

# Asset Allocation Modeling

## Take control of your accounts



Homestead  
Funds

*Rebalancing your portfolio brings it back to its original target allocations. While it is recommended to review your allocations at least once a year and make changes, it is all too easy to lose track and forget to rebalance.*

### ➤ When to Consider Rebalancing

Once you've established the ideal mix of investments to meet your needs, market movements, purchases and redemptions can skew your target allocations. When your investments no longer align with your investment goals, you have potentially altered your exposure to risk and potential for return.

Homestead Funds recommends that you review your asset allocations at least once each year and realign your investment mix as needed. But it is all too easy to lose track and forget. With Homestead's Asset Allocation Modeling tool or program, you can now "set it and forget it!" Easily rebalance your accounts or schedule automatic reallocations on a quarterly, semi-annual or annual basis.

Please be aware that rebalancing can entail tax consequences for non-IRA accounts that should be considered when determining a rebalancing strategy. Asset allocation does not guarantee a profit or protect against a loss in a declining market. It is a method used to help manage investment risk.

### Benefits of Asset Allocation Modeling

- Reduce stress and worry. Allows you to stay focused on the big picture, rather than reacting to current market conditions.
- Personalized to meet your needs. Over time, you can fine tune your allocations to as you continue to work towards achieving your financial goals.
- Manage exposure to risk by rebalancing your allocations as your personal situation and needs change.

### ➤ We're here to help!

Asset allocations are not one size fits all. If you need help selecting an asset allocation that's right for you, a Homestead Funds representative is just a phone call away at 800.258.3030, option 2.

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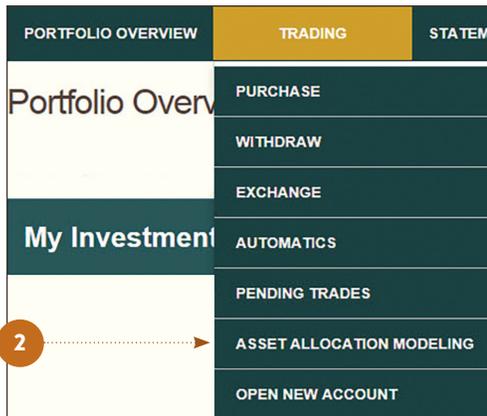
Investing in mutual funds involves risk, including the possible loss of principal. **Past performance does not guarantee future results.**

*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).*

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 08/19.

*Just follow these quick steps and you'll be well on your way:*

- 1 Log in to your account at [www.homesteadfunds.com](http://www.homesteadfunds.com).
- 2 In the header, select **“TRADING,”** and then **“ASSET ALLOCATION MODELING.”**
- 3 On the next page, you may enter an optional model name if you choose.
- 4 Enter the desired reallocation percentage for each fund in your portfolio.
- 5 Choose a reallocation frequency. The choices are: one time, quarterly, semi-annual, or annual.
- 6 Click “Continue”, and then “Submit” on the following screen.



*That's it — your account assets are reallocated!*

**Timing and other details about Asset Allocation Modeling**

- The total of all fund reallocation percentages must equal 100 percent.
- Scheduled reallocations occur on or around the 10th of the scheduled month. For example, if a quarterly reallocation is chosen, reallocations will occur on or around March 10, June 10, September 10, and December 10.
- If you select a frequency other than “one time”, reallocation will occur as of the current business day (if entered before 4:00pm ET) or next business day, **and** according to the reallocation frequency selected.
- Reallocation will occur only if the percentage variance is at least 5 percent in one fund. Otherwise, reallocation will occur at the next scheduled reallocation period where the variance is at least 5 percent in one fund.