

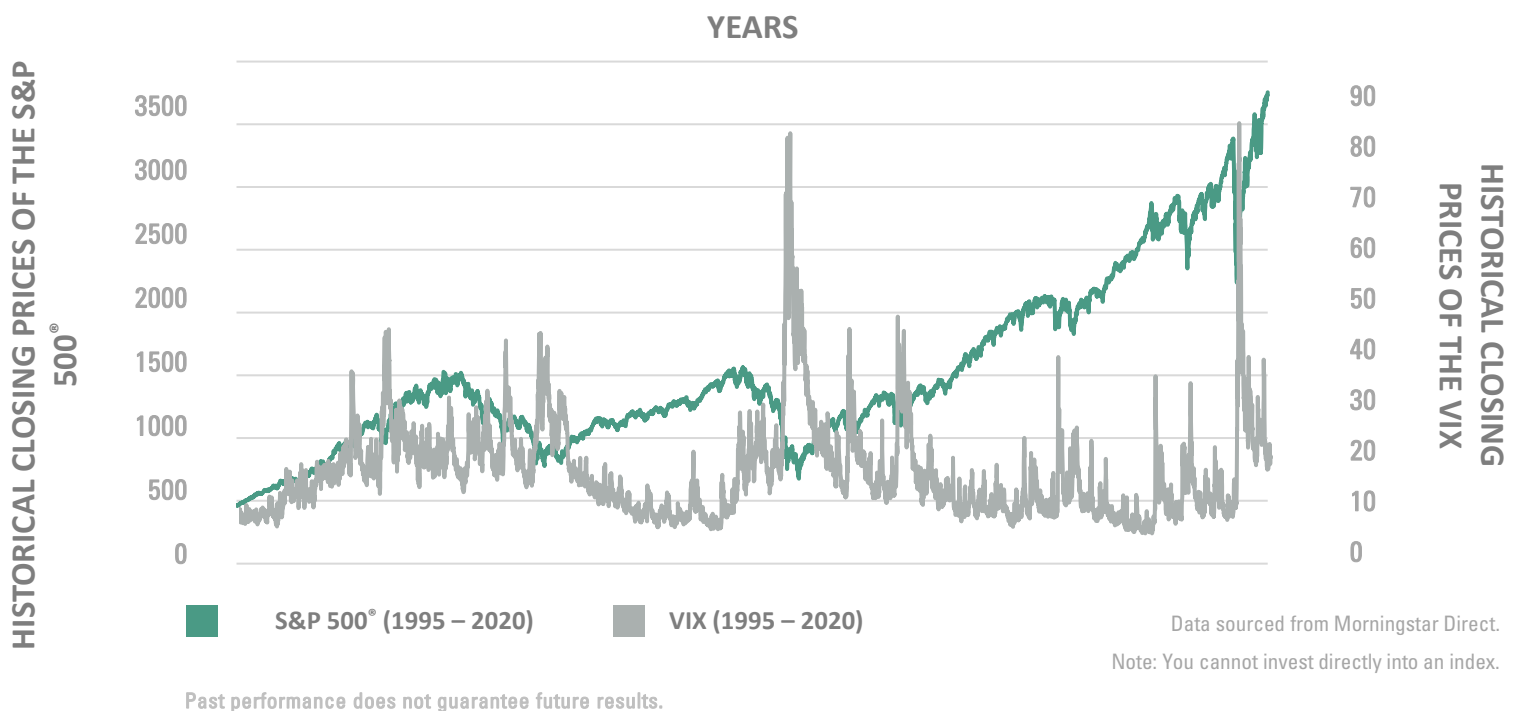
IS THE BEST OFFENSE A GOOD DEFENSE?

A NEW APPROACH TO PREPARING
FOR MARKET VOLATILITY

Volatility is unpredictable.

No one can look to the past and forecast exactly when it will come or when it will go. The best anyone can do is make an educated guess based on historical observations.

For example, one can examine the relationship between the CBOE Volatility Index (VIX) — which measures the expected volatility of the S&P 500® — and the actual performance of the S&P 500®.



By studying the correlation between the two over the last 25 years, the following trends are easily identified:

- ▶ Periods of low volatility typically correspond to equity market increases.
- ▶ Pronounced volatility spikes typically correspond to equity market declines.

When specifically analyzing today's market environment, much uncertainty exists. As such, volatility has ticked up materially.

This begs the question: Should we expect volatility to continue?

While what happens next remains unknown, there are proactive steps investors can take to manage the impact of volatility on their portfolios.

■ Is fixed income really the best option?

In times of volatility — or when it is anticipated — a reallocation from equities to fixed income is the traditional play. Many investors believe that reducing equity exposure can shelter them from the full weight of an equity market decline.

And that may be true — if investors can get the timing right.

Move out of equities too soon, and investors miss potential investment gains. Move out of equities too late, and investors experience potential investment losses. The truth is, even professional investors find it impossible to

recognize when markets are in a downturn until after a downturn has already started.

