As of September 30, 2020

Fund Overview

The GuideStone Defensive Market Strategies® Fund ("DMSF") seeks to provide long-term capital appreciation with reduced volatility compared to the equity market. It aims to deliver equity-like returns and lower risk over a full market cycle by combining four investment strategies that we anticipate to be lowly correlated over time:

- **Long-only equity**
  Sub-Adviser: American Century Investment Management
  29% target allocation

- **Long-short equity**
  Sub-Adviser: AQR Capital Management
  22% target allocation

- **Convertible bond**
  Sub-Adviser: Shenkman Capital Management
  27% target allocation

- **Options equity**
  Sub-Adviser: Parametric Portfolio Associates
  22% target allocation

2020 Performance

The performance of DMSF this year can largely be explained by the Fund's underlying options equity and long-only equity strategies, both of which have contributed negative year-to-date returns through September 30, 2020. The bullet points below provide details.

- All four of the Fund's underlying strategies delivered negative returns during the first quarter of 2020. As a result, the Investor share class of DMSF was down -15.75% between January 1 and March 31, 2020, versus -19.56% for the S&P 500® Index. In capturing 80.5% of the drawdown in the S&P 500® during this period, the Fund underperformed our expectations.

- DMSF performance in the second and third quarters of 2020 was positive — the Fund's Investor share class returned 13.51% between April 1 and June 30, 2020, versus 20.47% for the S&P 500® (66.0% capture of the Index's upside), and 5.57% between July 1 and September 30, 2020, versus 8.73% for the S&P 500® (63.8% capture of the upside).

- Year-to-date through September 30, 2020, the Fund's Investor share class has delivered a positive return of 0.96% versus 5.57% for the S&P 500® (17.2% capture of the upside).

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. S&P 500® 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 September 1, 2011. Returns exceeding 20% reflect unusual market conditions and may not be sustained at this level over the long term. Please refer to the prospectus for more information. Expense ratios: Gross 0.94% and Net 0.94%.*

- The Fund's underlying long-only equity strategy hurt performance in the first quarter of the year. It has not fully recovered from this loss and has returned -7.71% year-to-date through September 30, 2020.
    - Ownership of Financials served as a particular drag on the portfolio, although the strategy did outperform the sector average.

- The Fund's underlying options equity strategy hurt performance in the first quarter of the year. It has not fully recovered from this loss and has returned -6.46% year-to-date through September 30, 2020.
    - Equity market volatility was relatively low by historical norms in the early part of 2020. The CBOE Volatility Index (VIX) — the commonly accepted measure of anticipated future volatility in the S&P 500® — traded below its long-term average in January and the first several weeks of February. As a result of the low expectation of near-term volatility at that time, the options equity strategy was not, in most cases, able to receive higher-than-normal premiums when selling options contracts.
    - When the equity market fell rapidly beginning on February 20, 2020, the options contracts were exercised by their purchasers. The strategy subsequently suffered losses on the trades for multiple weeks thereafter.

<u>Fund Performance as of September 30, 2020</u>

	Three-Month	Year-to-Date	One-Year	Three-Year (annualized)	Five-Year (annualized)	Ten-Year (annualized)	Since Inception (annualized)
Fund (Investor shares)	5.57%	0.96%	5.19%	6.95%	9.09%	N/A	9.07%
Benchmark*	4.51%	3.70%	8.58%	7.26%	7.77%	N/A	7.46%

The performance data quoted represents past performance and does not guarantee future results. *Year 2011 annual performance began September 1, 2011. Expense ratios: Gross 0.94% and Net 0.94%. The Fund's benchmark is a composite comprised of 50% S&P 500® Index and 50% FTSE 3-Month Treasury Bill Index.*

<u>Long-Only Equity Strategy Overview</u>

- Typical long-only equity strategies invest in one or two main components: a "value-yield" component that focuses primarily on dividend-paying equity securities, and a "U.S. defensive equity" component that focuses primarily on U.S. equity securities with lower volatility compared to the broader equity market.
- Value equity investors typically seek out stocks of companies that are believed to be trading at discounts relative to the expected discounted earnings and long-term growth potential.
- The Fund's underlying long-only equity strategy seeks to invest in higher-quality, lower-risk, dividend-paying equity securities, targeting a dividend yield of 2% greater than the S&P 500®.

<u>Options Equity Strategy Overview</u>

IMPORTANT: Mutual funds are <u>not</u> options strategies. However, regulations allow for the inclusion of options strategies within a mutual fund. This is one of the unique features of DMSF — it includes underlying strategies such as options equity that are not typically offered as stand-alone mutual funds.

