



Homestead
Funds

Short-Term Bond Fund

as of quarter ending December 31, 2023



Investor's Business Daily Best U.S. Taxable Bond Funds list highlights the best bond funds (U.S. taxable), based on each fund outperforming the Bloomberg U.S. Aggregate Bond Index over the last one-, three-, five- and 10-year periods. Rankings are based on total return and all returns are as of the year ended Dec. 31, 2022. This signals outperformance in both the short- and long-term. Of 777 U.S. taxable bond funds at least 10 years old, 350 of them, or 45%, won IBD Best Mutual Funds 2023 awards. The Short-Term Bond Fund ranked 347 out of 350 funds, based on 10-year performance.

Investment Objective and Strategy

The Short-Term Bond Fund seeks a high level of income consistent with maintaining minimum fluctuation of principal by investing in high-quality, short-term debt securities.

These investments primarily include: commercial paper; corporate bonds; U.S. Treasury securities; securities issued or guaranteed by U.S. government entities, agencies or instrumentalities; municipal bonds, U.S. dollar-denominated debt securities of foreign issuers (Yankee bonds); and asset-backed and mortgage-backed securities.

The average dollar-weighted portfolio maturity of the fund, under normal circumstances, is expected to be three years or less.

Fund Profile

Inception	November 5, 1991
Asset Allocation	Bond
Benchmark	ICE BofA 1-5 Year Corp./Gov. Index
Ticker Symbol	HOSBX
CUSIP Number	437769300
Fee Structure	No Load
Expense Ratio	0.76%*
Median Expense Ratio for Peer Group	0.75%*
Transaction Fees	None
Minimum for Initial Purchase	\$500/\$200 IRA

*As of 12/31/22. 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

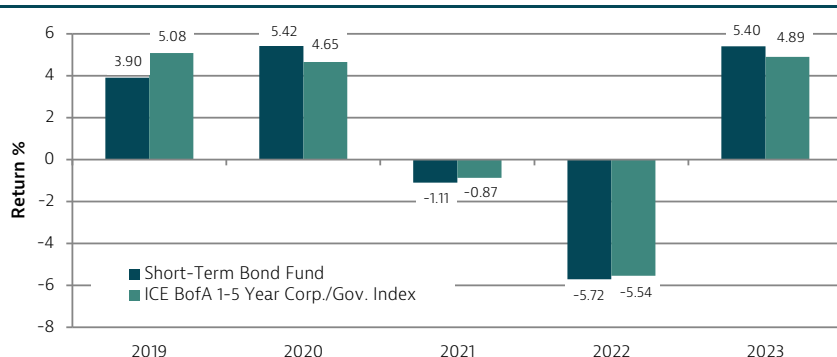
Net Assets	\$447M
Number of Holdings	232
Weighted Average Maturity	2.67 years
Weighted Average Duration	2.32 years
30-Day SEC Yield	4.00%

Total Returns

	AGGREGATE YTD	AVERAGE ANNUAL				
		1 YR	3 YR	5 YR	10 YR	SINCE FUND'S INCEPTION
Short-Term Bond Fund	5.40%	5.40%	-0.58%	1.48%	1.45%	3.78%
ICE BofA 1-5 Year Corp./Gov. Index	4.89	4.89	-0.60	1.55	1.46	3.97

The ICE BofA 1-5 Year Corp./Gov. Index measures the performance of U.S. government and investment-grade corporate debt. Indices are unmanaged and investors cannot invest directly in an index. Unless otherwise noted, performance of indices does not account for any fees, commissions or other expenses that would be incurred. The index's returns do not include reinvested dividends.

