

**Homestead Advisers Corp.**

**Financial Planning Clients**

**March 29, 2024**

This brochure provides information about the qualifications and business practices of Homestead Advisers Corp. (“Homestead Advisers”), an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this brochure, please contact Danielle Sieverling, Homestead Advisers’ Chief Compliance Officer (“CCO”), at 703-907-5993. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Homestead Advisers also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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**Item 2.      Material Changes**

Since the last update of this brochure on March 30, 2023, there have been no material changes.

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#### **Item 4. Advisory Business**

Homestead Advisers, incorporated in the Commonwealth of Virginia in 1995 (formerly incorporated in the District of Columbia in 1990), is a direct, wholly-owned subsidiary of Homestead Financial Services Corp. (“Homestead Financial Services”), which is a direct, wholly-owned subsidiary of NRECA United Holdings, Inc., a holding company of the National Rural Electric Cooperative Association (“NRECA”). NRECA is a not-for-profit organization, which serves and represents the nation’s consumer-owned rural electric cooperatives. Homestead Advisers is registered with the SEC under the Investment Advisers Act of 1940, as amended (“Advisers Act”), and has its principal place of business in Arlington, Virginia.

Homestead Advisers offers to shareholders and potential shareholders of Homestead Funds (“financial planning clients” or “clients”) a written financial plan based on information supplied by such person in response to a questionnaire. See the section below entitled “Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss” for additional information about this service. See Homestead Advisers’ “Investment Advisory Clients” brochure for additional information about other advisory services that Homestead Advisers offers.

#### **Item 5. Fees and Compensation**

There are no fees associated with the financial planning services, nor does Homestead Advisers receive compensation for such services. However, when a client invests in Homestead Funds, the client indirectly pays advisory fees to Homestead Advisers. Additionally, clients may elect to use the services of broker-dealers to implement the financial plan, subjecting them to direct and indirect commissions, fees or other expenses. See the section below entitled “Item 10 - Other Financial Industry Activities and Affiliations” for additional information.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

This is not applicable.

#### **Item 7. Types of Clients**

Homestead Advisers’ financial planning clients are shareholders or potential shareholders of Homestead Funds.

Homestead Advisers may require a minimum dollar value of assets or impose other conditions for providing financial planning services.

#### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

Homestead Advisers works with clients to collect and summarize their personal financial data to help determine their financial goals and review their current financial situations in light of those goals. Homestead Advisers uses third-party financial planning software to project a client’s future income and expenses, based principally on the client’s current financial situation and stated goals and objectives. The client’s questionnaire responses about risk tolerance and investment time horizon are then used to identify model asset allocations. Based upon these outputs, Homestead Advisers develops a plan summarizing this material and suggests financial planning strategies. The financial plan is accompanied by an executive summary wherein Homestead Advisers provides a target investment portfolio that identifies a Homestead Fund for each asset class discussed in the financial plan.

Clients decide whether they will implement the financial plan. They may accept or reject any or all financial planning strategies. Homestead Advisers is not authorized to make decisions regarding financial planning clients' investments. Although Homestead Advisers will identify specific Homestead Funds as they relate to the target investment portfolio, clients are free to seek implementation guidance from any source they choose. Homestead Advisers may provide guidance to the client to assist in implementing the financial plan.

Investing in securities involves risks of loss that clients should be prepared to bear. Clients should carefully consider all relevant factors in making product decisions, including risks and costs.

#### **Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Homestead Advisers' advisory business or the integrity of its management.

#### **Item 10. Other Financial Industry Activities and Affiliations**

Separate from the services described in this Brochure, Homestead Advisers provides investment advisory services to private advisory clients and strategies within certain of the NRECA-sponsored employee benefit plans and serves as an investment adviser to seven of the series of Homestead Funds, Inc. and each series of Homestead Funds Trust (collectively, "Homestead Funds"), each an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). As the investment adviser to Homestead Funds, Homestead Advisers receives a management fee. Therefore, although Homestead Advisers does not charge a fee for financial planning services, clients will indirectly pay Homestead Advisers if they invest in Homestead Funds, as discussed in Item 5, above.

Homestead Advisers provides consulting services to help electric cooperatives with designing and establishing nonqualified deferred compensation plans and assists with ongoing administrative responsibilities related to such plans under written agreements. Homestead Advisers provides consulting services only and does not sponsor the plans or act as a plan administrator. Cooperatives may choose to allocate investments under the deferred compensation plans to the Homestead Funds.

Homestead Advisers has entered into investment advisory agreements with separately managed accounts of NRECA, its subsidiaries, and affiliates. As a result, these affiliate accounts co-invest jointly and concurrently with Homestead Advisers' other Clients and therefore share in the allocation of investment opportunities.

While employees of Homestead Advisers endeavor at all times as part of Homestead Advisers' fiduciary duty to put the interests of the clients first, clients should be aware of the potential conflict of interest that may affect the judgment of these individuals when providing financial planning services. In order to address this conflict of interest, Homestead Advisers has adopted a Code of Ethics and Conflict of Interest Policy, and each written financial plan is reviewed for appropriateness by a senior team, based on the information contained in the written financial questionnaire provided to and completed by clients.

