

GuideStone Defensive Market Strategies Fund

GDMZX | INVESTOR SHARE CLASS

GDMYX | INSTITUTIONAL SHARE CLASS



GuideStone®
Funds

FOURTH QUARTER 2023

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.

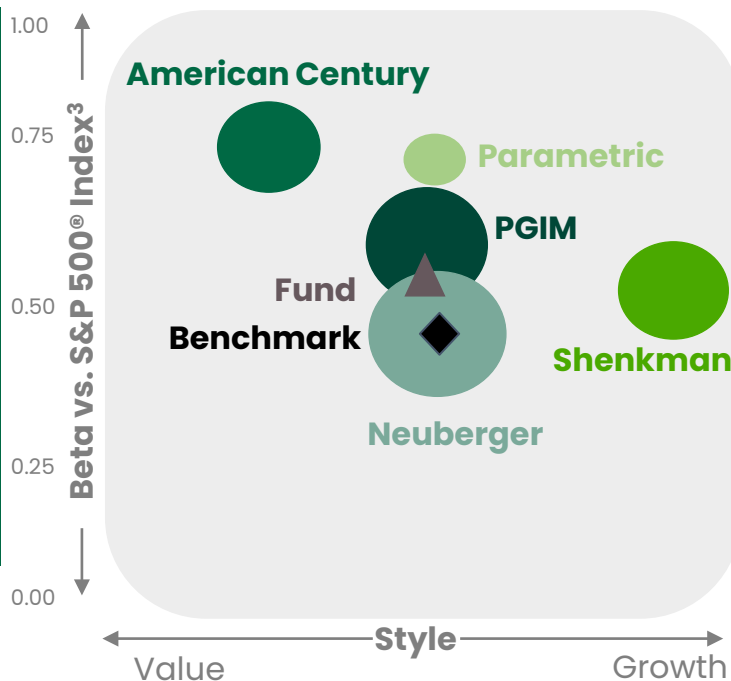
American Century Investment Management (Multi-Cap Value) **10%**

- Long-only equity strategy
- Employs a fundamental, value-driven, low-volatility approach with a focus on higher-quality, lower-risk, dividend-paying equity securities
- Makes tactical use of convertible bonds to reduce overall volatility

PGIM Quantitative Solutions (Style Neutral – Large Cap) **28%**

- Defensive equity strategy
- Comparable to owning the S&P 500® Index as a convertible bond – the portfolio is comprised of long-term (five-year) S&P 500® Index call options alongside duration-matched U.S. Treasury bonds
- Market exposure rises as the market rises and falls as the market falls, creating an attractive upside/downside capture profile

SUB-ADVISER TARGET ALLOCATIONS ^{1,2}



Parametric Portfolio Associates (Style Neutral – Large Cap) **10%**

- A core long-only equity defensive position
- Provides U.S. equity exposure with a focus on defensive factors such as dividend yield and quality

Neuberger Berman Investment Advisers (Options Equity) **31%**

- Options equity strategy
- Sells fully collateralized put options on a base portfolio comprised of 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 options

Shenkman Capital Management (Convertible Securities) **21%**

- 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

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. GuideStone Funds® offers a wide array of equity, fixed income, real assets/alternatives and impact investment options to complement any portfolio.

FAITH - BASED

We believe prudent stewardship of investor assets includes the incorporation of a multifaceted faith-based investing program.

INTENTIONAL

We believe an emphasis on intentional risk may help investors reach their long-term goals.

ACTIVE

We believe active portfolio management that identifies best-in-class managers and optimizes the allocation of capital among them may add value over a full market cycle.

¹Sub-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. Due to rounding, target allocations may not sum to 100%.

²GuideStone 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.

³Beta vs. S&P 500® Index: 0.55 (Investor shares, as of)

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 Bloomberg 1-3 Month U.S. 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. "Bloomberg", Bloomberg and Bloomberg 1-3 Month US Treasury Bill are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by GuideStone Financial Resources of the Southern Baptist Convention ("GuideStone Financial Resources") and its affiliates. Bloomberg is not affiliated with GuideStone Financial Resources and its affiliates and Bloomberg does not approve, endorse, review, or recommend the Defensive Market Strategies Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Defensive Market Strategies Fund. All indexes used with permission. It is not possible to invest directly in an index.

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. 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.

Investing involves risk. Principal loss is possible. Diversification cannot assure a profit or protect against loss in a declining market. Funds invested in accordance with the faith-based investment restrictions of GuideStone Financial Resources may not be able to take advantage of certain investment opportunities due to these restrictions, which may adversely affect investment performance.

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.

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