

PERFORMANCE+VALUES

| CAN INVESTORS HAVE IT ALL?

FOR INVESTORS

「FAITH-BASED. SOCIALLY CONSCIOUS. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FOCUSED.」

These are just a few of the labels given to mutual funds whose managers make investment decisions in accordance with a defined set of values.

While each category may have different criteria, overall, these types of funds screen out companies or industries that do not align with a specific belief system. And because maintaining these screens in turn narrows a fund's opportunity set, many critics think this investment approach is not in the best interests of investors.

But GuideStone® disagrees.

We believe attractive risk-adjusted returns can be achieved while remaining committed to Christian values. Through rigorous research, we have developed an investment approach that we feel best balances our fundamental Christian beliefs with the realities of investing in a fallen world.

And as Christians, we think it matters where we invest the resources God has given to us — which is why our faith-based investment guidelines support the sanctity of life, family, stewardship, health and safety. Our official policy states that:

GuideStone does 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.

We are disciplined in our adherence to these guidelines and take very seriously our responsibility to help investors meet their financial goals without compromising their personal principles.

Yet many in the financial media continue to portray faith-based investing as admirable in theory, but problematic in practice. These opponents argue that investors who refuse to compromise their beliefs instead choose to compromise their investment potential.

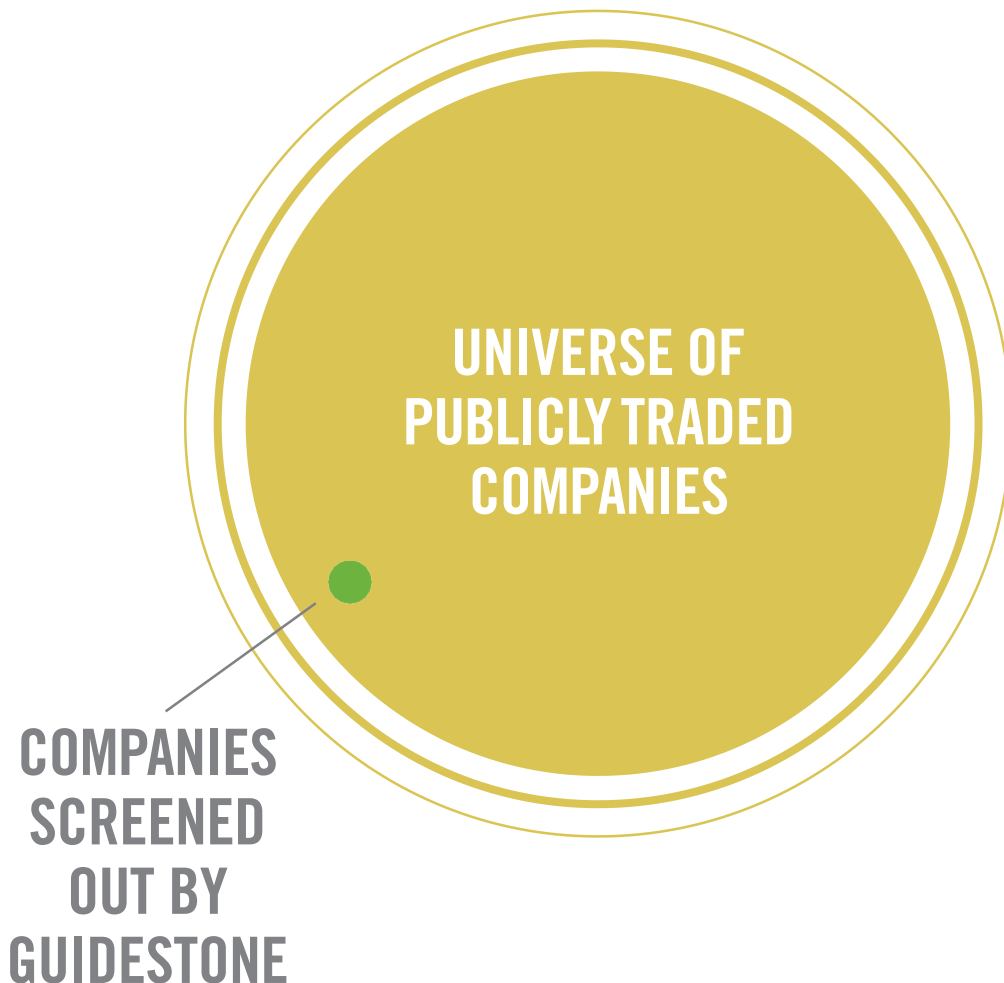
In response to their opinions, we decided to dig deeper into four of the most common misconceptions associated with mutual funds that employ a faith-based investment screen to show that GuideStone investors can in fact have **performance + values**.

