STATEMENT OF ADDITIONAL INFORMATION (SAI)

May 1, 2019

The Statement of Additional Information ("SAI") is not a prospectus and should be read in conjunction with the Funds' current Prospectus for the Institutional Class and Investor Class shares dated May 1, 2019, and as amended from time to time. The financial statements contained in the Funds' Annual Report for the fiscal year ended December 31, 2018, are incorporated by reference into this SAI. You can obtain a free copy of the current Prospectus, Annual Report and Semi-Annual Report on our website at GuideStoneFunds.com or by calling 1-888-GS-FUNDS (1-888-473-8637).

	INSTITUTIONAL	INVESTOR
TARGET DATE FUNDS		
MyDestination 2015 Fund	GMTYX	GMTZX
MyDestination 2025 Fund	GMWYX	GMWZX
MyDestination 2035 Fund	GMHYX	GMHZX
MyDestination 2045 Fund	GMYYX	GMFZX
MyDestination 2055 Fund	GMGYX	GMGZX
ASSET ALLOCATION FUNDS		
Conservative Allocation Fund	GCAYX	GFIZX
Balanced Allocation Fund	GBAYX	GGIZX
Growth Allocation Fund	GGRYX	GCOZX
Aggressive Allocation Fund	GAGYX	GGBZX
SELECT FUNDS		
Money Market Fund	GMYXX	GMZXX
Low-Duration Bond Fund	GLDYX	GLDZX
Medium-Duration Bond Fund	GMDYX	GMDZX
Extended-Duration Bond Fund	GEDYX	GEDZX
Global Bond Fund	GGBEX	GGBFX
Strategic Alternatives Fund	GFSYX	GFSZX
Defensive Market Strategies Fund	GDMYX	GDMZX
Equity Index Fund	GEQYX	GEQZX
Global Real Estate Securities Fund	GREYX	GREZX
Value Equity Fund	GVEYX	GVEZX
Growth Equity Fund	GGEYX	GGEZX
Small Cap Equity Fund	GSCYX	GSCZX
International Equity Index Fund	GIIYX	
International Equity Fund	GIEYX	GIEZX
Emerging Markets Equity Fund	GEMYX	GEMZX

GuideStone® Funds

GUIDESTONE FUNDS

Supplement dated November 15, 2019

to

Statement of Additional Information ("SAI") dated May 1, 2019

This supplement provides new information beyond that contained in the SAI. It should be retained and read in conjunction with the SAI.

I. CHANGE TO MANAGEMENT OF THE FUNDS

The section entitled *Compliance and Risk Committee*, on page 58, is deleted in its entirety and replaced with the following:

Compliance and Risk Committee. The Board has a Compliance and Risk Committee comprised of Messrs. Hartis, McMillan and Morgan and Dr. Hahn, the majority of whom are Independent Trustees. Pursuant to its charter, the Compliance and Risk Committee has the responsibility, among other things, to (1) oversee generally the management of the Trust's operational, information security, compliance, regulatory, strategic, reputational and other risks; (2) oversee generally matters relating to the Trust's compliance controls and related policies and procedures; and (3) act as a liaison between the Chief Compliance Officer of the Trust and the full Board when necessary and appropriate. The Compliance and Risk Committee was established in February 2015. During the fiscal year ended December 31, 2018, there were four meetings of the Compliance and Risk Committee.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

GUIDESTONE FUNDS

Supplement dated November 8, 2019

to

Statement of Additional Information ("SAI") dated May 1, 2019

This supplement provides new information beyond that contained in the SAI. It should be retained and read in conjunction with the SAI.

I. CHANGES TO BOARD OF TRUSTEES

Effective November 8, 2019, Kyle L. Tucker no longer serves as a not "interested person" of GuideStone Funds ("Independent Trustee") as the term "interested person" is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended. All references in the SAI to Mr. Tucker are deleted in their entirety. Effective January 1, 2020, Joseph A. Mack will no longer serve as an Independent Trustee, due to his mandatory retirement. All references in the SAI to Mr. Mack will be deleted in their entirety upon the effectiveness of his retirement.

II. CHANGE TO MANAGEMENT OF THE FUNDS

The second paragraph in the section entitled *The Sub-Advisers*, which was previously added to page 60 in a supplement dated September 27, 2019, is deleted in its entirety and replaced with the following:

The Adviser and the Trust have also entered into a Sub-Advisory Agreement with Parametric on behalf of the Low-Duration Bond Fund, Medium-Duration Bond Fund, Extended-Duration Bond Fund, Value Equity Fund, Growth Equity Fund, Small Cap Equity Fund and International Equity Fund. Under this Sub-Advisory Agreement, Parametric may be responsible for implementing temporary investment portfolios designed to ensure that a Fund maintains its desired risk exposure. A completion portfolio may be employed, for example, if a Sub-Adviser exhibits style drift, thereby causing a Fund's risk/return profile and style orientation to be inconsistent with the Fund's stated objective. In such a situation, the Adviser may direct Parametric to apply the appropriate completion portfolio to restore the Fund to its desired portfolio alignment.

