

# Small-Company Stock Fund

as of quarter ending September 30, 2021



**Homestead  
Funds**

## Investment Objective and Strategy

The Small-Company Stock Fund seeks long-term growth of capital for the long-term investor.

The fund generally invests in stocks of companies selling at prices below what RE Advisers believes to be their fundamental value. To determine whether a stock is undervalued, RE Advisers considers, among other factors, potential earning power, financial ratios and any competitive advantages a company may have. Under normal circumstances, the fund will invest at least 80% of its net assets (plus borrowing for investment purposes) in common stocks of companies whose market capitalization, at the time of purchase, is within the range of the market capitalization of companies represented in the Russell 2000 Index. However, RE Advisers will not necessarily sell a security whose market capitalization, after the initial purchase, is no longer within the range of the market capitalization of the companies represented in the Russell 2000 Index.

## Fund Profile

Inception.....	March 4, 1998
Asset Allocation.....	Stock
Benchmark.....	Russell 2000 Index
Ticker Symbol.....	HSCSX
CUSIP Number.....	437769508
Fee Structure.....	No Load
Expense Ratio.....	1.12%*
Median Expense Ratio for Peer Group.....	1.25%*
Transaction Fees.....	None
Minimum for Initial Purchase.....	\$500/\$200 IRA

\*As of 12/31/20. 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

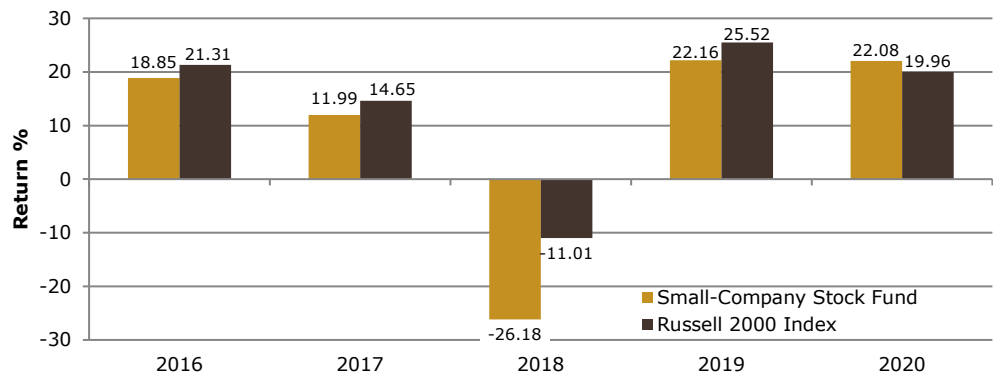
Net Assets.....	\$305M
Number of Holdings.....	61

## Total Returns

	AGGREGATE YTD	AVERAGE ANNUAL				SINCE FUND'S INCEPTION
		1 YR	3 YR	5 YR	10 YR	
<b>Small-Company Stock Fund</b>	13.77%	39.02%	8.62%	9.93%	12.52%	9.12%
<b>Russell 2000 Index</b>	12.41	47.68	10.54	13.45	14.63	8.27

The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that Index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. 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.

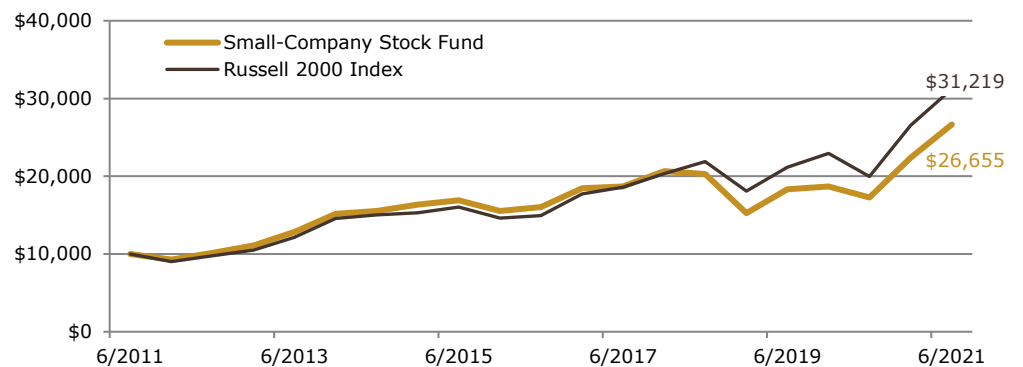
## Calendar-Year Total Returns



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](http://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 Russell 2000 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](http://homesteadfunds.com).

