

International Equity Fund

as of September 30, 2018



Homestead Funds

Investment Objective & Strategy

The International Equity Fund seeks long-term capital appreciation through investments in equity securities of companies based outside the United States.

The fund invests primarily in companies based in developed markets outside the United States as well as in established companies in emerging and frontier markets. Harding Loevner LP, the fund's subadvisor, undertakes fundamental research in an effort to identify companies that it believes are well managed, financially sound, fast growing and strongly competitive and whose shares are under-priced relative to estimates of their fair value. In an effort to reduce its volatility, the fund seeks to be diversified across dimensions of geography, industry, currency and market capitalization. The fund normally holds investments across at least 10 countries.

Fund Profile

| | |
|--|------------------------------|
| Inception..... | January 22, 2001 |
| Asset Allocation..... | International Stock |
| Morningstar Category..... | Foreign Large Growth |
| Lipper Classification..... | International Multi-Cap Core |
| Benchmark..... | MSCI EAFE Index |
| Ticker Symbol..... | HISIX |
| CUSIP Number..... | 437769805 |
| Fee Structure..... | No-Load |
| Expense Ratio..... | 1.25% (net 0.99%)* |
| Median Expense Ratio for Peer Group..... | 1.30%* |
| Transaction Fees..... | None |
| Minimum for Initial Purchase..... | \$500/\$200 IRA |

*As of 12/31/17. The expense ratio shows the percentage of fund assets deducted annually to cover operating costs. Fund expense ratios shown here do not include acquired fund fees and expenses. If applicable, these additional costs are disclosed in the prospectus. For some funds, the investment advisor has agreed voluntarily or contractually (for at least the current fiscal year) to waive or reimburse a portion of expenses. The net expense ratio is the expense ratio minus the portion of expenses waived or reimbursed. Please see the current prospectus for additional details. The peer ratio is according to Morningstar Direct, based on each fund's Morningstar classification.

Portfolio Characteristics

| | |
|-------------------------|-------|
| Net Assets..... | \$78M |
| Number of Holdings..... | 62 |

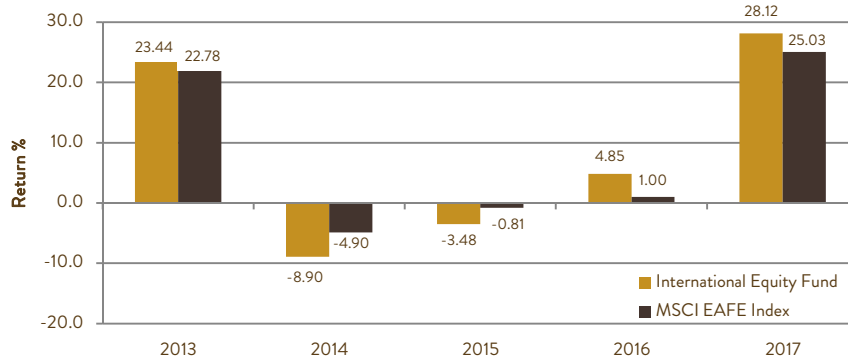
Total Returns

| | AGGREGATE YTD | AVERAGE ANNUAL | | | | SINCE INCEPTION |
|----------------------------------|------------------|----------------|--------|-------|-------|--------------------|
| | | 1 YR | 3 YR | 5 YR | 10 YR | |
| International Equity Fund | 3.18% | 7.56% | 12.99% | 5.10% | 5.21% | 4.05% |
| MSCI EAFE Index | -1.43 | 2.74 | 9.23 | 4.42 | 5.38 | 4.31 |

The MSCI EAFE Index is an equity index which captures large and mid-cap representation across developed markets countries around the world, excluding the US and Canada. Indices are unmanaged and investors cannot invest directly in an index. Unless otherwise noted, performance of indices do not account for any fees, commissions or other expenses that would be incurred. The index's returns include reinvested dividends.

Performance information for the International Equity Fund (formerly the International Value Fund) reflects its investment as an actively managed fund subadvised by Mercator Asset Management from December 31, 2006 to September 14, 2015, as a passively managed portfolio directed by SSgA Funds Management, Inc. from September 15, 2015 to January 8, 2016 and, after a transition, as an actively managed fund subadvised by Harding Loevner LP from January 15, 2016 to period end.