III. NEW SUB-ADVISER FOR THE LOW-DURATION BOND FUND AND MEDIUM-DURATION BOND FUND

Effective as soon as practicable on or after November 8, 2019, Parametric Portfolio Associates LLC ("Parametric") is appointed as a new sub-adviser to the Low-Duration Bond Fund and Medium-Duration Bond Fund.

In the section entitled *Control Persons of Sub-Advisers*, beginning on page 65, the following disclosure pertaining to Parametric is added in alphabetical order to the Low-Duration Bond Fund and Medium-Duration Bond Fund:

Parametric Portfolio Associates LLC ("Parametric"), Minneapolis Office, 3600 Minnesota Drive, Suite 325, Minneapolis, Minnesota 55435: Parametric is a registered investment adviser offering a variety of structured portfolio solutions. Eaton Vance Corp. ("EVC"), through its wholly-owned affiliates Eaton Vance Acquisitions and EVA Holdings LLC, maintains 100% voting control of Parametric, a current profit interest of 99.90%, and a current capital interest of 100%. Employees of Parametric, through ownership in Parametric Portfolio LP, currently hold a combined indirect profit interest of 0.10%.

IV. NEW SUB-ADVISERS FOR THE EXTENDED-DURATION BOND FUND

Effective as soon as practicable on or after November 8, 2019, Parametric and Schroder Investment Management North America Limited are appointed as new sub-advisers to the Extended-Duration Bond Fund.

In the section entitled *Control Persons of Sub-Advisers*, for the Extended-Duration Bond Fund, on page 66, the following disclosures pertaining to Parametric and Schroder Investment Management North America Limited are added in alphabetical order:

Parametric Portfolio Associates LLC ("Parametric"), Minneapolis Office, 3600 Minnesota Drive, Suite 325, Minneapolis, Minnesota 55435: Parametric is a registered investment adviser offering a variety of structured portfolio solutions. Eaton Vance Corp. ("EVC"), through its wholly-owned affiliates Eaton Vance Acquisitions and EVA Holdings LLC, maintains 100% voting control of Parametric, a current profit interest of 99.90%, and a current capital interest of 100%. Employees of Parametric, through ownership in Parametric Portfolio LP, currently hold a combined indirect profit interest of 0.10%.

Schroder Investment Management North America Limited ("SIMNA Ltd"), 1 London Wall Place, London EC2Y 5AU, United Kingdom: SIMNA Ltd is an indirect wholly-owned subsidiary of Schroders plc, a London Stock Exchange-listed global asset management company with approximately $555.5 billion in assets under management as of September 30, 2019. As of September 30, 2019, members of the Schroder family beneficially held 47.9% of the Schroders plc. voting equity in various nominee accounts and personal holdings. Schroders plc has been in business since 1804.

In the section entitled Portfolio Manager Compensation, on page 97, the first paragraph pertaining to Schroder Investment Management North America Inc. ("SIMNA Inc.") is deleted in its entirety and replaced with the following:

Schroder Investment Management North America Inc. and Schroder Investment Management North America Limited (together, "SIMNA"). The portfolio managers assigned to the Extended-Duration Bond Fund portfolio account receive remuneration in accordance with SIMNA's compensation policy. SIMNA's methodology for measuring and rewarding the contribution made by portfolio managers combines quantitative and qualitative measures. Portfolio managers are compensated for their services to accounts they manage in a combination of base salary and annual discretionary bonus, as well as the standard retirement, health and welfare benefits available to all SIMNA's employees. Certain fund managers may also receive awards under a long-term incentive program.

In "Appendix B – Descriptions of Proxy Voting Procedures," the first paragraph of the disclosure pertaining to SIMNA Inc. is deleted in its entirety and replaced with the following:

Schroder Investment Management North America Inc. and Schroder Investment Management North America Limited (together, "SIMNA"). Central to SIMNA's investment process to analyze each investment's ability is to create, sustain and protect value to ensure that the firm can deliver returns in line with clients' objectives. Where appropriate, SIMNA also looks to engage and to vote with the objective of improving performance in these areas.

V. NEW SUB-ADVISER FOR THE GLOBAL BOND FUND

Effective on or about November 8, 2019, Neuberger Berman Investment Advisers LLC ("Neuberger Berman") is appointed as a new sub-adviser to the Global Bond Fund.

In the section entitled *Control Persons of Sub-Advisers*, for the Global Bond Fund, on page 66, the following disclosure pertaining to Neuberger Berman is added in alphabetical order:

Neuberger Berman Investment Advisers LLC ("Neuberger Berman"), 1290 Avenue of the Americas New York, New York 10104: Neuberger Berman is directly owned by Neuberger Berman Investment Advisers Holdings LLC and Neuberger Berman AA LLC, which are subsidiaries of Neuberger Berman Group LLC ("NBG"). NBG is a holding company the subsidiaries of which provide a broad range of global investment solutions to institutions and individuals. NBG's voting equity is wholly-owned by NBSH Acquisition, LLC, which is controlled by Neuberger Berman employees.