Fear-based portfolio reallocations are a form of market timing that assumes investors know not just when to get out of equities but also when to get back in. By missing even the three best days of a market rebound, investors can inflict more long-term harm on a portfolio than if they had simply ridden through the downturn with their original portfolio allocation.

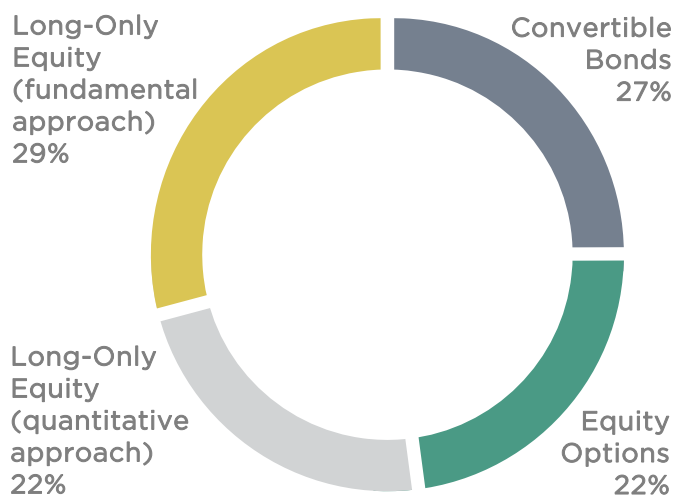
■ If not fixed income, then what?

What if investors didn't have to think about portfolio reallocations in times of volatility? What if investors could remain invested in equities through all market environments? What if there was a mutual fund that was professionally managed to offer benefits in both up and down markets?

The GuideStone Defensive Market Strategies® Fund (Fund) is designed to do just that. By utilizing a unique combination of investment strategies and processes, the Fund seeks to provide long-term capital appreciation with reduced volatility compared to the equity market — as indicated by its targeted beta to the S&P 500® Index of approximately 0.50.

Here is a quick breakdown of the Fund:

Data as of December 31, 2020



0.63

BETA VS. S&P 500®

12.10%

STANDARD DEVIATION

GUIDESTONE DEFENSIVE MARKET STRATEGIES FUND

Morningstar Rating™ Based on Risk-adjusted Return, as of December 31, 2020
Category: Allocation--50% to 70% Equity

INSTITUTIONAL CLASS:

Overall
3-year
5-year



AMONG 636 FUNDS



AMONG 636 FUNDS



AMONG 575 FUNDS

INVESTOR CLASS:

Overall
3-year
5-year



AMONG 636 FUNDS



AMONG 636 FUNDS

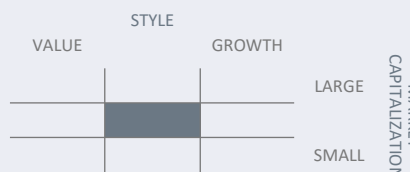


AMONG 575 FUNDS

■ Next Steps

Consider the Fund to help your clients remain invested through volatile markets and help them avoid fear-driven “buy high, sell low” moves that may derail their long-term investment goals. The Defensive Market Strategies Fund seeks to provide long-term capital appreciation with reduced volatility compared to equity markets. It is designed to be a risk-managed investment option that pursues equity-like returns while providing enhanced diversification, seeking capital preservation and a reduction in overall volatility.

Learn more at
GuideStoneFunds.com/Funds.

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. 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.

Benchmark¹

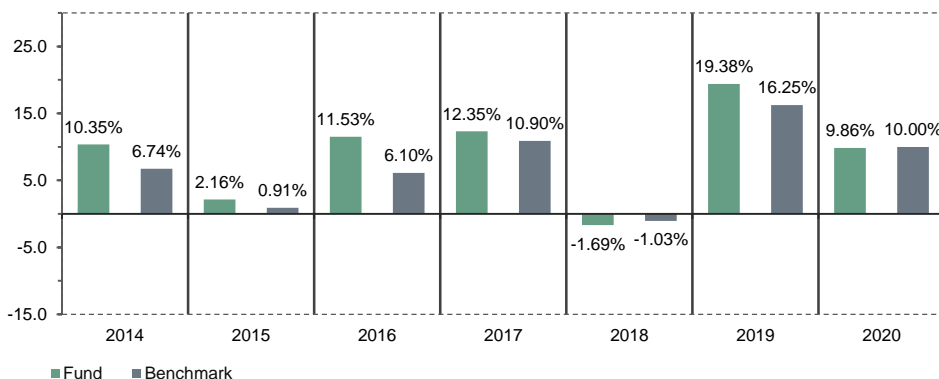
S&P 500® Index	50%
Bloomberg Barclays 1-3 Month US Treasury Bill	50%

