

Short-Term Government Securities Fund

as of March 31, 2018



Homestead Funds

Investment Objective & Strategy

The Short-Term Government Securities Fund seeks a high level of current income from investments in a portfolio of securities backed by the full faith and credit of the U.S. government.

These investments primarily include: U.S. Treasury securities, securities issued by U.S. government agencies and instrumentalities, and other securities whose principal and interest payments are guaranteed by the U.S. government.

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

Fund Profile

Inception.....	May 1, 1995
Asset Allocation.....	Fixed Income
Morningstar Category.....	Short Government
Lipper Classification.....	Short U.S. Government
Benchmark.....	ICE BofA Merrill Lynch 1-5 Year U.S. Treasury Index
Ticker Symbol.....	HOSGX
CUSIP Number.....	437769409
Fee Structure.....	No-Load
Expense Ratio.....	0.81% (net 75%)*
Median Expense Ratio for Peer Group.....	0.80%*
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

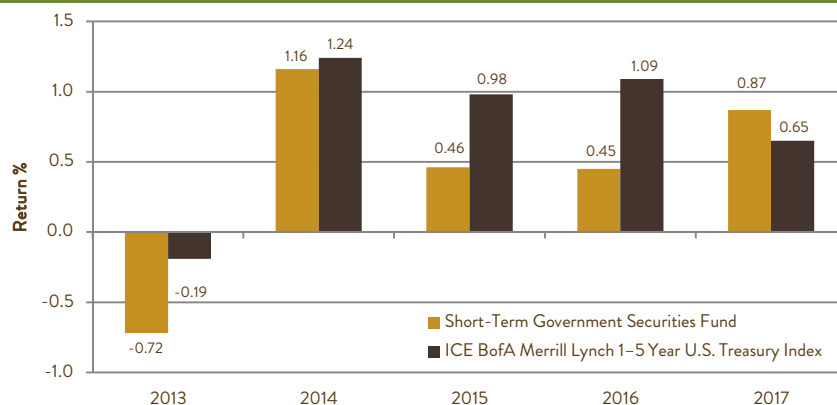
Net Assets.....	\$76M
Number of Holdings.....	191
Weighted Average Maturity.....	1.86 years
Weighted Average Duration.....	1.80 years
Annualized 30-Day SEC Yield.....	1.47%

Total Returns

	AGGREGATE YTD	AVERAGE ANNUAL				
		1 YR	3 YR	5 YR	10 YR	SINCE INCEPTION
Short-Term Government Securities Fund	0.10%	0.49%	0.41%	0.45%	1.46%	3.10%
ICE BofA Merrill Lynch 1-5 Year U.S. Treasury Index	-0.38	-0.10	0.47	0.64	1.62	3.90

The ICE BofA Merrill Lynch 1-5 Year U.S. Treasury Index measures the performance of short-term U.S. Treasury securities. 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 do not include reinvested dividends.

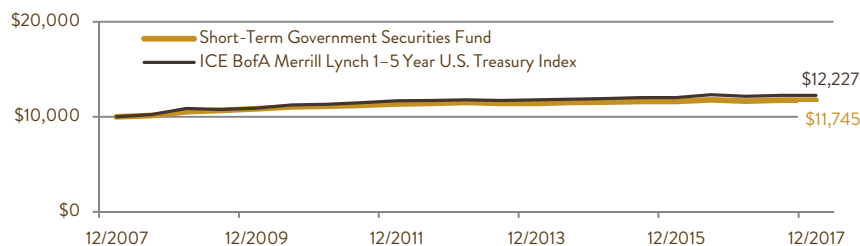
Calendar Year Total Returns



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.

The fund's total returns includes interest, capital gains, dividends and 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 Merrill Lynch 1-5 Year U.S. Treasury Index.

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

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 to download a PDF.

Investments in fixed-income funds are subject to interest rate, credit and inflation risk. Interest rate risk is the chance that a rise in interest rates will cause the Fund's price to decline.

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. 04/18

Security Diversification

	% OF NET ASSETS
U.S. government & agency obligations	50.5%
Corporate bonds-government guaranteed	25.5
Corporate bonds-other	8.6
Certificates of deposit	2.8
Mortgage-backed securities	2.6
Asset-backed securities	2.6
Municipal bonds	0.3
Short-term and other assets	7.1

Industry Rankings

Lipper Leader

5
Preservation

Overall Morningstar Rating™



Management

**Mauricio Agudelo, CFA®****Senior Fixed Income Portfolio Manager**

University of Maryland, BS in finance. Mr. Agudelo manages the Short-Term Bond Fund and Short-Term Government Securities Funds. He has been with RE Advisers since 2016.

**Doug Kern, CFA®****Senior Fixed Income Portfolio Manager**

Pennsylvania State University, BS in business administration, MBA in finance. Mr. Kern manages the Short-Term Bond Fund and Short-Term Government Securities Funds. He has been with RE Advisers since the company's launch in 1990.

Lipper ratings for Preservation reflect the Fund's historical loss avoidance relative to other funds within the same asset class, as of 3/31/18. 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-, 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 Short-Term Government Securities Fund, in Lipper's Short US Government Funds classification, received a rating of 5 for the three-, five-, 10-year and Overall periods (number of funds rated in parentheses): Preservation: Three Year (5,717 funds), Five Year (4,884 funds), 10 Year (3,219 funds) and Overall (5,717 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 government category, 4 stars for the Overall period out of 102 funds, 3 stars for the 10-year period out of 69 funds, 4 stars for the five-year period out of 93 funds and 4 stars for the three-year period out of 102 funds for performance periods ending 3/31/18. 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.

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