MYTH #1

FAITH-BASED MUTUAL FUNDS HAVE SIGNIFICANTLY SMALLER INVESTMENT UNIVERSES.

FACT: WITH MORE THAN 110,000 PUBLICLY TRADED COMPANIES ACROSS THE GLOBE, ACCORDING TO MORNINGSTAR, **OUR FAITH-BASED SCREEN EXCLUDES ONLY A SMALL PERCENTAGE OF THE TOTAL INVESTMENT UNIVERSE.** IN FACT, ONLY 675 PUBLIC COMPANIES APPEAR ON GUIDESTONE'S *RESTRICTED ISSUERS LIST*, AS OF SEPTEMBER 30, 2020.

We regularly monitor and evaluate this list to determine if companies should be added or removed. Additionally, we provide the complete list to every sub-adviser to GuideStone Funds®, whose investments on behalf of the Funds are scrutinized to ensure compliance. If we find that any trade they have made is in violation of this list, it is reversed to maintain adherence with our guidelines.



MYTH #2

INVESTORS IN FAITH-BASED MUTUAL FUNDS MUST SACRIFICE RETURNS.

FACT: ON A QUARTER-TO-QUARTER BASIS, A FAITH-BASED SCREEN CAN HAVE A NOTICEABLE IMPACT ON FUND RETURNS — THE STRICTER THE SCREEN, THE GREATER THE EFFECT. HOWEVER, WHEN LOOKING AT LONGER-TERM TIME PERIODS, THERE HAS HISTORICALLY BEEN NO MEANINGFUL DIFFERENCE IN PERFORMANCE BETWEEN SCREENED MUTUAL FUNDS AND THEIR NON-SCREENED PEERS.

At GuideStone, our suite of equity, fixed income, real assets and alternative investment options is managed with the goal of maximizing risk-adjusted returns while fully embracing biblical priorities. We actively manage the strategies within our Funds by identifying sub-advisers we believe to be best-in-class managers and optimally allocating capital among them.

While our screen does preclude investments in certain companies, it does not limit the ability of our sub-advisers to find high-quality securities at attractive valuations. As indicated by our long-term results, attractive investment ideas are not hamstrung by a biblical approach.

GuideStone Funds* (Investor class)	Average Annual Total Return (since Fund inception)	Morningstar Category Return (average return since inception of GuideStone Fund)
Low-Duration Bond	2.76%	2.49% (Short-Term Bond category)
Medium-Duration Bond	5.05%	4.23% (Intermediate Core Bond category)
Extended-Duration Bond	7.61%	6.54% (Long-Term Bond category)
Global Bond	4.73%	3.62% (World Bond category)
Equity Index	7.46%	6.41% (Large Blend category)
Value Equity	5.95%	5.44% (Large Value category)
Growth Equity	8.43%	7.68% (Large Growth category)
Small Cap Equity	6.59%	6.74% (Small Blend category)
International Equity	5.03%	4.36% (Foreign Large Blend category)
Emerging Markets Equity	1.63%	2.33% (Diversified Emerging Mkts category)
Global Real Estate Securities	2.85%	1.28% (Global Real Estate category)
Defensive Market Strategies®	9.07%	7.12% (Allocation - 50% to 70% Equity category)

*GuideStone Funds with at least four years of history. All data as of September 30, 2020. Extended-Duration Bond: From 10/31/2013-10/31/2014, the Fund's category was Corporate Bond. Global Bond: From 12/31/2009-11/30/2012, the Fund's category was Multisector Bond. Global Real Estate Securities: From 12/31/2009-8/31/2014, the Fund's category was Real Estate. Defensive Market Strategies: From 8/31/2014-10/31/2014, the Fund's category was Tactical Allocation; from 11/30/2014-3/31/2016, the Fund's category was Moderate Allocation. Medium-Duration Bond: From 8/31/2001-5/31/2019, the Fund's category was Intermediate-Term Bond.

