. You must move your assets out of the Fund by the market close on June 10, 2024. You can accomplish this by exchanging the assets in the Fund to one of our nine other funds, or by requesting a redemption of the assets to be sent to you.
- You may log into your account online or call us at the number above (if you have elected telephone processing) to exchange or redeem your position in the Fund.
- If you need assistance selecting a fund to exchange to, please call us at the number above, choosing option 2.
- In non-IRA accounts, an exchange or redemption is a taxable transaction.
- In IRA and Coverdell ESA accounts, exchanging to another fund is non-taxable, but a redemption is taxable.
 - For IRAs, you may also incur an IRS premature distribution penalty if you are under age 59.5.
 - For Coverdell ESAs, you may also incur an IRS penalty for a redemption not tied to a qualified education expense.
- **If you do not take action to move your assets out of the Fund by the market close on June 10, 2024, we will be forced to liquidate your position and send you the proceeds. As mentioned above, this may incur an IRS penalty depending on your situation and account type.**

Automatic Investment Plan

- If you have an Automatic Investment Plan ("AIP") that includes this Fund, you must log into your account before May 1, 2024 to remove the Fund from your AIP. You may also call the phone number above to process an exchange over the phone.

Payroll Purchases

- If you are purchasing shares through payroll, you **MUST** contact your employer's payroll department to update your purchase allocations prior to May 1, 2024. **If you do not do this, all Homestead Funds purchases made by your employer in that payroll cycle will reject and the monies returned to your employer.**

Homestead Funds' investment advisor and/or administrator, Homestead Advisers Corp., and distributor, Homestead Financial Services Corp., are indirect, wholly owned subsidiaries of NRECA. 3/24