Equity securities generally have greater price volatility than fixed-income securities and are subject to issuer risk and market risk. Securities of small and midsize companies tend to be riskier than those of larger companies.

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. 10/21

Sector Weightings

	SMALL-COMPANY STOCK FUND	RUSSELL 2000 INDEX
Industrials	23.9%	14.4%
Health care	21.8	20.2
Information technology	17.0	14.1
Financials	16.6	15.5
Materials	7.7	3.8
Consumer discretionary	6.6	11.5
Real estate	3.2	6.9
Communication services	0.9	3.5
Consumer staples	0.8	3.2
Utilities	0.0	2.4
Energy	0.0	4.5
Short-term and other assets	1.5	0.0

Top 10 Holdings

	% OF NET ASSETS
Medpace Holdings, Inc.	3.6%
Avient Corp.	3.5
Applied Industrial Technologies, Inc.	3.3
AMN Healthcare Services, Inc.	3.3
Summit Materials, Inc.	3.2
Atkore Inc.	2.8
j2 Global, Inc.	2.8
Glacier Bancorp, Inc.	2.8
Descartes Systems Group Inc. (The)	2.7
ManTech International Corp.	2.6
<b>Total</b>	<b>30.6</b>

Management



**Prabha Carpenter, CFA®**

Senior Equity Portfolio Manager

BA, Economics, University of Madras; MBA with distinction in finance and BS in business economics, The American University. Ms. Carpenter joined RE Advisers in 2002 and co-manages the Rural America Growth & Income Fund, Value Fund and Small-Company Stock Fund.



**Peter Blackstone**

Senior Equity Analyst

BA, Economics, Trinity College; MBA with a specialization in finance, Boston University. Mr. Blackstone joined RE Advisers in 2018 and co-manages the Rural America Growth & Income Fund and supports the Value Fund and Small-Company Stock Fund.



**Jim Polk, CFA®**

Senior Equity Portfolio Manager

BA, English, Colby College; MBA, Babson College. Mr. Polk joined RE Advisers in 2019 and co-manages the Rural America Growth & Income Fund, Value Fund and Small-Company Stock Fund.



**Mark Iong, CFA®**

Senior Equity Analyst

BS, operations research and information engineering, Cornell University; Mr. Iong joined RE Advisers in 2019 and co-manages the Rural America Growth & Income Fund and supports the Value Fund and Small-Company Stock Fund.

Industry Rankings (as of month ending September 30, 2021)

**Morningstar**

Category Small Blend

Overall Morningstar Rating™ ★★★

Overall, out of 603 funds, according to risk-adjusted return

**Lipper**

Classification Small-Cap Core

Expense<sup>1</sup> 4

<sup>1</sup>Overall, out of 177 funds, according to expense minimization

Lipper ratings for Expense reflect the fund's expense minimization relative to peers with similar load structures as of month ending 9/30/21. The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Expense 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 Small Company Stock Fund, in Lipper's Small-Cap Core Funds classification, received a rating of 4 for the three-year, five-year, ten-year and Overall periods (number of funds rated in parentheses). Expense: Three-Year (177 funds), Five-Year (165 funds), ten-year (143 funds), and Overall (177 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 small blend category, 2 stars for the Overall period out of 603 funds, 2 stars for the 10-year period out of 360 funds, 2 stars for the five-year period out of 525 funds and 3 stars for the three-year period out of 603 funds for performance month ending 9/30/21. 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.

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Numbers may not total due to rounding.