

IDENTIFYING AND
RESPONDING TO
ECONOMIC RISKS

FOR INVESTORS

“Despite various measures of economic strength, extreme investor bullishness could contribute to a near-term market correction. In times of uncertainty, it is important to remember that investors cannot sell losses or buy gains. Remaining strategically diversified and aiming to preserve capital against large losses serves investors well in times of heightened uncertainty.”

Brandon Pizzurro, CFP®
GuideStone Capital Management®
Director of Public Investments

1 Continuing Economic Effects of COVID-19

The public health crisis continues to affect countries around the world. While vaccine availability is widespread in 2021, global economies cannot fully recover until transmission of the virus and its variants have slowed considerably.

2 Elevated Unemployment

While the employment market has experienced a meaningful recovery over the past year, a large number of Americans remain unemployed despite pronounced labor shortages in several industries. It may take multiple years before unemployment in all income groups recovers to pre-virus levels.

3 Consumer Behavior

Consumer savings balances remain high amidst continued generous government stimulus programs. A post-COVID-19 boost in consumer spending will be critical to the economic recovery, as the consumer accounts for approximately 70% of total U.S. economic activity.

4 Slowing Earnings Growth

While expectations are for corporate earnings to grow more than 30% in 2021, growth may slow significantly in 2022 if higher corporate tax rates are enacted to support the Biden administration's aggressive spending plans.

5 Wage Growth

After a decade of sluggish wage growth in the most recent expansion, wages are on the rise again due to a strong economic recovery and dislocations in the employment market. Workers are difficult to find in some sectors, and higher labor costs for employers may harm earnings growth and curtail business expansion plans.

6 Corporate Bankruptcies

The global economic shutdown and corresponding drop in consumer spending caused a sharp decline in corporate revenues in certain industries, specifically in the leisure and hospitality sectors. These sectors may look very different after the economic smoke clears.

7 Federal Reserve Largesse

The Fed's balance sheet may touch \$8 trillion as a result of aggressive monetary policies implemented to combat the COVID-19 economic crisis. The large amount of national debt may affect the flexibility of the Fed's operations in the future.

8 Commodity Price Spikes

Economic activity is surging in the U.S. as the economy reopens and recovers. Strong demand for finished goods has caused a spike in the prices of various commodities, added costs that will be passed on to the end customer.

9 Inflation on the Rise

While both investors and the Fed appear to believe that it is transitory, inflation is spiking this year due to price effects and strong economic growth. We are watchful for a more persistent and harmful level of inflation as the economy recovers.

10 Geopolitical Shocks

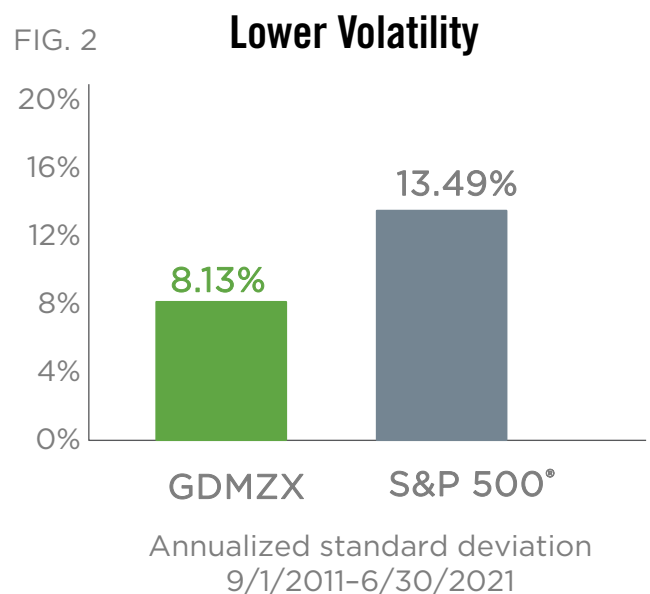
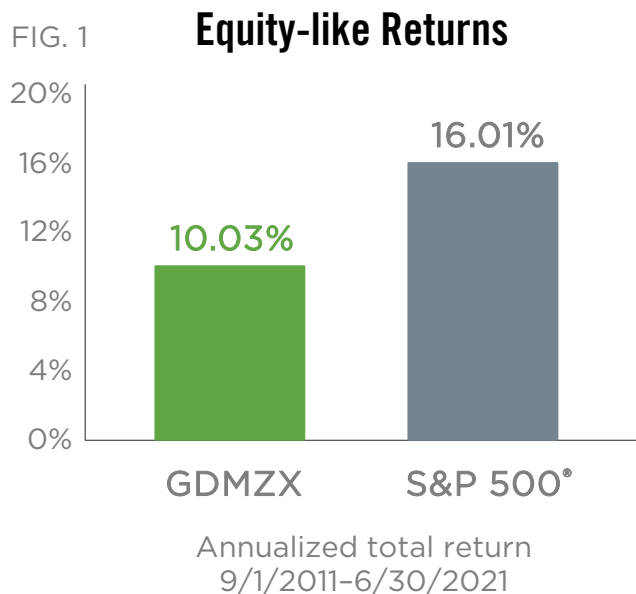
The continuing domestic focus on the coronavirus, as well as the change in political power in Washington, may tempt global bad actors to test the resolve of the Biden administration.