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 may be obtained at GuideStoneFunds.com/Funds. The investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

MYTH #3

FAITH-BASED MUTUAL FUNDS ARE EXPENSIVE.

FACT: WHEN BROKEN OUT INTO THEIR RESPECTIVE MORNINGSTAR CATEGORIES, THE NET EXPENSE RATIOS FOR GUIDESTONE FUNDS ARE COMPETITIVE WITH, AND OFTENTIMES LOWER THAN, THOSE OF THE AVERAGE SOCIALLY SCREENED MUTUAL FUND. FURTHERMORE, MANY OF OUR FUNDS' NET EXPENSE RATIOS COMPARE FAVORABLY TO THOSE OF THE FULL MORNINGSTAR CATEGORY AVERAGES — WHICH INCLUDE BOTH SCREENED AND NON-SCREENED FUNDS.

Morningstar Category*	Average (net expense ratio – all funds in category)	Average** (net expense ratio – values-based mutual funds in category)	GuideStone Funds (expense ratios – Investor class)
Allocation - 50% to 70% Equity	0.82%	0.96%	Defensive Market Strategies [®] 0.94% (Net) 0.94% (Gross)
Diversified Emerging Markets	1.31%	1.57%	Emerging Markets Equity 1.58% (Net) 1.58% (Gross)
Foreign Large Blend	0.98%	1.24%	International Equity 1.36% (Net) 1.36% (Gross)
Intermediate Core Bond	0.66%	0.84%	Medium-Duration Bond 0.66% (Net) 0.66% (Gross)
Large Growth	1.05%	1.17%	Growth Equity 0.96% (Net) 0.96% (Gross)
Large Value	0.99%	1.03%	Value Equity 0.90% (Net) 0.90% (Gross)
Short-Term Bond	0.72%	0.82%	Low-Duration Bond 0.62% (Net) 0.62% (Gross)
Small Blend	1.10%	1.26%	Small Cap Equity 1.25% (Net) 1.25% (Gross)

*At least six investment options in the category identified as “socially conscious,” including a GuideStone Fund. All data as of September 30, 2020.

***“Socially conscious” funds include non-Institutional share classes of both actively managed and screened index options. If data were available, multiple non-Institutional share classes of the same funds were used when calculating average expenses for each category.

Lower expenses do not guarantee higher returns. However, lower expenses allow an investor to keep a larger share of a fund's earnings.

GuideStone is sensitive to the expenses of our Funds, and we strive to maintain a competitive fee structure. We do not charge a fee for the implementation or ongoing review of our faith-based screen, nor do our Funds require a sales charge.



MYTH #4

ONLY CHRISTIANS INVEST IN FAITH-BASED
MUTUAL FUNDS.

FACT: GUIDESTONE FUNDS ARE WIDELY AVAILABLE AND CAN BE PURCHASED BY ANYONE ON MANY OF THE NATION'S LARGEST ADVISORY PLATFORMS. WE CREATE AND MANAGE THE FUNDS, AS WELL AS MAKE INVESTMENT DECISIONS, WITH ALL INVESTORS IN MIND — NOT JUST THOSE WHO ALIGN WITH OUR CHRISTIAN BELIEFS. WE ARE INTENTIONAL ABOUT THE RISKS WE TAKE IN OUR FUNDS AND AIM TO USE MULTIPLE — AND OFTEN HIGHER ALPHA-SEEKING — SUB-ADVISED STRATEGIES TO DIVERSIFY THE RISKS TAKEN BY EACH FUND.

For example, the GuideStone Defensive Market Strategies Fund invests in a mix of equity, options and convertible bond investments. With exposures across market capitalizations and no significant style bias, this Fund can be used as a complement to any portfolio. While only approximately half of its assets are invested in U.S. equities, the Fund is positioned to pursue equity-like returns and take advantage of potential market gains. In addition to its equity exposure, the Fund also maintains focused allocations to convertible bonds and equity options, which seek to provide long-term capital appreciation with reduced volatility compared to the equity market.

Another example of our belief in intentional risk is the GuideStone Strategic Alternatives Fund, which uses a diversified mix of alternative investment strategies — each with a low correlation to traditional equity and fixed income asset classes. The Fund combines short-duration high-yield, long/short equity, put options, currency trading and global macro bond strategies to aim to reduce the risk profile of most investment portfolios. The Fund seeks to provide absolute returns with both lower volatility than and low correlation to traditional equity and fixed income markets.