- Options strategies effectively collect "insurance premiums" from counterparties looking to help cushion their portfolios against an equity market decline. These types of strategies will benefit when the collected premiums are greater in value than any losses incurred when counterparties exercise the options.
- When investors view the equity market as having a low likelihood of future volatility, the premium paid for an options contract will typically be relatively low. Those premiums rise when investors believe the market will have higher volatility over the coming months.
- The Fund's underlying options equity strategy seeks to capture the value embedded in the pricing of equity index options (i.e., the expected difference between the exercise price of the option and the current market price of the index), while holding a portfolio that has lower volatility than the broader U.S. equity market.

Important information from the GuideStone Funds Prospectus (dated May 1, 2020) is included below.

There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including potential loss of principal.

The Long Only Equity Strategy will invest in one or two main components: a "value-yield" component that focuses primarily on dividend paying equity securities and a "U.S. defensive equity" component that focuses primarily on U.S. equity securities with lower volatility compared to the broader equity market. Pursuant to the Long Only Equity Strategy, the Fund primarily invests in common stocks of U.S. companies but may also invest in common stocks of foreign companies either on a foreign exchange or through depositary receipts, which may be sponsored or unsponsored. The Fund may invest in common stocks of foreign companies in countries having economies and markets generally considered to be developed and, to a lesser extent, companies located in emerging markets. The Fund may also invest in preferred stocks and real estate investment trusts ("REITs") and other real estate related companies (companies that derive their revenue from, or have their assets in, real estate, including the ownership, construction, management or sale of real estate).

The Options Equity Strategy seeks to capture potential value embedded in the pricing of equity index options (i.e., the expected difference between the exercise price of the option and the current market price of the index), while holding a portfolio that has lower volatility than the broader U.S. equity markets. The strategy involves the Fund writing cash settled put and/or call options on stock indexes (such as the S&P® 500 Index) and fully covering those written put and call options with a mixture of U.S. Treasury Bills, U.S. Treasury Notes or U.S. government agency securities and a portfolio of stocks that collectively has characteristics similar to the stock index associated with the options sold. To a lesser extent, the strategy may also involve the Fund writing cash settled put or call options on individual stocks. When the Fund writes a put option on an index, it agrees (in return for receipt of the option price) to pay the option holder, upon exercise of the option prior to, or upon expiration, the difference between the exercise price and price of the index if the index price is below the exercise price at the time of exercise or expiration. When a put option's exercise price is lower than the price of the index, the put option is "out of the money." When the Fund writes a call option on an index, it agrees (in return for receipt of the option price) to pay the option holder, upon exercise of the option prior to, or upon expiration, the difference between the exercise price and price of the index if the index price is above the exercise price at the time of exercise or expiration. When a call option's exercise price is higher than the price of the index, the call option is "out of the money." By selling options that are out of the money, the Fund seeks to profit from the sales price of the options while capitalizing on the general tendency of options that are out of the money at the time of sale to expire without worth and without being exercised by the holder. The Fund determines whether an option is "out of the money" based on the probability that it will expire worthless based on implied market pricing.

The Fund's benchmark is a composite of 50% S&P 500® Index and 50% FTSE 3-Month Treasury Bill 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 FTSE 3-Month Treasury Bill Index measures monthly return equivalents of yield averages that are not marked to market, consisting of the last three 3-month Treasury bill issues. All rights in the FTSE 3-Month Treasury Bill Index vest in FTSE Fixed Income LLC ("FTSE FI"). "FTSE®" is a trademark of the London Stock Exchange Group companies and is used by FTSE FI under license. The FTSE 3-Month Treasury Bill Index is calculated by FTSE or its agent. FTSE FI and its licensors are not connected to and do not sponsor, advise, recommend, endorse or promote the Product and do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the index or (b) investment in or operation of the Product. All indexes used with permission. It is not possible to invest directly in an index.

Investment Considerations: This Fund is 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 value of convertible securities increases and decreases with the value of the underlying common stock, but may also be sensitive to changes in interest rates. Foreign securities may be subject to greater risk than domestic securities due to currency volatility, reduced market liquidity and political and economic instability. 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.

Capture: Capture refers to the performance of a benchmark index that a mutual fund has "captured." This can refer to both gains and losses (known as upside capture and downside capture).

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 1-844-GS-FUNDS (1-844-473-8637) or downloading one at GuideStoneFunds.com/Funds. It should be read carefully before investing.

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