

# Stock Index Fund

as of December 31, 2018



## Homestead Funds

### Investment Objective & Strategy

The Stock Index Fund is a stock fund that seeks to match, as closely as possible, before expenses, the performance of the Standard & Poor's 500 Stock Index (the "Index"), which emphasizes stocks of large U.S. companies.

The Stock Index Fund is a feeder fund, meaning that it invests all of its investable assets in a master portfolio. The fund invests its assets in the S&P 500 Index Master Portfolio, a separate series of an unaffiliated trust called the Master Investment Portfolio.

### Fund Profile

Inception.....October 28, 1999  
 Asset Allocation.....Stock  
 Morningstar Category.....Large Blend  
 Lipper Classification.....S&P 500 Index  
 Benchmark.....S&P 500 Stock Index  
 Ticker Symbol.....HSTIX  
 CUSIP Number.....437769607  
 Fee Structure.....No-Load  
 Expense Ratio.....0.55%\*  
 Median Expense Ratio for Peer Group.....0.52%\*  
 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

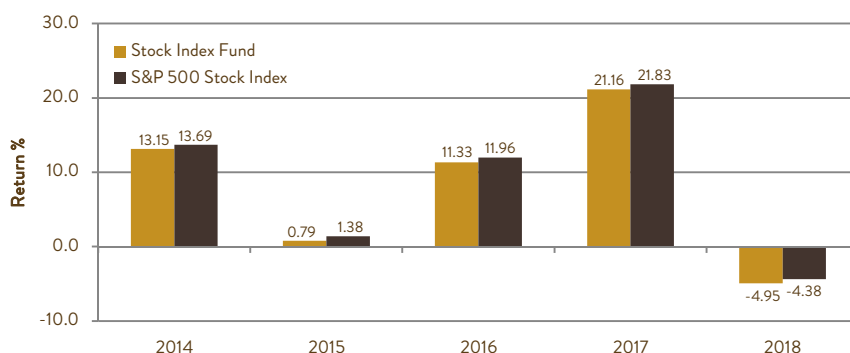
Net Assets.....\$134M  
 Number of Holdings.....Fully invested in  
 BlackRock S&P 500 Master Portfolio

### Total Returns

	AGGREGATE YTD	AVERAGE ANNUAL				SINCE INCEPTION
		1 YR	3 YR	5 YR	10 YR	
<b>Stock Index Fund</b>	-4.95%	-4.95%	8.64%	7.90%	12.51%	4.69%
<b>S&amp;P 500 Stock Index</b>	-4.38	-4.38	9.26	8.49	13.12	5.33

The Standard & Poor's 500 Stock Index is a broad-based measure of U.S. stock market performance and includes 500 widely held common stocks. 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.

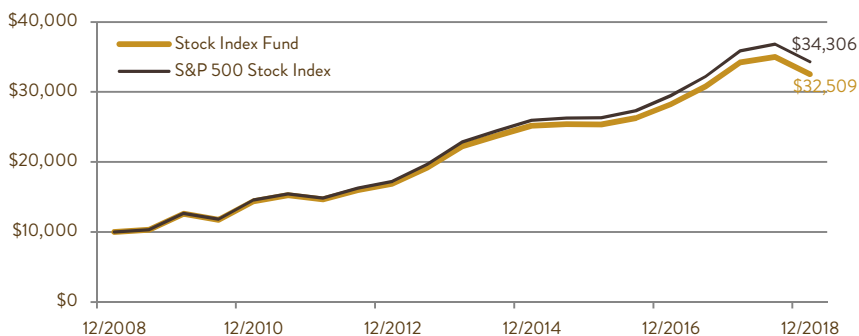
### Calendar Year Total Returns



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 Standard & Poor's 500 Stock 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](http://homesteadfunds.com)

Equity securities generally have greater price volatility than fixed-income securities and are subject to issuer risk and market risk. The Stock Index Fund pursues its objective by investing substantially all of its assets in another pooled investment vehicle (a "master fund"). The ability of the Stock Index Fund to meet its investment objective is directly related to the ability of the master fund to meet its investment objective. Index funds may hold securities of companies that present risks that an investment adviser researching individual securities might otherwise seek to avoid and are subject to tracking error risk.

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. 01/19

Sector Diversification\*

	% OF NET ASSETS
Information technology	20.1%
Health care	15.5
Financials	13.4
Communication services	10.1
Consumer discretionary	9.9
Industrials	9.2
Consumer staples	7.4
Energy	5.3
Utilities	3.3
Real estate	3.0
Materials	2.8

Top 10 Holdings\*

	% OF NET ASSETS
Microsoft Corp.	3.7%
Apple, Inc.	3.4
Alphabet, Inc.	3.0
Amazon.com, Inc.	2.9
Berkshire Hathaway, Inc.	1.9
Johnson & Johnson	1.6
JPMorgan Chase & Co.	1.5
Facebook, Inc.	1.5
Exxon Mobil Corp.	1.4
Pfizer Inc.	1.2
<b>Total</b>	<b>22.1</b>

Industry Rankings

Lipper Leader



Overall Morningstar Rating™



Management

BlackRock Fund Advisors

\*Percent of total equity holdings

Lipper ratings for Tax Efficiency reflect the Fund's success at deferring taxes over the measurement period as of 12/31/18. Lipper ratings for Preservation reflect Fund's historical loss avoidance relative to other funds in the same asset class as of 12/31/18. Preservation ratings are relative, rather than absolute, measures, and funds named Lipper Leaders for Preservation may still experience losses periodically; those losses may be larger for equity and mixed equity funds than for fixed income funds. The ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Tax Efficiency and Preservation metrics over three-, five- and 10-year periods (if applicable). 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 Stock Index Fund, in Lipper's S&P 500 Index classification, received a rating of 5 for the three-, five- and Overall periods, respectively (number of funds rated in parentheses). Tax Efficiency: Three Year (104 funds), 5 Year (96 funds), 10 Year (86 funds) and Overall (104 funds). Preservation: Three Year (12,179 funds), 5 Year (10,284 funds), 10 Year (6,964 funds) and Overall (12,179 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](http://lipperleaders.com).

Morningstar rated this Fund, in Morningstar's large blend category, 3 stars for the Overall period out of 1,206 funds, 3 stars for the 10-year period out of 804 funds, 4 stars for the five-year period out of 1,069 funds and 3 stars for the three-year period out of 1,206 funds for performance periods ending 12/31/18. 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.

©2019 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](http://morningstar.com).