THE FINAL VERDICT

By better explaining our process and approach, GuideStone believes we can refute each claim and demonstrate that Christian investors can have both **performance + values**.

To take a more in-depth look at GuideStone's faith-based investing philosophy, visit [GuidestoneFunds.com/Why-We-Screen](https://www.GuidestoneFunds.com/Why-We-Screen).

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 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. Returns exceeding 20% reflect unusual market conditions and may not be sustained at this level over the long term.

Regarding GuideStone Funds, when the gross expense ratio and the net expense ratio are different, it reflects fee waivers and expense limitations for the fund. Unless renewed, the contractual end dates of the expense limitations for the International Equity Index, MyDestination 2015, MyDestination 2025 and MyDestination 2055 funds are April 30, 2021. Please refer to the prospectus for more information.

Fund - AS OF 9/30/2020	Three Month	Year To Date	One Year	Three Year (Annualized)	Five Year (Annualized)	Ten Year (Annualized)	Since Inception (Annualized)	Inception Date	Gross Expense Ratio	Net Expense Ratio
US EQUITY										
Defensive Market Strategies [®] (GDMZX) ^{1, 2, 3}	5.57%	0.96%	5.19%	6.95%	9.09%	N/A	9.07%	9/1/11	0.94%	0.94%
Equity Index (GEQZX)	8.73%	5.36%	14.71%	12.13%	13.96%	13.54%	7.43%	8/27/01	0.39%	0.39%
Value Equity (GVEZX) ⁴	6.09%	-10.18%	-4.22%	2.37%	6.86%	9.55%	5.92%	8/27/01	0.90%	0.90%
Growth Equity (GGEZX)	12.09%	23.19%	35.03%	21.16%	18.97%	16.08%	8.43%	8/27/01	0.96%	0.96%
Small Cap Equity (GSCZX) ⁵	2.71%	-8.17%	-0.60%	1.76%	6.29%	9.28%	6.57%	8/27/01	1.25%	1.25%
NON-US EQUITY										
International Equity (GIEZX) ¹	5.31%	-8.04%	0.56%	-0.20%	5.77%	4.08%	5.05%	8/27/01	1.36%	1.36%
Emerging Markets Equity (GEMZX) ¹	10.31%	1.76%	13.79%	0.89%	8.18%	N/A	1.63%	10/31/13	1.58%	1.58%
FIXED-INCOME										
Money Market (GMZXX) ⁶	0.00%	0.28%	0.63%	1.26%	0.83%	0.42%	1.27%	8/27/01	0.42%	0.42%
7-day current annualized yield (net) = 0.00%, 7-day current annualized yield (gross) = 0.00% as of 9/30/20										
Low-Duration Bond (GLDZX) ⁷	0.61%	2.67%	3.16%	2.46%	2.01%	1.70%	2.76%	8/27/01	0.62%	0.62%
Medium-Duration Bond (GMDZX) ⁷	1.32%	7.37%	7.74%	5.39%	4.52%	3.90%	5.05%	8/27/01	0.66%	0.66%
Extended-Duration Bond (GEDZX) ⁷	1.41%	9.95%	9.97%	7.16%	7.04%	6.62%	7.61%	8/27/01	0.83%	0.83%
Global Bond (GGBFX) ^{1, 7, 8}	2.57%	0.59%	2.31%	2.29%	4.52%	3.78%	4.73%	12/29/06	0.83%	0.83%
REAL ASSETS/ALTERNATIVES										
Global Real Estate Securities (GREZX) ⁹	3.01%	-14.76%	-12.81%	1.68%	3.90%	6.59%	2.88%	12/29/06	1.10%	1.10%
Strategic Alternatives Fund (GFSZX)	1.64%	-2.07%	-0.96%	0.76%	N/A	N/A	1.10%	6/30/17	1.50%	1.50%
TARGET DATE FUNDS										
MyDestination 2015 (GMTZX) ¹⁰	3.69%	2.60%	6.32%	5.23%	6.67%	6.27%	4.63%	12/29/06	0.82%	0.75%
MyDestination 2025 (GMWZX) ¹⁰	4.51%	2.30%	7.10%	5.89%	7.88%	7.36%	4.93%	12/29/06	0.78%	0.75%
MyDestination 2035 (GMHZX) ¹⁰	5.59%	1.66%	8.19%	6.45%	8.94%	8.16%	5.00%	12/29/06	0.74%	0.74%
MyDestination 2045 (GMFZX) ¹⁰	6.41%	0.91%	8.47%	6.64%	9.49%	8.55%	5.00%	12/29/06	0.75%	0.75%
MyDestination 2055 (GMGZX) ¹⁰	6.63%	0.58%	8.44%	6.69%	9.71%	N/A	8.89%	1/1/12	0.77%	0.75%
TARGET RISK FUNDS										
Conservative Allocation (GFIZX) ¹¹	2.71%	2.17%	4.84%	3.94%	4.60%	3.64%	3.75%	8/27/01	0.92%	0.92%

