



# Short-Term Bond Fund HOSBX

## ANNUAL SHAREHOLDER REPORT | DECEMBER 31, 2024

This annual shareholder report contains important information about the Short-Term Bond Fund ("Fund") for the period of January 1, 2024, to December 31, 2024. You can find additional information about the Fund at <https://www.homesteadfunds.com/fund-literature/>. You can also request this information by contacting us at 800.258.3030.

### What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

Fund	Cost of a \$10,000 investment	Cost paid as a percentage of a \$10,000 investment
Short-Term Bond Fund	\$79	0.77%

### Management's Discussion of Fund Performance

The Fund returned 4.09% for the one-year period ended December 31, 2024, outperforming its performance benchmark, the ICE BofA 1-5 Year U.S. Corporate/Government Index, which returned 3.91%.

Key contributors to the Fund's outperformance included allocations to asset-backed securities and collateralized mortgage obligations (CMOs) as well as investment-grade corporate bonds in the financial and industrial sectors. Mortgage-backed securities (MBS), which are not included in the performance benchmark, also contributed positively, particularly as investment-grade credit spreads narrowed over the year.

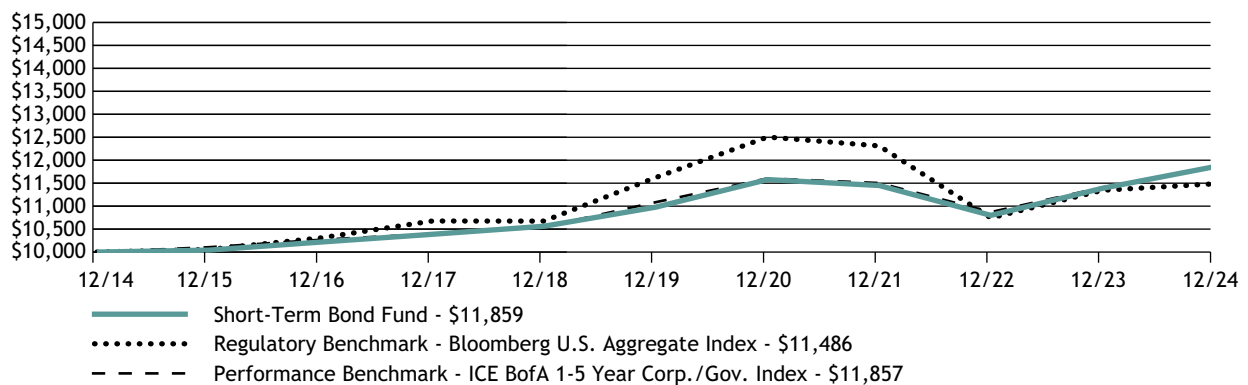
Detracting from performance was the Fund's underweight position in U.S. Treasuries as well as exposures to agency commercial MBS, which are also not included in the performance benchmark. Additionally, the performance benchmark's lack of transaction costs and expenses slightly exacerbated relative performance challenges.

The team continued its active management of duration and sector allocation relative to the performance benchmark, leveraging interest rate volatility and sector opportunities to optimize the Fund's positioning. Strategic reallocations during the year included increasing exposure to corporate bonds, CMOs and MBS while reducing U.S. Treasuries, seeking to enhance yield and capitalize on evolving market dynamics.

### Fund Performance

The following graph compares the account values at December 31 of each of the most recent 10 years of a \$10,000 initial investment in 1) the Fund, 2) a regulatory benchmark, and 3) a performance benchmark.

#### GROWTH OF \$10,000



AVERAGE ANNUAL TOTAL RETURNS	1 Year	5 Years	10 Years
Short-Term Bond Fund	4.09%	1.52%	1.70%
Short-Term Bond Fund—excluding sales load	4.09%	1.52%	1.70%
Regulatory Benchmark - Bloomberg U.S. Aggregate Index	1.25%	(0.33)%	1.35%
Performance Benchmark - ICE BofA 1-5 Year Corp./Gov. Index	3.91%	1.33%	1.70%

Due to SEC rules on shareholder reporting, the Fund adopted a new broad-based securities market index, referred to as the regulatory benchmark. The Fund retained its previous benchmark as a secondary benchmark, referred to as the performance benchmark, because it more closely aligns with the Fund's investment strategy.

The returns reflected in the above table and chart represent past performance, which is no guarantee of future results. The returns do not reflect the deduction of taxes that a shareholder may pay on Fund distributions or the redemption of Fund shares.

To obtain the most recent month-end returns, please visit <https://www.homesteadfunds.com/solutions/performance-prices/> or call 800.258.3030.

## Key Fund Statistics

The following table reflects important key statistics as of December 31, 2024.

Fund Net Assets	\$435,063,362
Total Number of Portfolio Holdings	259
Management Fees	\$2,630,726
Portfolio Turnover	322%
Weighted Average Maturity (Years)	2.78

## Graphical Representation of Holdings

The table below reflects the investment diversification of the Fund shown as a percentage of total investments of the Fund.

### SECURITY DIVERSIFICATION

Corporate bonds—other	34.3%
U.S. government and agency obligations	30.1%
Asset-backed securities	11.9%
Mortgage-backed securities	11.5%
Yankee bonds	10.0%
Corporate bonds—government guaranteed	0.4%
Municipal bonds	0.0%
Short-term and other assets	1.8%
Total	100.0%

## Availability of Additional Information

You can find additional information about the Fund such as its prospectus, financial information, holdings, statement of additional information and proxy voting information at <https://www.homesteadfunds.com/fund-literature/>. You can also request this information free of charge by contacting us at 800.258.3030.