As the equity market continues to hit new all-time highs, some investors may be looking for opportunities to de-risk the areas of their portfolio that have increased market exposure. We created the Defensive Market Strategies Fund to target equity-like returns with reduced risk as compared to the S&P 500 Index.

GUIDESTONE DEFENSIVE MARKET STRATEGIES FUND.

[GDMZX]
INVESTOR CLASS

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end and complete calendar year performance may be obtained at GuideStoneFunds.com/Funds. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.



Participated in 63% of the equity market returns since inception

Captured only 60% of market volatility since inception

Source: **Morningstar Direct, GDMZX. Data shown is as of June 30, 2021.** The inception date of GDMZX is 9/1/2011. Comparison to the S&P 500® is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index. **Standard deviation** is a measure of the dispersion of a set of data from its mean. **Maximum drawdown** is the maximum loss from a peak to a trough of a portfolio before a new peak is attained.

Past performance does not guarantee future results. The Fund may experience negative performance.

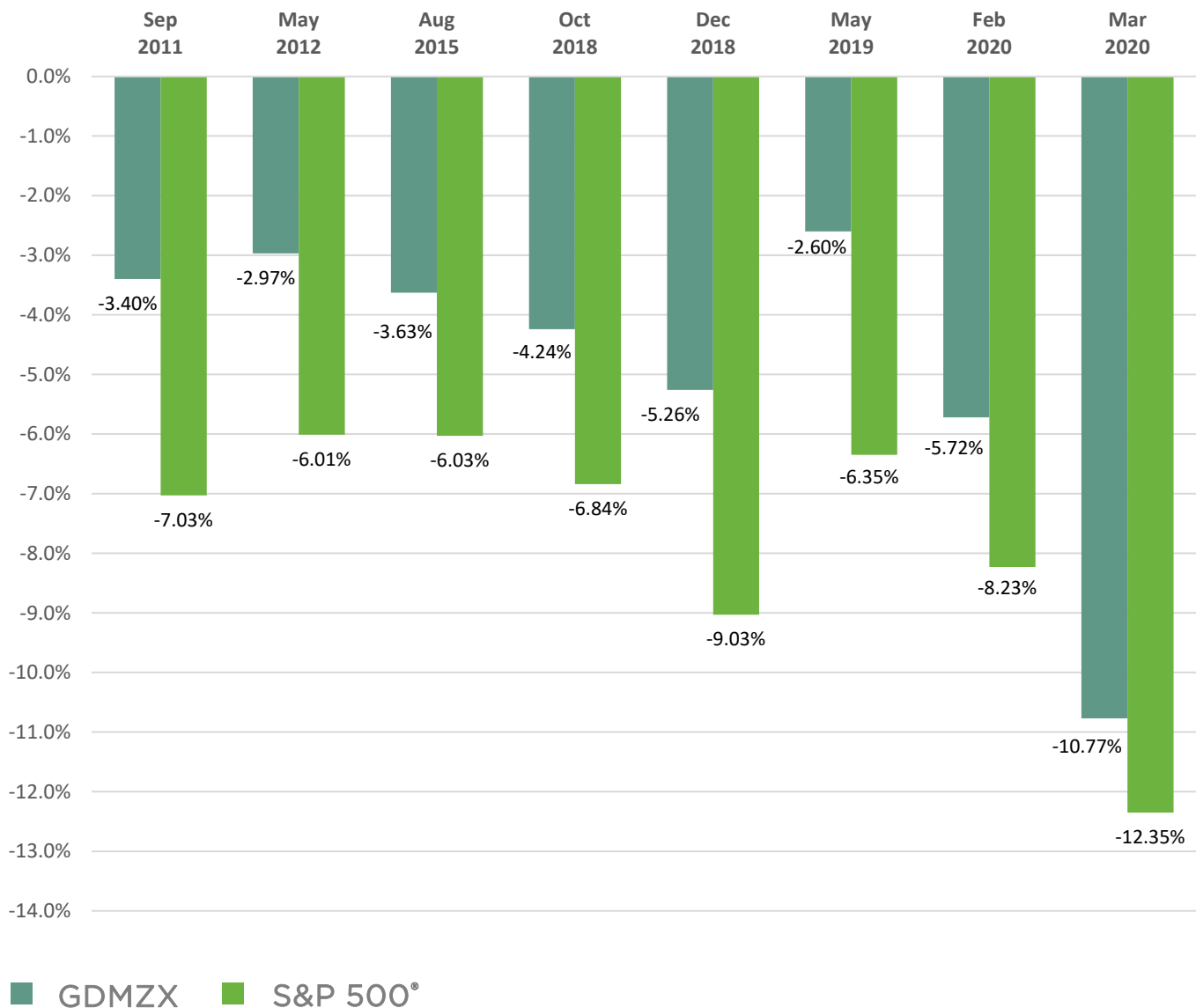
FIG. 3 **Historically 10%+ S&P 500® Declines Since Fund Inception (September 1, 2011)**