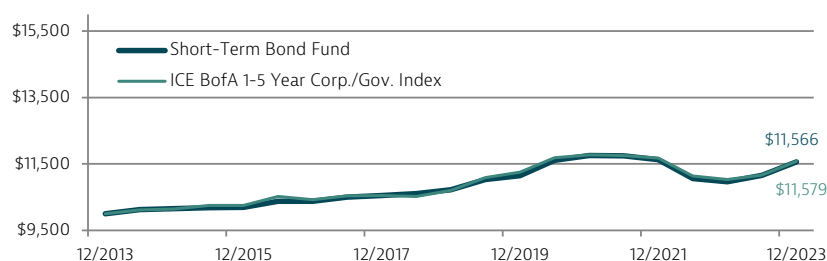
Calendar-Year Total Returns



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.

Fund total returns include changes in principal value and reinvested dividends, income and capital gain distributions.

Growth of \$10,000



This line chart is a comparison of the change in value of a \$10,000 investment in the fund and the ICE BofA 1-5 Year Corp./Gov. Index.

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

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.

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.

Homestead Funds' investment advisor and/or administrator, Homestead Advisers Corp., and distributor, Homestead Financial Services Corp., are indirect, wholly owned subsidiaries of NRECA. Homestead Financial Services Corp., Distributor. 01/24

Security Weightings			Credit Analysis*		
	SHORT-TERM BOND FUND	ICE BofA 1-5 YEAR CORP./GOV. INDEX		SHORT-TERM BOND FUND	ICE BofA 1-5 YEAR CORP./GOV. INDEX
U.S. government & agency obligations	38.9%	68.1%	AAA	52.3%	10.8%
Corporate bonds - other	33.4	28.1	AA	11.6	62.1
Asset-backed securities	9.9	3.7	A	22.0	13.2
Yankee bonds	7.8	0.0	BBB	14.1	12.7
Mortgage-backed securities	7.1	0.0	BB & Lower	0.0	1.2
Corporate bonds - government guaranteed	1.1	0.0			
Municipal bonds	0.6	0.1			
Short-term and other assets	1.2	0.0			

Management



Mauricio Agudelo, CFA®
Head of Fixed-Income Investments
University of Maryland, BS in finance. Mr. Agudelo co-manages the Short-Term Bond Fund, Short-Term Government Securities Fund, Intermediate Bond Fund and Rural America Growth & Income Fund. He has been with Homestead Advisers since 2016.



Ivan Naranjo, CFA®, FRM®
Fixed-Income Portfolio Manager
University of Maryland, BS in finance. Mr. Naranjo co-manages the Short-Term Bond Fund, Short-Term Government Securities Fund, Intermediate Bond Fund, and Rural America Growth & Income Fund. He has been with Homestead Advisers since 2018.

Industry Rankings (as of month ending December 31, 2023)

Morningstar

Category	Short-Term Bond
Overall Morningstar Rating™	★★★★
Overall, out of 535 funds, according to risk-adjusted return	

Lipper

Classification	Short Investment-Grade Debt
Preservation ¹	5
¹ Overall, out of 6,243 funds, according to according to historical loss avoidance	

The Lipper Rating for Preservation is a fund that has demonstrates a superior ability to preserve capital in a variety of markets when compared with other funds in its asset class as of month ending 12/31/23. The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Preservation metrics over three-year, five-year, 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 Short-Term Bond Fund, in Lipper's Short Investment Grade Debt Funds classification, received a rating of 5 for the following periods (number of funds rated in parentheses): Preservation: Three-Year (6,243 funds), Five-Year (5,799 funds), 10-Year (4,148 funds) and Overall (6,243 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 short-term bond category, 3 stars for the Overall period out of 535 funds, 3 stars for the 10-year period out of 357 funds, 2 stars for the five-year period out of 495 funds and 2 stars for the three-year period out of 535 funds for performance month ending 12/31/23. 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-ended 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-year, five-year, 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.

©2024 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.

Numbers may not total 100% due to rounding.

*Ratings are composite ratings utilizing both Moody's and S&P ratings for each security.

Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness. If agency ratings differ, the security will be considered to have received the highest of those ratings, consistent with the fund's investment policies. Securities in the unrated category have not been rated by a rating agency; however, the investment advisor performs its own credit analysis and assigns comparable ratings that are used for compliance with fund investment policies.