Fund - AS OF 9/30/2020	Three Month	Year To Date	One Year	Three Year (Annualized)	Five Year (Annualized)	Ten Year (Annualized)	Since Inception (Annualized)	Inception Date	Gross Expense Ratio	Net Expense Ratio
TARGET RISK FUNDS										
Balanced Allocation (GGIZX) ¹¹	4.44%	2.38%	6.81%	5.47%	6.89%	5.98%	5.39%	8/27/01	1.03%	1.03%
Growth Allocation (GCOZX) ¹¹	6.06%	0.89%	7.52%	5.89%	8.40%	7.46%	5.69%	8/27/01	1.14%	1.14%
Aggressive Allocation (GGBZX) ¹¹	7.65%	0.08%	8.86%	6.29%	9.86%	9.18%	6.00%	8/27/01	1.22%	1.22%

You should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. For a copy of the prospectus with this and other information about the Funds, 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.

You could lose money by investing in the Money Market Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. Yield for the Money Market Fund represents the annualization of the fund's declared dividends over the period indicated, excluding capital gains distributions. The yield more closely reflects the current earnings of the fund than the total return. Gross Yield reflects the yield if fee waivers were not in effect.

The performance quoted may reflect fee waivers in effect, and would have been lower in their absence. All figures shown represent total return, except for those identified as yield. Total return is based on net change in NAV with reinvestment of all distributions. Returns for periods less than one year are aggregate and for periods greater than one year are annualized. Yield for the Money Market Fund represents the annualization of the Fund's declared dividends over the period indicated, excluding capital gains distributions. The yield more closely reflects the current earnings of the Fund than the total return.

Shares of GuideStone Funds are distributed by Foreside Funds Distributors LLC, a registered broker-dealer and underwriter of the Funds, not an advisor affiliate. Foreside is not a registered investment adviser and does not provide investment advice. GuideStone Capital Management, LLC®, a controlled-affiliate of GuideStone Financial Resources, provides investment advisory services for the Funds.

¹ Foreign securities involve risk from adverse changes in currency exchange rates. Securities of emerging countries may involve additional risks including price volatility, reduced liquidity, lax financial reporting requirements as well as political and economic instability.

² The Fund's volatility may be amplified by its use of short sales and derivatives. Short sales by a fund theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Leverage may increase the risk of loss and cause fluctuations in the market value of the Fund's portfolio to have disproportionately large effects or cause the NAV of the Fund generally to decline faster than it would otherwise.

³ Convertible bonds are subject to interest rate risk, meaning values of existing bonds generally fall when interest rates rise. They also may decrease in value when the underlying common stock decreases in value.

⁴ There is a risk that value-oriented investments may not perform as well as the rest of the U.S. stock market as a whole.

⁵ Small company stocks are generally riskier than large company stocks due to greater volatility and less liquidity.

⁶ You could lose money by investing in the Money Market Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

⁷ The bonds held by the bond funds are subject to interest rate risk. Values of existing bonds generally fall when interest rates rise.

⁸ The fund invests in high yield securities, commonly known as "junk bonds." While offering higher currency yields, these securities generally are considered speculative and are subject to greater default and liquidity risks than higher-rated bonds.

⁹ Real estate investing involves risks not associated with investing in stocks. Risks include declines in the value of real estate, general and economic conditions, changes in the value of the underlying property and defaults by borrowers. The value of assets in the real estate industry may go through cycles of relative underperformance and outperformance in comparison to equity securities markets in general.