	July 2015-Feb 2016	Jan 2018-Feb 2018	Sept 2018-Dec 2018	Feb 2020-Mar 2020	
GDMZX	-5.64%	-6.71%	-11.77%	-26.05%	
S&P 500®	-12.89%	-10.10%	-19.36%	-33.47%	
Downside Capture	44%	66%	61%	78%	Avg 62%

As of June 30, 2021. Source: Morningstar Direct, GDMZX. Long term will generally include bear markets (20%+ declines) and other large corrections. Time periods referenced above reflect S&P 500® drawdowns greater than 10% and are calculated from that index's peak and trough dates. **Downside capture ratio** is used to evaluate how well an investment manager performed relative to an index during periods when the index has risen (fallen).

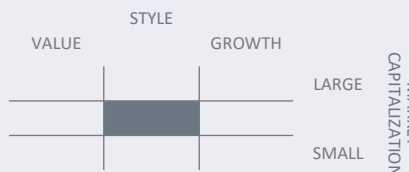
Past performance does not guarantee future results. The Fund may experience negative performance. Please see our fact sheet for standardized returns and the benchmark performance of GDMZX.

GDMZX Since Inception vs. Largest S&P 500® Drawdowns



Data source: Morningstar Direct as of June 30, 2021.

Past performance does not guarantee future results. See the attached fund fact sheet for more complete information about the Fund's performance. The Fund may experience negative performance.

Equity Investment Approach


Investment Objective: The Defensive Market Strategies Fund seeks to provide long-term capital appreciation with reduced volatility compared to the equity market.

Investment Suitability: The Defensive Market Strategies Fund may be suitable for investors who have a medium- to long-term investment horizon, possess a moderate tolerance for risk and seek to participate in the return potential of equities at a slightly lower risk level than an all equity portfolio.

Securities of foreign issuers may be negatively impacted by political events, economic conditions or inefficient, illiquid or unregulated markets in foreign countries, and they also may be subject to inadequate regulatory or accounting standards, which may increase investment risk. This Fund is subject to interest rate risk, meaning, when interest rates rise, the value of the existing fixed income securities decreases and vice versa. Changes in interest rates have a bigger impact on long-duration holdings than on short-duration holdings. Economic, market, political and other conditions and events can cause the value of equity securities to fluctuate. In addition to the interest and credit rate risks associated with fixed income securities, a convertible security's market value also tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the convertible security's "conversion price." This description of risks is provided as a summary of the principal investment risks associated with this mutual fund. Refer to the Fund's prospectus for more detailed risk information.

Benchmark¹

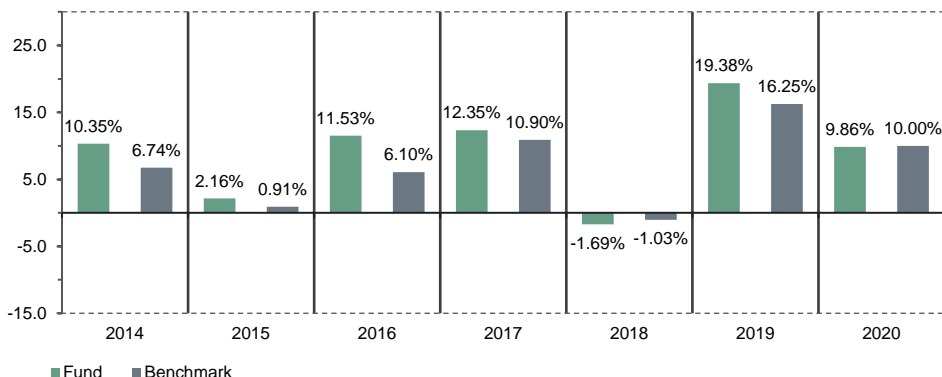
S&P 500® Index	50%
Bloomberg Barclays 1-3 Month US Treasury Bill	50%

