

# Small-Company Stock Fund

as of quarter ending September 30, 2024

## Overall Morningstar Ranking™



Category: Small Blend

(as of month ending September 30, 2024)

Rated against 569 small blend category 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



**Jim Polk, CFA®** | Head of Equity Investments  
BA, English, Colby College; MBA, Babson College.  
Mr. Polk joined Homestead Advisers in 2019 and co-manages Homestead Advisers' equity strategies.



**Mark Long, CFA®** | Equity Portfolio Manager  
BS, operations research and information engineering, Cornell University; Mr. Long joined Homestead Advisers in 2019 and co-manages Homestead Advisers' equity strategies.

### 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 that Homestead Advisers believes are attractive based on its investment process. To determine whether a stock is attractive, Homestead Advisers follows a bottom-up approach based on its fundamental research and consideration of variety of factors, such as a company's business, market opportunities, potential earning power, financial ratios, competitive advantages, and the experience and qualifications of the company's management. 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.

### Fund Profile

Inception	March 04, 1998
Asset Allocation	Stock
Benchmark	Russell 2000 Index
Ticker Symbol	HSCSX
CUSIP Number	437769508
Fee Structure	No Load
Expense Ratio	Gross 1.07% (Net 1.07%)*
Median Expense Ratio for Peer Group	Gross 1.38% (Net 1.24%)*
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**.

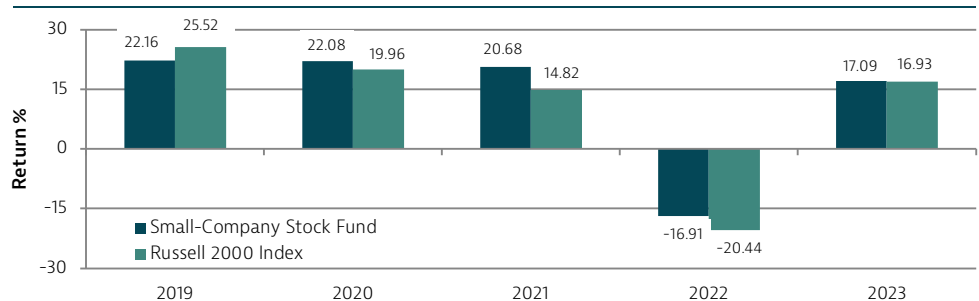
With a thoughtful approach to money management and a watchful eye on operating expenses, we are wired differently. **We believe our boutique style gives us a competitive advantage, setting us apart and allowing us to provide affordable, high touch client service.** The portfolio managers have deep involvement 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	
Small-Company Stock Fund	5.65%	19.63%	2.93%	9.96%	6.66%	8.41%
Russell 2000 Index	11.17	26.76	1.84	9.39	8.78	7.53

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 does not account for any fees, commissions or other expenses that would be incurred. 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).

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

### Portfolio Characteristics

	Small-Company Stock	
	Fund	Russell 2000 Index
Net Assets	\$240M	
Number of Holdings	51	1,977
Price to Earnings <sup>1,2</sup>	18.0	16.6
Price to Book <sup>1,2</sup>	2.4	2.0
Return on Equity <sup>1</sup>	16.0	5.3
Earnings per Share Growth <sup>1</sup>	12.2	13.9
Beta <sup>3</sup>	0.91	N/A
Active Share <sup>1,3</sup>	95.6%	N/A

<sup>1</sup>Source: FactSet. <sup>2</sup>Weighted harmonic average/FY1 estimate. <sup>3</sup>Compared with the Russell 2000 Index and calculated by FactSet.

## Sector Weightings

	Small-Company Stock Fund	Russell 2000 Index
Industrials	26.0%	17.1%
Financials	17.7	18.1
Information technology	15.9	12.8
Health care	14.1	17.5
Materials	7.3	4.5
Consumer discretionary	7.2	10.0
Energy	7.2	5.3
Real estate	3.5	6.4
Communication Services	0.0	2.7
Consumer Staples	0.0	2.8
Utilities	0.0	2.8
Short-term and other assets	1.1	0.0

## Top 10 Holdings

	% OF NET ASSETS
Applied Industrial Technologies, Inc.	4.0%
Comfort Systems USA, Inc.	4.0
Federal Signal Corp.	3.8
Summit Materials, Inc.	3.7
Avient Corp.	3.6
Descartes Systems Group Inc. (The)	3.4
Integer Holdings Corp.	3.3
Altair Engineering Inc.	3.0
Advanced Energy Industries, Inc.	2.8
Kinsale Capital Group, Inc.	2.8
Total	34.4

Portfolio holdings are subject to change without notice. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable.

Numbers may not total due to rounding.

Morningstar rated this fund, in Morningstar's small blend category, 2 stars for the Overall period out of 569 funds, 2 stars for the 10-year period out of 387 funds, 3 stars for the five-year period out of 547 funds and 2 stars for the three-year period out of 569 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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### Definitions

Active share: A measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

Beta: A measure of a stock's volatility in relation to the overall market.

Earnings per share (EPS): A company's profit divided by the outstanding shares of its common stock.

Price to book: A ratio used to compare a firm's market-to-book value by dividing price per share by book value per share.

Price to earnings: The ratio of a company's stock price to the company's earnings per share. The ratio is used in valuing companies.

Return on equity: A measure of the profitability of a business in relation to the equity, also known as net assets or assets minus liabilities.

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. The market price of equity securities may go up or down, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting the issuer or equity securities markets generally. As a general matter, securities of small and medium-sized companies tend to be riskier than those of larger companies. Compared to large companies, small and medium-sized companies may face greater business risks because they may lack the management depth or experience, financial resources, product diversification or competitive strengths of larger companies, and they may be more adversely affected by economic conditions. There also may be less publicly available information about smaller companies than larger companies. In addition, these companies may have been recently organized and may have little or no operational or performance track record.

Diversification does not ensure a profit or protect against loss. It is a method used to help manage investment risk.

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