



Dear Benefits Administrator,

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 with your cooperative's deferred compensation accounts to prepare for this change. Our representatives are available to guide you and answer any questions you may have.

Employees Affected:

Cooperative Actions Needed:

The Fund will stop accepting purchases after April 30, 2024 and will fully liquidate its holdings on June 12, 2024. **Your current and retired employees with assets in the Fund MUST act prior to that date to exchange the assets to another fund.** Any assets left in the Fund on June 12, 2024 will be redeemed and a check will be sent to the cooperative. ***That redemption could create significant compliance issues for your cooperative's deferred compensation plan, so it is imperative that you and your employees take action.***

- Communicate with affected employees that they have investments in the Homestead Rural America Growth & Income Fund that MUST be exchanged to another fund by June 10, 2024 (language provided below).
- Review your employee payroll records for deferred compensation accounts to determine if any employees currently are making payroll purchases into the Fund. The Fund's number is 414. If so, those employees will need to adjust their payroll purchase to no longer include the Fund before May 1, 2024.
- If an employee has an Asset Allocation Model established on their account that is controlling their payroll purchase allocations, this is identified as fund 555 in the payroll process. In this case, the coop does not need to make any changes to the payroll data being sent, but the employee will need to make updates to their model.
- Ensure your affected employees exchange out of the Fund by June 10, 2024.

Language to Provide to Affected Employees:

We have been notified that the Homestead Rural America Growth & Income Fund at Homestead Funds will be terminated and holdings will be fully liquidated on June 12, 2024. You have been identified as having deferred compensation account holdings in this fund. **You must exchange your Homestead Funds Rural America Growth & Income Fund holdings into another fund option with Homestead Funds before June 10, 2024.**

Below are resources and instructions to request the exchange and payroll purchase updates.

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
- Go to homesteadfunds.com/changing-a-model for instructions on changing an existing Asset Allocation Model

Exchange Instructions:

If you do NOT have an asset allocation model on your account:

- You may log into your account online or call us at the number above to exchange your position in the Fund to one of our other nine funds. This must be completed by June 10, 2024.
- If you need assistance selecting a fund to exchange to, please call us at the number above, choosing option 2.
- Before May 1, 2024, work with your payroll department to update your purchase allocations to no longer include the Rural America Growth & Income Fund.

If you DO have an asset allocation model on your account:

- On April 1, 2024, Homestead Funds will update the five Pre-Defined Asset Allocation Models available when you log in to your account, removing the Rural America Growth & Income Fund and adjusting the remaining allocations. You must read the options below and follow the instructions for your situation.
 - Pre-Defined Asset Allocation Model ("Model") with Auto Rebalance
 - Homestead Funds will apply the updated version of the Model you previously selected to your account on May 1, 2024. This will adjust your allocations to match the updated Model and ensure your auto rebalance will run according to the updated allocations.
 - Pre-Defined Asset Allocation Model ("Model") without Auto Rebalance
 - After April 1, 2024, log into your account to reselect your Model. Please see the link above for instructions on how to change an existing Model. **Select the option to initiate a one-time rebalance.** You must complete this update by June 10, 2024.
 - Custom Model with or without Auto Rebalance
 - After April 1, 2024, log into your account and update your custom model to remove the Fund and reallocate the amount that was invested in the Fund. Please see the link above for instructions on how to change an existing Model. **Select the option to initiate a one-time rebalance.** You must complete this update by June 10, 2024.
 - Also review your auto rebalance to ensure the Fund has been removed.
- If your model controls your payroll purchases, no action by you is necessary as long as your model is updated prior to May 1, 2024. If not, before May 1, 2024 you will need to work with your payroll department to update your purchase allocation to no longer include the Fund.

Not sure if you have an asset allocation model on your account? Call Homestead Funds at the phone number above.

Any assets left in the Fund on June 12, 2024 will be redeemed and a check will be sent to the cooperative. That redemption could create significant compliance issues for your cooperative's deferred compensation plan, so it is imperative that you act. You MUST exchange your assets in the Fund to another fund by June 10, 2024.

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 1-800-258-3030 or visit homesteadfunds.com.

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