

# RETHINKING WEALTH



## AN INTRODUCTION TO FAITH-BASED INVESTING FREQUENTLY ASKED QUESTIONS

### ➤ IS THERE A UNIFORM STANDARD FOR DEFINING FAITH-BASED INVESTING AND HOW IT IS IMPLEMENTED ACROSS THE INDUSTRY?

No. In addition to varying motivations for their investment choices, every fund company also has a different method of implementing their faith-based beliefs. For example, at GuideStone® we believe that a strong faith-based investment strategy utilizes values-driven financial professionals, avoidance screens and direct engagement with companies to enact change for the greater social good.

### ➤ DOES STOCK OWNERSHIP EQUATE TO PARTICIPATION IN THAT BUSINESS?

We believe that as investors we are business owners, and, as such, we have a responsibility to use our voice. GuideStone participates in the gains and losses of the businesses that we hold, as well as advocates for social change at the corporate level via shareholder advocacy and engagement.

### ➤ WHAT ABOUT THE PERFORMANCE OF FAITH-BASED FUNDS RELATIVE TO THE INDUSTRY?

At GuideStone, we are incentivized to exceed non-SRI/Environmental, Social and Governance (ESG) benchmarks and peer group performance regardless of our Faith-Based Investing Policy. Since the inception of our Funds in 2001, there has not been a material long-term positive/negative impact to performance due to our screening process, nor do we foresee that being a factor moving forward.

### ➤ IS GUIDESTONE'S FAITH-BASED INVESTING POLICY DETRIMENTAL TO INVESTMENT RETURNS?

While there is evidence to support each side of this industry-wide debate, GuideStone believes that long-term investment returns have not been materially affected by our Faith-Based Investing Policy. In fact, based on our Funds' performance and industry recognition, we believe that GuideStone offers a competitive family of mutual funds that gives investors the opportunity to participate in performance-driven, values-based investments.

### ➤ HOW IS THE FAITH-BASED INVESTING POLICY IMPLEMENTED?

We utilize a wide range of resources in our research efforts — regulatory filings, financial statements and advertising, to name a few — to determine the public perception of a specific company. Moreover, we leverage external research applications such as MSCI ESG Manager and Institutional Shareholder Services (ISS) Governance DataDesk, as well as Bloomberg, to gain a deeper understanding of a given company's business. From this research, GuideStone develops and maintains a list of restricted companies whose securities cannot be purchased, in accordance with the Faith-Based Investing Policy of GuideStone Funds®. The *Restricted Issuers List* is distributed to the sub-advisers of each Fund and other investment service providers for the effective application of the Faith-Based Investing Policy.

### ➤ HOW IS YOUR INVESTMENT UNIVERSE IMPACTED BY YOUR FAITH-BASED INVESTING POLICY?

As of June 30, 2021, GuideStone's *Restricted Issuers List* typically ranges between:

- 3%–5% of the S&P 500® Index market capitalization
- 6%–8% of the MSCI EAFE Index market capitalization
- 1%–2% of the Bloomberg Barclays U.S. Aggregate Bond Index

***The Funds may experience negative performance, and past performance does not guarantee future results.***

## ➤ DOES FAITH-BASED INVESTING MEAN I HAVE TO PAY HIGH FEES?

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 screened mutual fund. Furthermore, many of the GuideStone Funds' net expense ratios compare favorably to those of the full Morningstar category averages - which include both screened and non-screened funds.

## ➤ WHAT IF GUIDESTONE HOLDS A COMPANY IN A RESPECTIVE FUND THAT I FIND TO BE OBJECTIONABLE AND THE SECURITY IS NOT SCREENED OUT?

A perfect company does not exist. The intent behind GuideStone's Faith-Based Investing Policy is to avoid participating in the profits of companies we find to be objectionable. But we also believe it is important not to remain complacent when we receive feedback from our investors, which is why we focus on shareholder advocacy to promote change and be the voice for fellow believers.

## ➤ WHAT IF SOME OF YOUR SCREENS ARE NOT IMPORTANT TO ME?

While we hope all investors see the value and intentionality in the screens we implement, we certainly understand that some issues may be more or less important to different investors. However, like other mutual funds, there is an inherent lack of customization regarding the implementation of our Faith-Based Investing Policy.

Find out more about how GuideStone Funds approaches faith-based investing at [GuideStoneFunds.com/Why-We-Screen](https://www.guidestonefunds.com/Why-We-Screen).

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.

**Investment Considerations:** There can be no guarantee that any strategy will be successful. All investing involves risk, including potential loss of principal.

***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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