¹⁰ The MyDestination Funds ("Funds") attempt to achieve their objectives by investing in the GuideStone Select Funds. The Funds are managed to a retirement date ("target date") by adjusting the percentage of fixed income securities and equity securities to become more conservative each year until reaching the retirement year and then approximately 15 years thereafter. The target date in the name of the Funds is the approximate date when an investor plans to start withdrawing money. By investing in the Funds you will also incur the expenses and risks of the underlying Select Funds. The principal risks of the Funds will change depending on the asset mix of the Select Funds in which they invest. You may directly invest in the Select Funds. The Funds' value will go up and down in response to changes in the share prices of the investments that they own. The amount invested in the Fund is not guaranteed to increase, is not guaranteed against loss, nor is the amount of the original investment guaranteed at the target date. It is possible to lose money by investing in the Funds.

¹¹ Target Risk Funds ("Funds") attempt to achieve their objectives by investing in the GuideStone Select Funds. By investing in the Funds you will also incur the expenses and risks of the underlying Select Funds. The principal risks of the Funds will change depending on the asset mix of the Select Funds in which they invest. You may directly invest in the Select Funds. The Funds' value will go up and down in response to changes in the share prices of the investments that they own. It is possible to lose money by investing in the Funds.

You should carefully consider the investment objectives, risks, charges and expenses of the GuideStone Funds before investing. A prospectus with this and other information about the Funds may be obtained by calling 1-888-GS-FUNDS (1-888-473-8637) or downloading one at GuideStoneFunds.com/Funds. It should be read carefully before investing.

GuideStone Funds shares are distributed by Foreside Funds Distributors LLC, not an advisor affiliate.

As of September 30, 2020, the Low-Duration Bond Fund was rated 2 stars overall (out of 515 funds), 2 stars over 10 years (out of 297 funds), 2 stars over five years (out of 459 funds) and 2 stars over three years (out of 515 funds) in the Short-Term Bond category (Investor share class). The Medium-Duration Bond Fund was rated 4 stars overall (out of 380 funds), 4 stars over 10 years (out of 255 funds), 4 stars over five years (out of 335 funds) and 4 stars over three years (out of 380 funds) in the Intermediate Core Bond category (Investor share class). The Extended-Duration Bond Fund was rated 2 stars overall (out of 36 funds), 2 stars over 10 years (out of 24 funds), 2 stars over five years (out of 32 funds) and 2 stars over three years (out of 36 funds) in the Long-Term Bond (Investor share class). The Global Bond Fund was rated 4 stars overall (out of 182 funds), 5 stars over 10 years (out of 112 funds), 4 stars over five years (out of 169 funds) and 3 stars over three years (out of 182 funds) in the World Bond category (Investor share class). The Equity Index Fund was rated 4 stars overall (out of 1,229 funds), 4 stars over 10 years (out of 819 funds), 4 stars over five years (out of 1,066 funds) and 4 stars over three years (out of 1,229 funds) in the Large Blend category (Investor share class). The Value Equity Fund was rated 3 stars overall (out of 1,129 funds), 3 stars over 10 years (out of 716 funds), 3 stars over five years (out of 992 funds) and 3 stars over three years (out of 1,129 funds) in the Large Value category (Investor share class). The Growth Equity Fund was rated 4 stars overall (out of 1,229 funds), 3 stars over 10 years (out of 813 funds), 4 stars over five years (out of 1,095 funds) and 4 stars over three years (out of 1,229 funds) in the Large Growth category (Investor share class). The Small Cap Equity Fund was rated 3 stars overall (out of 617 funds), 3 stars over 10 years (out of 358 funds), 3 stars over five years (out of 503 funds) and 4 stars over three years (out of 617 funds) in the Small Blend category (Investor share class). The International Equity Fund was rated 2 stars overall (out of 647 funds), 2 stars over 10 years (out of 363 funds), 3 stars over five years (out of 548 funds) and 2 stars over three years (out of 647 funds) in the Foreign Large Blend category (Investor share class). The Emerging Markets Equity Fund was rated 3 stars overall (out of 695 funds), 3 stars over five years (out of 590 funds) and 3 stars over three years (out of 695 funds) in the Diversified Emerging Mkts category (Investor share class). The Global Real Estate Securities Fund was rated 4 stars overall (out of 184 funds), 4 stars over 10 years (out of 99 funds), 3 stars over five years (out of 164 funds) and 3 stars over three years (out of 184 funds) in the Global Real Estate category (Investor share class). The Defensive Market Strategies® Fund was rated 4 stars overall (out of 638 funds), 4 stars over five years (out of 581 funds) and 3 stars over three years (out of 638 funds) in the Allocation--50% to 70% Equity category (Investor share class). The Strategic Alternatives Fund was rated 3 stars overall (out of 247 funds) and 3 stars over three years (out of 247 funds) in the Multialternative category (Investor share class). The 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 3-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 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns and 50% 10-year rating/30% 5-year rating/20% 3-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 3-year period actually has the greatest impact because it is included in all three rating periods.