Annual Operating Expenses

Gross Expense Ratio	Net Expense Ratio
0.94%	0.94%

PERFORMANCE

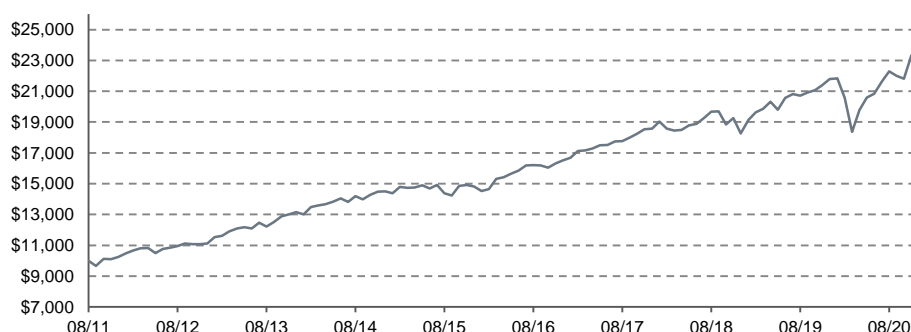
	Three Month	Year to Date	One Year	Three Year (Annualized)	Five Year (Annualized)	Ten Year (Annualized)	Since Inception (Annualized)
Fund	8.81%	9.86%	9.86%	8.84%	10.07%	N/A	9.80%
Benchmark	6.08%	10.00%	10.00%	8.16%	8.28%	N/A	7.93%

CALENDAR YEAR PERFORMANCE


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. Benchmark performance numbers are provided by Morningstar, Inc. and have not been verified by GuideStone Funds. The investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Year 2011 annual performance began 09/01/2011. Prior to 11/30/2020, the fund's benchmark was 50% S&P 500® Index and 50% FTSE 3-Month Treasury Bill Index. Benchmark performance shown represents the Fund's current benchmark linked with its previous benchmark. Returns exceeding 20% reflect unusual market conditions and may not be sustained at this level over the long term.

GROWTH OF \$10,000 INVESTMENT

Ending Value: \$23,941


MORNINGSTAR RATING BASED ON RISK ADJUSTED RETURN²

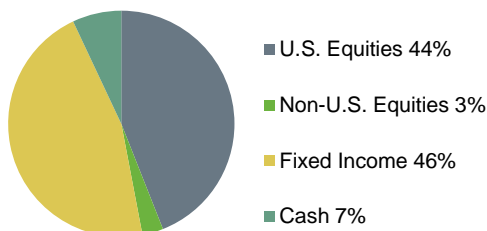
Category: Allocation--50% to 70% Equity

Overall	Three Year	Five Year
★★★★	★★★	★★★★
among 636 funds	among 636 funds	among 575 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	\$1,337
Number of Holdings*	700

*Does not include currencies or forward currency contracts

Return/Risk Characteristics**

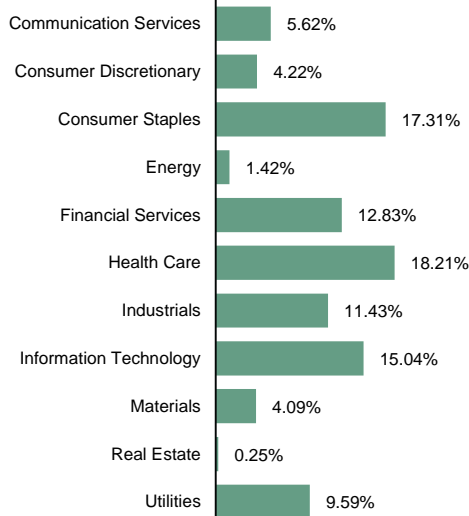
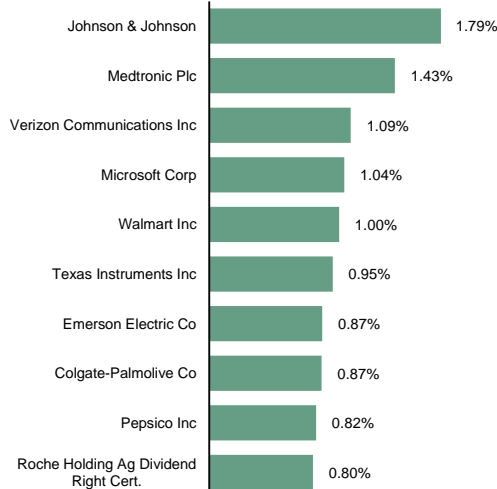
Standard Deviation	12.10%
R-Squared	92.67%
Beta vs. Benchmark	1.25
Beta vs. S&P 500 Index	0.63
Sharpe Ratio	0.64
Information Ratio	-0.07

** 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:

Lipper Inc., a Refinitiv Company, is a nationally recognized organization that compares the performance of mutual funds having similar investment objectives. The comparison is made across registered mutual funds, ranking the funds with similar objectives according to total returns. These investment returns are calculated after operating expenses have been deducted from each fund, but the rankings do not take sales charges into account. Lipper rankings are subject to change monthly, and past rankings are no guarantee of future results.

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