

**FIRST QUARTER 2021**

**Fund Summary**

The Defensive Market Strategies Fund seeks to provide long-term capital appreciation with reduced volatility compared to the equity market. It is a strategically built, well-diversified investment that aims to deliver equity-like returns while pursuing reduced risk over a full market cycle. GuideStone® believes the Fund’s multi-manager, multi-strategy approach can generate more consistent alpha while helping to manage the risk typically inherent in traditional equity strategies.

**American Century Investment Management (Multi-Cap Value)**

**29%**

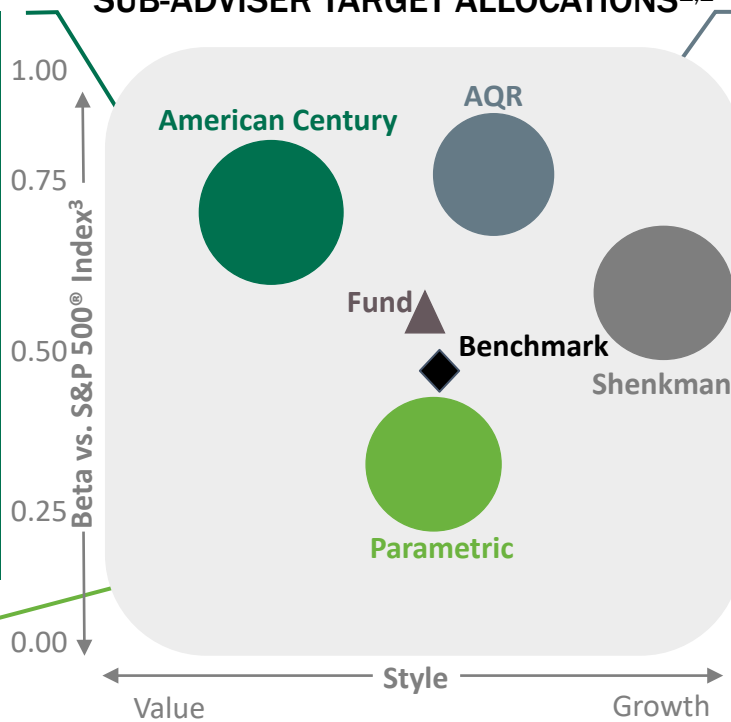
- Long-only equity strategy
- Employs a fundamental, value-driven, low-volatility approach with a focus on higher-quality, lower-risk, dividend-paying equity securities
- Targets a dividend yield of 2% greater than the S&P 500® Index
- Makes tactical use of convertible bonds to reduce overall volatility

**AQR Capital Management (Style Neutral - Large Cap)**

**22%**

- Defensive equity strategy
- Utilizes quantitative analytics to identify stable companies with consistent, sustainable earnings and lower amounts of leverage
- Seeks to mitigate style, sector and industry biases on a risk-adjusted basis

**SUB-ADVISER TARGET ALLOCATIONS<sup>1,2</sup>**



**Parametric Portfolio Associates (Options Equity)**

**22%**

- Put and call options strategy
- Sells fully collateralized put and call options on a base portfolio comprised of exposure to the S&P 500® Index and U.S. Treasury bills
- Utilizes a systematic approach that seeks to capture insurance risk premiums, capitalizing on the mispricing of risk historically embedded in put and call options

**Shenkman Capital Management (Convertible Securities)**

**27%**

- Convertible bond strategy
- Places a strong emphasis on credit analysis with a focus on convertibles with low investment premiums priced closer to the bond floor
- Seeks to identify convertible bonds with twice the upside potential compared to downside potential

# USING THE GUIDESTONE DEFENSIVE MARKET STRATEGIES FUND

With exposures across market capitalizations and no significant style bias, the Fund is a possible fit:

- **Within a portfolio's equity sleeve**
  - ❖ The Fund's risk-efficient focus and allocations to multiple lowly correlated strategies can help investors remain invested through volatile markets and avoid fear-driven "buy high, sell low" moves — resulting in potentially higher returns.
- **As a complement to smart beta strategies**
  - ❖ With its strategic low-beta and active alpha characteristics, the Fund may help temper market swings — providing more consistent return streams over a full market cycle.
  - ❖ Add the Fund to improve diversification and enhance return consistency in muted market environments — delivering higher return potential than fixed income with less risk potential than equities.
- **As an alternative to alternatives**
  - ❖ Consider using the Fund in place of sophisticated, single-manager alternative strategies — generating similar risk-adjusted returns with lower investment minimums and reduced fees compared to long/short equity, market-neutral and other multi-strategy approaches.

## THE GUIDESTONE DIFFERENCE

Since 2001, GuideStone® has been a trusted investment manager for both institutional and individual investors. With \$16.7 billion in assets under management, GuideStone Funds® is the nation's largest faith-based mutual fund family.\* We offer a wide array of equity, fixed income, real assets and alternative investment options to complement any portfolio.

### INTENTIONAL RISK

Our goal is to understand the specific risks within a Fund. We make intentional risk-allocation decisions — emphasizing certain risks and de-emphasizing others — in an effort to generate excess returns.

### RIGOROUS SUB-ADVISER RESEARCH

Experienced and diligent qualitative analysis, combined with robust quantitative analytics, allows us to evaluate, select and monitor sub-advisers — allocations to which are optimized at the Fund level.

### FAITH-BASED SCREEN

We do not invest in any company that is publicly recognized, as determined by GuideStone Financial Resources®, as being in the alcohol, tobacco, gambling, pornography or abortion industries or any company whose products, services or activities are publicly recognized as being incompatible with the moral and ethical posture of GuideStone Financial Resources.

<sup>1</sup>Sub-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 loss of principal.

<sup>2</sup>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.

<sup>3</sup>Beta vs. S&P 500® Index: 0.63 (Investor shares, as of March 31, 2021)

Beta — The 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.

Alpha — The measure of active return on an investment when compared to a market index.

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. The Bloomberg Barclays 1-3 Month US Treasury Bill tracks the market for treasury bills with 1 to 2.9999 months to maturity issued by the US government. US Treasury bills are issued in fixed maturity terms of 4-, 13-, 26- and 52-weeks.

**Investment Considerations:** 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. 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." Economic, market, political and other conditions and events can cause the value of equity securities to fluctuate. 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.

**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](http://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.

\*As of March 31, 2021, GuideStone Funds has \$16.7 billion in assets, which makes GuideStone the nation's largest faith-based mutual fund family. No other faith-based fund family exceeds GuideStone Funds in asset size.