Annual Operating Expenses

Gross Expense Ratio	Net Expense Ratio
0.95%	0.95%

PERFORMANCE

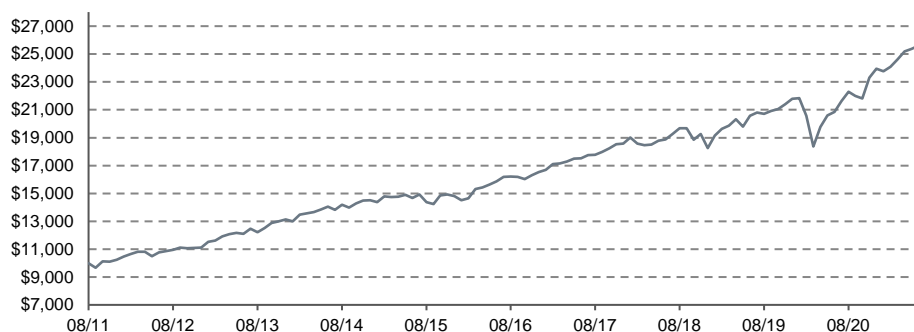
	Three Month	Year to Date	One Year	Three Year (Annualized)	Five Year (Annualized)	Ten Year (Annualized)	Since Inception (Annualized)
Fund	4.00%	6.94%	22.85%	10.69%	10.05%	N/A	10.03%
Benchmark	4.23%	7.44%	19.11%	10.13%	9.41%	N/A	8.30%

CALENDAR YEAR PERFORMANCE


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GROWTH OF \$10,000 INVESTMENT

Ending Value: \$25,603


MORNINGSTAR RATING BASED ON RISK ADJUSTED RETURN²

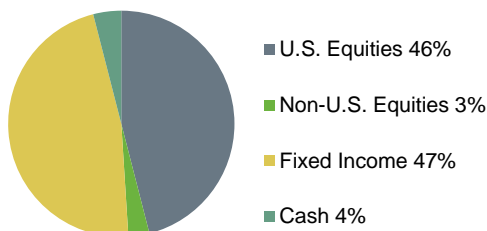
Category: Allocation--50% to 70% Equity

Overall	Three Year	Five Year
★★★	★★★	★★★
among 659 funds	among 659 funds	among 601 funds

You should carefully consider the investment objectives, risks, charges and expenses of the GuideStone Funds® before investing. For a copy of the prospectus with this and other information about the Funds, please call 1-888-GS-FUNDS (1-888-473-8637) or visit GuideStoneFunds.com/Funds to view or download a prospectus. You should read the prospectus carefully before investing.

GuideStone Funds® shares are distributed by Foreside Funds Distributors LLC, not an advisor affiliate. GuideStone Capital Management, LLC®, an affiliate of GuideStone Financial Resources®, provides investment advisory services for the Funds.

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PORTFOLIO DETAILS
Asset Allocation^{3,4}


Cash is maintained by the Fund for liquidity purposes and may be overlaid with equity and/or U.S. Treasury futures to provide capital market exposure.

Fund Size (\$ in millions)

Total Fund Net Assets for All Share Classes	\$1,430
Number of Holdings*	708

*Does not include currencies or forward currency contracts

Return/Risk Characteristics**

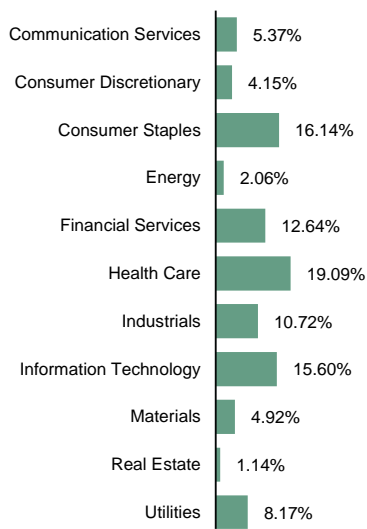
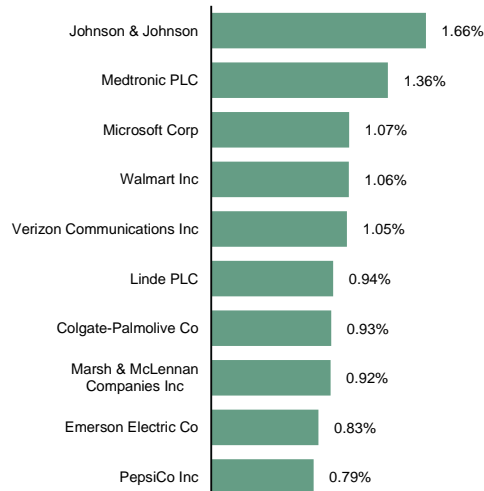
Standard Deviation	11.97%
R-Squared	86.32%
Beta vs. Benchmark	1.14
Beta vs. S&P 500 Index	0.63
Sharpe Ratio	0.81
Information Ratio	-0.65

