

Value Fund

as of June 30, 2020



Homestead Funds

Investment Objective and Strategy

The Value Fund seeks long-term growth of capital and income for the long-term investor. Current income is a secondary objective.

The fund generally invests in stocks of U.S. and non-U.S. companies selling 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 ordinary conditions, the fund will invest at least 80% of its net assets in common stocks of companies with market capitalizations of \$2 billion or greater.

Fund Profile

Inception.....November 19, 1990

Asset Allocation.....Stock

Morningstar Category.....Large Value

Lipper Classification.....Multi-Cap Value

Benchmark.....Russell 1000 Value Index

Ticker Symbol.....HOVLX

CUSIP Number.....437769201

Fee Structure.....No-Load

Expense Ratio.....0.66%*

Median Expense Ratio for Peer Group.....1.06%*

Transaction Fees.....None

Minimum for Initial Purchase.....\$500/\$200 IRA

*As of 12/31/19. 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.....\$813M

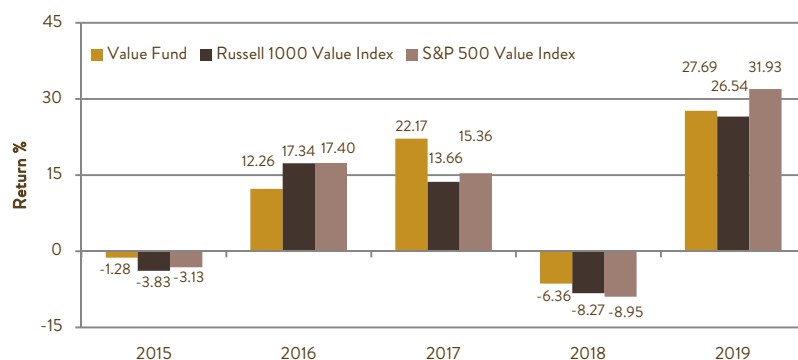
Number of Holdings.....48

Total Returns

| | AGGREGATE YTD | AVERAGE ANNUAL | | | | |
|---------------------------------|------------------|----------------|-------|-------|--------|---------------------------|
| | | 1 YR | 3 YR | 5 YR | 10 YR | SINCE FUND'S INCEPTION |
| Value Fund | -11.52% | -2.75% | 6.61% | 7.50% | 11.83% | 9.73% |
| Russell 1000 Value Index | -16.26 | -8.84 | 1.82 | 4.64 | 10.41 | NA |
| S&P 500 Value Index | -15.52 | -4.50 | 3.74 | 5.98 | 10.88 | NA |

The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Standard & Poor's 500 Value Index measures the performance of the large-capitalization value sector in the U.S. equity market. It is a subset of the S&P 500 Index and consists of those stocks in the S&P 500 Index exhibiting the strongest value characteristics. 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 include reinvested dividends.

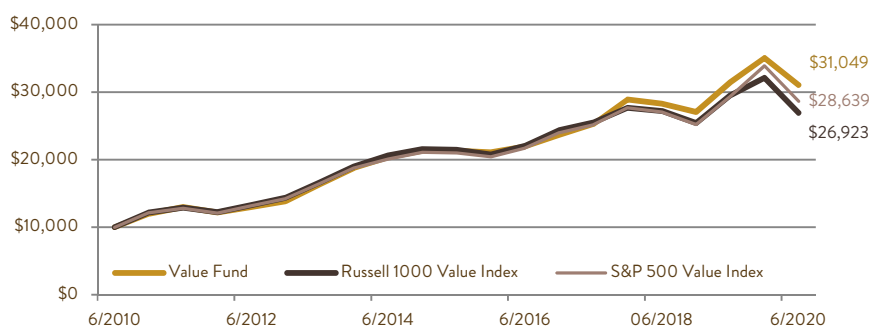
Calendar-Year Total Returns



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 include 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, Russell 1000 Value Index and Standard & Poor's 500 Value 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.

Equity securities generally have greater price volatility than fixed-income securities and are subject to issuer risk and market risk. Value stocks are subject to the risk that returns on stocks within the style category will trail returns of stocks representing other styles or the market overall.

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. 07/20

Sector Diversification

| | VALUE FUND | RUSSELL 1000 VALUE INDEX |
|-----------------------------|------------|-----------------------------|
| Health care | 23.1% | 14.1% |
| Information technology | 19.8 | 10.3 |
| Financials | 16.8 | 18.5 |
| Industrials | 13.0 | 12.3 |
| Communication services | 7.6 | 9.3 |
| Materials | 6.9 | 4.5 |
| Consumer discretionary | 4.7 | 7.0 |
| Energy | 3.9 | 5.3 |
| Real estate | 1.9 | 4.8 |
| Consumer staples | 0.0 | 8.1 |
| Utilities | 0.0 | 5.9 |
| Short-term and other assets | 2.3 | 0.0 |

Top 10 Holdings

| | % OF NET ASSETS |
|-------------------------------|-----------------|
| Microsoft Corp. | 5.6% |
| Alphabet, Inc. | 5.1 |
| Abbott Laboratories | 4.3 |
| Avery Dennison Corp. | 4.0 |
| Visa Inc. | 4.0 |
| NVIDIA Corp. | 4.0 |
| Honeywell International, Inc. | 3.9 |
| Allstate Corp. | 3.7 |
| JP Morgan Chase & Co. | 3.6 |
| Merck & Co., Inc. | 3.4 |
| Total | 41.6 |

Industry Rankings

Overall Morningstar Rating™



Overall, out of 1,109 funds,
according to risk-adjusted return

Lipper Leader



Expense

Overall, out of 170 funds, according to expense minimization

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 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 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 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 supports the Value Fund and Small-Company Stock Fund.

Numbers may not total due to rounding.

Lipper ratings for Expense reflect the fund's expense minimization relative to peers with similar load structures as of 6/30/20. The Lipper ratings are subject to change every month and are based on an equal-weight 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 Value Fund, in Lipper's multi-cap value classification, received a rating of 4 for the three-year, five-year, 10-year and overall periods (number of funds rated in parentheses): Expense: Three-year (170 funds), Five-year (159 funds), 10-year (142 funds) and overall (170 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 large-value category, 4 stars for the overall period out of 1,109 funds, 4 stars for the 10-year period out of 703 funds, 4 stars for the five-year period out of 970 funds and 4 stars for the three-year period out of 1,109 funds for performance periods ending 6/30/20. 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.

©2020 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.