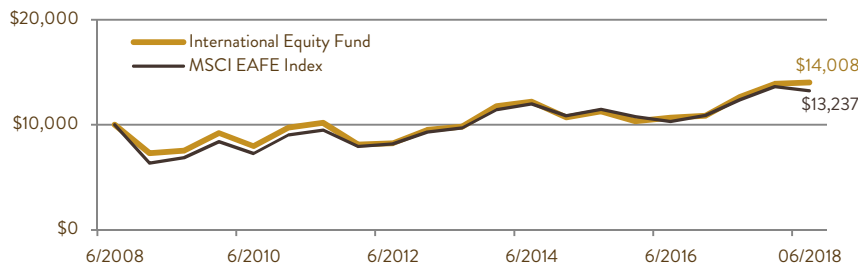
Calendar Year Total Returns



The total returns shown above represent past performance which does not guarantee future results. Investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. For performance data current to the most recent month-end, call 800.258.3030 or visit homesteadfunds.com.

The fund's total returns includes interest, capital gains, dividends and distributions.

Growth of \$10,000



The line chart compares the change in value of a \$10,000 investment in the fund and MSCI EAFE Index.

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

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 visit homesteadfunds.com.

Equity securities generally have greater price volatility than fixed-income securities and are subject to issuer risk and market risk. 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.

RE Investment Corporation, Distributor. 10/18

Country Diversification

| | INTERNATIONAL | |
|-----------------------------|---------------|-----------------|
| | EQUITY FUND | MSCI EAFE INDEX |
| Germany | 18.4% | 9.4% |
| Japan | 16.8 | 24.6 |
| France | 11.2 | 11.2 |
| Switzerland | 10.7 | 8.2 |
| Britain | 8.5 | 17.5 |
| Hong Kong | 4.7 | 3.5 |
| Sweden | 4.2 | 2.7 |
| Israel | 3.2 | 0.6 |
| Singapore | 3.2 | 1.3 |
| Spain | 2.9 | 3.0 |
| Canada | 2.3 | 0.0 |
| United States of America | 1.7 | 0.0 |
| Australia | 1.3 | 6.8 |
| South Africa | 1.2 | 0.0 |
| China | 1.2 | 0.0 |
| Taiwan | 1.1 | 0.0 |
| Italy | 1.1 | 2.3 |
| Denmark | 1.1 | 1.7 |
| Republic of South Korea | 1.0 | 0.0 |
| Brazil, Mexico & India | 1.7 | 0.0 |
| Netherlands | 0.0 | 3.3 |
| Belgium | 0.0 | 1.0 |
| Finland | 0.0 | 1.0 |
| Norway | 0.0 | 0.8 |
| Ireland | 0.0 | 0.5 |
| Austria/N Zealand/Portugal | 0.0 | 0.6 |
| Short-term and other assets | 2.5 | 0.0 |

Top 10 Holdings

| | % OF NET ASSETS |
|--|-----------------|
| AIA Group Ltd. | 4.7% |
| Dassault Systèmes SE | 4.0 |
| Allianz SE REG | 3.7 |
| Royal Dutch Shell PLC, Class B | 3.5 |
| Nestlé SA ADR | 3.4 |
| M3, Inc. | 3.2 |
| Check Point Software Technologies Ltd. | 3.2 |
| DBS Group Holdings Ltd. | 3.2 |
| Bayer AG REG | 3.2 |
| SAP SE ADR | 2.8 |
| Total | 34.9 |

Management

Harding Loevner LP (effective January 15, 2016)

Industry Rankings

Lipper Leader

5
Expense

Overall Morningstar Rating™

★★★

Lipper ratings for Expense reflect the Fund's expense minimization relative to peers with similar load structures as of 9/30/18. The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Total Return metrics over three-, five-, 10-year and overall periods. The highest 20% of funds in each peer group are named Lipper Leader or a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2 and the lowest 20% are scored 1. Homestead International Equity Fund, in Lipper's International Multi-Cap Core classification, received a rating of 5 for the three-year and overall period (number of funds rated in parentheses). Expense: Three Year (34 funds) and Overall (34 funds). Homestead International Equity Fund, in Lipper's International Multi-Cap Core classification, received a rating of 4 for the five- and ten-year periods (number of funds rated in parentheses): Five Year (32 funds) and Overall (29 funds). Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at lipperleaders.com.

Morningstar rated this Fund, in Morningstar's foreign large growth category, 3 stars for the Overall period out of 347 funds, 2 stars for the 10-year period out of 222 funds, 3 stars for the five-year period out of 313 funds and 4 stars for the three-year period out of 347 funds for performance periods ending 9/30/18. The Morningstar Rating for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

©2018 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. *Past performance is no guarantee of future results.* Ratings are updated regularly. More information is available at morningstar.com.