Certain of Homestead Advisers' directors and officers are employed and compensated by NRECA. Additionally, certain of Homestead Advisers' directors, officers and employees have responsibilities with Homestead Financial Services and with Homestead Funds, which creates a conflict of interest between Homestead Advisers and the other entities. Homestead Advisers has

adopted a Conflict of Interest Policy to assist in identifying, addressing, monitoring and escalating actual or potential conflicts of interest. Consistent with the Conflict of Interest Policy, Homestead Advisers has assessed the risks and developed internal controls to mitigate, address and avoid to the extent possible any conflict. These controls include procedures such as trade aggregation, trade processing, best execution, personal trading and compliance with investment guidelines. Additionally, Homestead Advisers conducts an annual monitoring program as required by applicable law that evaluates whether Homestead Advisers has established controls reasonably designed to prevent violation of the applicable laws. Homestead Advisers periodically evaluates those policies and procedures to ensure that they are working as designed.

Homestead Advisers is a wholly-owned subsidiary of Homestead Financial Services, a limited-purpose registered broker-dealer that is a member of the Financial Industry Regulatory Authority ("FINRA"). As a limited purpose broker-dealer, Homestead Financial Services does not handle, hold or own customer funds or securities, introduce or carry customer accounts, or engage in the sale or solicitation of securities products except for investment company products. Homestead Financial Services is the distributor and principal underwriter for Homestead Funds and does not receive any commissions or other compensation for the services it provides. Certain employees of Homestead Advisers that service Homestead Funds are also registered representatives of Homestead Financial Services.

#### **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Homestead Advisers requires its officers, directors and other access persons to comply with its Code of Ethics (the "Code"). The Code has been adopted by Homestead Funds, Homestead Advisers and Homestead Financial Services (collectively, the "Company"). The Code obligates the Company's access persons to put the interests of the Company's clients before its own interests and to act honestly and fairly in all respects in their dealings with clients. All of Homestead Advisers' personnel are also required to comply with applicable federal securities laws. Clients and prospective clients can obtain a copy of the Code by contacting Danielle Sieverling, CCO, at 703-907-5993 or by email at [danielle.sieverling@nreca.coop](mailto:danielle.sieverling@nreca.coop). See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The purpose of the Code is to ensure that all employees of the Company apply high ethical standards in their daily performance and do not participate in activities which may lead to or give the appearance of impropriety or conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The Code describes the ethical behavior required of Company personnel and, among other things, requires officers, interested directors and other access persons to pre-clear certain personal trades in covered securities with the CCO, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients. Company personnel and their immediate family members are prohibited from buying or selling a reportable security within seven calendar days after Homestead Advisers has traded a security of the same asset type (fixed-income or equity) in the same (or related) issuer. Additionally, trades where the CCO has deemed a higher risk of conflict of interest exists, such as initial public offerings and options, futures and short sales on securities owned by Homestead Advisers' client accounts, are prohibited in any dollar amount. Furthermore, the Code prohibits all access persons from executing personal securities transactions of any kind in any securities on the restricted list maintained by the CCO.

Portfolio managers, analysts, and certain non-investment personnel who are (i) aware of Homestead Advisers' security trades and (ii) aware of securities which the investment team is currently researching for potential trades in a client account (the "Watch List") are subject to

additional prohibitions under the Code, including prohibitions against: (1) delaying or forgoing the purchase of a security for a client in order to achieve a personal gain; (2) buying or selling any reportable security of the same asset type (fixed-income or equity) of the same (or related) issuer that is held in a client account; and (3) buying or selling any security on the Watch List. Additionally, on a quarterly basis, these employees are required to disclose any issuer/holding in which they own 5% or more.

All of Homestead Advisers' access persons are required to provide quarterly reports of personal trading activities in covered securities and annual securities holdings reports. All access persons are required to provide duplicate brokerage statements to Homestead Advisers. Homestead Advisers routinely reviews the personal trading activities of officers, interested directors, portfolio managers, analysts and other access persons for potential conflicts of interest and transactions made in securities held on the restricted list, as well as other violations of the Code. All Code violations are reported to the Homestead Funds' Board of Directors and Trustees. The Company provides annual, as well as as-needed, training on the Code.

Strict compliance with the provisions of the Code is a basic condition of employment with the Company. A material breach of the provisions of the Code may constitute grounds for disciplinary action, up to and including termination. Additionally, the Code includes tiered sanctions for repeat violations, which include increasing monetary sanctions, reporting of violations to senior management and freezes on an employee's personal trading.

Homestead Advisers, in the course of its investment management activities, may come into possession of confidential or material non-public information about issuers, including issuers in which it or its related persons have invested or seek to invest on behalf of clients. Homestead Advisers is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such person is a client. Homestead Advisers maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that it is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, Homestead Advisers may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but Homestead Advisers will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, Homestead Advisers will have no responsibility or liability to the client for not disclosing such information to the client, or not using such information for the client's benefit, as a result of following its policies and procedures designed to provide reasonable assurances that it is complying with the applicable law.

#### **Item 12. Brokerage Practices**

This is not applicable.

#### **Item 13. Review of Accounts**

Homestead Advisers produces written financial plans for clients. The written financial plans are reviewed by a senior team member for appropriateness, based on the information contained in the written financial questionnaire provided to and completed by clients. All employees of Homestead Advisers are ultimately supervised by the President and Chief Executive Officer of Homestead Advisers.

#### **Item 14. Client Referrals and Other Compensation**

This is not applicable.

**Item 15. Custody**

This is not applicable.

**Item 16. Investment Discretion**

This is not applicable.

**Item 17. Voting Client Securities**

This is not applicable.

**Item 18. Financial Information**

This is not applicable.