Past performance is no guarantee of future results.

The Low-Duration Bond Fund, Medium-Duration Bond Fund, Extended-Duration Bond Fund, Global Bond Fund and Defensive Market Strategies Fund are subject to credit risk and interest rate risk. Interest rate risk means, when interest rates rise, the value of the existing bonds decreases and vice versa. Changes in interest rates have a bigger impact on long-duration holdings than on short-duration holdings.

The Global Bond Fund invests in high-yield securities, commonly known as "junk bonds." While offering higher current yields, these securities generally are considered speculative and are subject to greater risks than higher-rate bonds. Securities of emerging countries may involve additional risks including price volatility, reduced liquidity, currency fluctuation and financial reporting requirements as well as political and economic instability.

The Value Equity Fund is subject to value investing risk. This involves the risk that an investment in companies whose securities are believed to be undervalued, relative to their underlying profitability, will not appreciate in value as anticipated.

In the Small Cap Equity Fund, small company stocks are generally riskier than large company stocks due to greater volatility and less liquidity.

In the International Equity Fund, Emerging Markets Equity Fund and Defensive Market Strategies Fund, foreign and emerging market securities may involve additional risks, including social and political instability, reduced market liquidity, currency volatility, less available public information about the issuers of securities, less stringent regulatory standards and a lack of uniform accounting, auditing and financial standards.

In the Defensive Market Strategies Fund, the value of convertible securities increases and decreases with the value of the underlying common stocks, but may also be sensitive to changes in interest rates.

The Global Real Estate Securities Fund invests substantial assets in real estate investment trusts (REITs) that involve risks not associated with investing in stocks. Risks include declines in the value of real estate, general and economic conditions, changes in the value of the underlying property and defaults by borrowers. The value of assets in the real estate industry may go through cycles of relative underperformance and outperformance in comparison to equity securities markets in general.

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 stocks at a slightly lower risk level than an all-stock portfolio.

The alternative investment strategies that the Strategic Alternatives Fund pursues are complex and may involve greater risk than traditional investments (stocks, bonds and cash). The performance of alternative investments is not expected to correlate closely with more traditional investments; however, it is possible that alternative investments will decline in value along with equity or fixed income markets, or both, or that they may not otherwise perform in accordance with expectations. Alternative investments can be highly volatile, are often less liquid, particularly in periods of stress, are generally more complex and less transparent, and may have more complicated tax profiles than traditional investments. In addition, the performance of alternative investments may be more dependent on a sub-adviser's experience and skill than traditional investments. The use of alternative investments may not achieve the desired effect. Foreign currencies and emerging markets involve certain risks such as currency volatility, political and social instability and reduced market liquidity. Short sales by a fund theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Leverage may increase the risk of loss and cause fluctuations in the market value of the Fund's portfolio to have disproportionately large effects or cause the NAV of the Fund generally to decline faster than it would otherwise. To the extent that the investment advisor misjudges current market conditions, the Fund's volatility may be amplified by its use of derivatives and its ability to anticipate price movements in relevant markets, underlying derivative instruments and futures contracts. The Fund's currency investment strategy may be impacted by currency exchange rates, which can fluctuate significantly over short or extended periods of time. These changes may be caused by governmental or political factors that affect the value of what the Fund owns and its share price. The Fund may experience high portfolio turnover, which may result in higher costs and capital gains. The Fund is a recently formed mutual fund and has a limited history of operations. There can be no assurances that its objective will be met.

GLOSSARY

ALPHA

Alpha is the measure of the active return on an investment when compared to a market index.

