

# Short-Term Bond Fund

as of quarter ending September 30, 2024

## Overall Morningstar Ranking™



**Category: Short-Term Bond**  
(as of month ending September 30, 2024)

Rated against 522 Short-Term Bond funds, as of 9/30/2024, based on risk-adjusted return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. *Past performance is no guarantee of future results.*

### Management



#### Mauricio Agudelo, CFA®

Head of Fixed-Income Investments

BS, finance, University of Maryland; Mr. Agudelo joined Homestead Advisers in 2016 and co-manages Homestead Advisers' fixed-income strategies.



#### Ivan Naranjo, CFA®, FRM®

Fixed Income Portfolio Manager

BS, finance, University of Maryland; Mr. Naranjo joined Homestead Advisers in 2018 and co-manages Homestead Advisers' fixed-income strategies.

### Investment Objective and Strategy

The Short-Term Bond Fund seeks a high level of income consistent with maintaining minimum fluctuation of principal by investing in high-quality, short-term debt securities.

These investments primarily include: commercial paper; corporate bonds; U.S. Treasury securities; securities issued or guaranteed by U.S. government entities, agencies or instrumentalities; municipal bonds; U.S. dollar-denominated debt securities of foreign issuers (Yankee bonds); and assetbacked and mortgage-backed securities.

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

### Fund Profile

Inception	November 05, 1991
Asset Allocation	Bond
Benchmark	ICE BofA 1-5 Year Corp./Gov. Index
Ticker Symbol	HOSBX
CUSIP Number	437769300
Fee Structure	No Load
Expense Ratio	Gross 0.76% (Net 0.76%)*
Median Expense Ratio for Peer Group	Gross 0.84% (Net 0.75%)*
Minimum for Initial Purchase	\$500/\$200 IRA

\*As of 12/31/23. 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.

## Firm History: We're Wired Differently

Homestead Funds was created over 30 years ago by the National Rural Electric Cooperative Association (NRECA), a non-profit organization whose mission is to serve electric cooperative employees. Through the creation of Homestead Funds, NRECA sought to give the employees who bring power to America's farms, factories, schools, and homes access to high-quality money management and financial services. From our early roots in rural America, we have expanded our outreach to offer equity and fixed-income strategies to **all investors**.

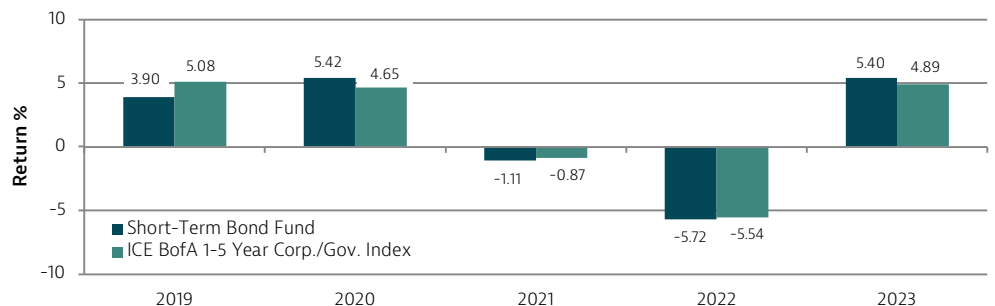
With a thoughtful approach to money management and a watchful eye on operating expenses, we are wired differently. **We believe our boutique style gives us a competitive advantage, setting us apart and allowing us to provide affordable, high touch client service.** The portfolio managers have deep involvement in running the strategies and extensive experience in managing asset classes through different market cycles. And as stewards of service, while we've grown in size and scope, we've always kept who we serve clearly in sight.

### Total Returns

	AGGREGATE YTD	AVERAGE ANNUAL				SINCE FUND'S INCEPTION
		1 YR	3 YR	5 YR	10 YR	
Short-Term Bond Fund	4.56%	8.13%	0.99%	1.65%	1.76%	3.83%
ICE BofA 1-5 Year Corp./Gov. Index	4.60	8.10	0.97	1.57	1.81	4.02

The ICE BofA 1-5 Year Corp./Gov. Index measures the performance of U.S. government and investment-grade corporate debt. 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. 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](http://homesteadfunds.com).

Fund total returns include changes in principal value and reinvested dividends, income and capital gain distributions.

### Portfolio Characteristics

	Short-Term Bond Fund
Net Assets	\$443M
Number of Holdings	282
Weighted Average Maturity <sup>1</sup>	2.68 years
Weighted Average Duration <sup>1</sup>	2.32 years
30-Day SEC Yield <sup>2</sup>	3.61%

<sup>1</sup>Source: Bloomberg, <sup>2</sup>Source: State Street

## Security Weightings

	Short-Term Bond Fund	ICE BofA 1-5 Year Corp./Gov. Index
Corporate bonds—other	35.8%	26.4%
U.S. government and agency obligations	20.0	70.1
Mortgage-backed securities	13.3	0.0
Asset-backed securities	11.3	0.0
Yankee bonds	10.3	3.6
Corporate bonds—government guaranteed	0.5	0.0
Municipal bonds	0.5	0.0
Short-term and other assets	8.3	0.0

## Credit Analysis

	Short-Term Bond Fund	ICE BofA 1-5 Year Corp./Gov. Index
AAA	45.6%	5.4%
AA	11.0	68.7
A	30.0	12.8
BBB	13.4	12.0
BB & Lower	0.0	1.1

Ratings are composite ratings utilizing both Moody's and S&P ratings for each security.

Numbers may not total due to rounding.

Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness. If agency ratings differ, the security will be considered to have received the highest of those ratings, consistent with the fund's investment policies. Securities in the unrated category have not been rated by a rating agency; however, the investment advisor performs its own credit analysis and assigns comparable ratings that are used for compliance with fund investment policies.

Morningstar rated this fund, in Morningstar's short-term bond category, 3 stars for the overall period out of 522 funds, 3 stars for the 10-year period out of 366 funds, 2 stars for the five-year period out of 486 funds and 2 stars for the three-year period out of 522 funds for performance month ending 9/30/24. 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, close-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 Morningstar Rating does not include any adjustments for sales loads. 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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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).**

Debt securities are subject to interest rate risk, credit risk, extension risk, income risk, issuer risk and market risk. The value of U.S. Government securities can decrease due to, among other factors, changes in interest rates or changes to the financial condition or credit rating of the U.S. Government. Investments in asset-backed and mortgage-backed securities are also subject to prepayment risk, as well as increased susceptibility to adverse economic developments. High-yield, lower-rated, securities involve greater risk than higher-rated securities.

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