** Calculated over previous three years

Sub-Adviser Composite⁵

American Century Investment Management, Inc.	29%
Shenkman Capital Management, Inc.	27%
AQR Capital Management, LLC	22%
Parametric Portfolio Associates LLC	22%

GuideStone Capital Management, LLC (the "Adviser"), the adviser to the Fund, may invest directly in securities on behalf of the Fund. The Adviser also maintains a sub-advisory agreement with Parametric Portfolio Associates LLC ("Parametric") under which Parametric will provide completion portfolios within the Fund, as instructed by the Adviser. The Adviser's direct investments and Parametric's "completion portfolios" are used to assist in preserving the desired risk exposures for the Fund in furtherance of its investment objective. Direct investments and completion portfolios that are short-term in nature are not included in the target allocations of the Fund to sub-advisers listed above.

Equity Sector Holdings

Top Ten Equity Holdings


Standard deviation—Depicts how widely returns varied over a certain period of time. A high standard deviation implies greater volatility and greater risk.

R-squared—Shows the percentage of a fund's performance that is explained by movements in the benchmark index. An R-squared of 100% indicates that all movements of a fund can be explained by movements in the benchmark.

Beta vs. Benchmark—Beta is a measure of a fund's sensitivity to market movements as defined by the fund's benchmark. A fund with a higher beta relative to the benchmark is more volatile than the benchmark.

Beta vs. S&P 500® Index—Beta is a measure of a fund's sensitivity to market movements as defined by the S&P 500 Index. A fund with a higher beta relative to the S&P 500 Index is more volatile than the S&P 500 Index.

Sharpe Ratio—A risk-adjusted measure that measures reward per unit of risk. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance.

Information Ratio—Measures how much the fund outperformed the benchmark per unit of additional risk taken.

¹The Bloomberg Barclays 1-3 Month US Treasury Bill Index tracks the market for treasury bills with 1 to 2.999 months to maturity issued by the U.S. government. U.S. Treasury bills are issued in fixed maturity terms of 4, 13, 26 and 52 weeks. The S&P 500® Index is a market capitalization-weighted equity index composed of approximately 500 U.S. companies representing all major industries. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of its constituents. "Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500" and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by GuideStone Funds®. The Product is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of investing in the Product. All indexes used with permission. It is not possible to invest directly in an index.

²The 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-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 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-, five- 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. Ratings are for the share class shown only; other classes may vary. **Past performance is not guarantee of future results.**

³Asset Allocation subject to change at any time. Pie chart is a representation, and actual exposures may differ. The size denotes the relative weighting in the Fund.

⁴Due to rounding, portfolio holdings data may not sum to 100%.

⁵Sub-adviser composite is subject to change at any time. The percentages shown reflect the target allocations of the Fund. Actual sub-adviser weights may differ at any time. There can be no guarantee that any strategy will be successful. All investing involves risk, including potential loss of principal.

Important Information:

¹Capital Expenditures (CAPEX) are investments in assets that will have a long life, such as property, plant and equipment.

All mutual funds are subject to market risk, including possible loss of principal.

Diversification cannot assure a profit or protect against loss in a declining market.

Investing in stocks involves the risk of declining share prices. Investing in bonds is subject to interest rate and credit risk. Investments overseas generally carry more risk than investments in U.S. assets, including unfavorable currency exchange rates and political or economic uncertainty abroad.

There is no guarantee that GuideStone Funds will achieve its investment objective. The information is not intended as a personalized recommendation or fiduciary advice and should not be relied upon for investment, accounting, legal or tax advice.

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As of June 30, 2021, GuideStone Funds has \$17.6 billion in assets, which makes GuideStone Funds the nation's largest faith-based mutual fund family. No other faith-based fund family exceeds GuideStone Funds in asset size.

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