VI. CHANGES TO OTHER ACCOUNTS MANAGED

The *Other Accounts Managed* table, beginning on page 72, is amended as follows to update the disclosures for Neuberger Berman, Parametric and SIMNA Inc. The information is current as of December 31, 2018, except as otherwise noted.

	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
Sub-Advisers Portfolio Managers	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)
Neuberger Berman Investment Advisers LLC												
Ashok K. Bhatia, CFA®†	4	$ 3,887	14	$ 4,579	17	$ 3,527	N/A	N/A	N/A	N/A	N/A	N/A
David M. Brown, CFA®†	10	$ 5,438	42	$21,375	210	$ 33,141	N/A	N/A	1	$ 173	12	$ 704
Adam Grotzinger, CFA®†	N/A	N/A	2	$ 2,751	47	$ 959	N/A	N/A	N/A	N/A	N/A	N/A
Jon Jonsson†	1	$ 74	5	$ 1,866	5	$ 514	N/A	N/A	1	$ 173	N/A	N/A
Ugo Lancioni	2	$ 197	37	$ 2,030	24	$ 871	N/A	N/A	8	$ 722	13	$ 543
Thomas A. Sontag	7	$ 2,725	18	$ 5,824	328	$ 25,856	N/A	N/A	N/A	N/A	2	$ 69
Brad C. Tank†	4	$ 4,040	2	$ 149	14	$ 1,023	N/A	N/A	N/A	N/A	12	$ 668
Parametric Portfolio Associates LLC												
Paul Bouchey, CFA®††	17	$15,461	7	$ 488	18,970	$111,403	N/A	N/A	N/A	N/A	N/A	N/A
Richard Fong, CFA®†	23	$ 596	N/A	N/A	83	$ 13,519	N/A	N/A	N/A	N/A	N/A	N/A
Justin Henne, CFA®†	37	$ 1,532	N/A	N/A	490	$ 45,234	N/A	N/A	N/A	N/A	N/A	N/A
Tom Lee, CFA®	16	$ 430	5	$ 6,769	261	$ 28,379	N/A	N/A	N/A	N/A	6	$ 808
Perry Li, CFA®, FRM	4	$ 0	5	$ 6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A
Thomas Seto††	44	$27,192	11	$ 513	18,970	$ 11,403	N/A	N/A	N/A	N/A	N/A	N/A
Jay Strohmaier, CFA®	5	$ 376	5	$ 6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A
Michael Zaslavsky, CFA®	4	$ 0	5	$ 6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A

	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		**Other Pooled Investment Vehicles**		**Other Accounts**		**Registered Investment Companies**		**Other Pooled Investment Vehicles**		**Other Accounts**	
Sub-Advisers Portfolio Managers	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**
Schroder Investment Management North America Inc. and Schroder Investment Management North America Limited												
Julio C. Bonilla, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204
Andrew B.J. Chorlton, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204
Lisa Hornby, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204
Richard A. Rezek Jr., CFA®	6	$ 627	8	$ 3,814	159	$ 17,585	N/A	N/A	N/A	N/A	4	$ 204
Neil G. Sutherland, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204

† Information is current as of September 30, 2019.
†† Information is current as of June 30, 2019.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

GUIDESTONE FUNDS

Supplement dated September 27, 2019

to

Statement of Additional Information ("SAI") dated May 1, 2019

This supplement provides new information beyond that contained in the SAI. It should be retained and read in conjunction with the SAI.

I. CHANGE TO GROUP NAME OF ASSET ALLOCATION FUNDS

The Asset Allocation Funds are now collectively known as the Target Risk Funds. All references to Asset Allocation Funds are deleted in their entirety and replaced with references to Target Risk Funds. There are no changes to any of the Funds' principal investment strategies or principal investment risks as a result of the group name change.

II. CHANGE TO DESCRIPTION OF INVESTMENTS AND RISKS

Under the heading "Description of Investments and Risks," on page 4, the third paragraph is deleted in its entirety and replaced with the following:

GuideStone Capital Management, LLC (the "Adviser") serves as the investment adviser to the Funds and is an affiliate of GuideStone Financial Resources of the Southern Baptist Convention ("GuideStone Financial Resources"). The Funds are series of a diversified, open-end, management investment company as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). The Adviser allocates each Target Date Fund's and each Target Risk Fund's investments among a mix of mutual funds, primarily, but not limited to, the Select Funds. Rather than making the day-to-day investment decisions for the Select Funds, the Adviser acts as a manager of managers and retains various investment management firms (each, a "Sub-Adviser" and collectively, the "Sub-Advisers") to do so. The Adviser may, however, from time to time, elect to trade individual stocks, fixed-income securities, third-party mutual funds, or ETFs for a Fund in order to manage that Fund's risk. The Sub-Advisers employ portfolio managers to make the day-to-day investment decisions regarding portfolio holdings of the Select Funds. The Sub-Advisers may invest in all the instruments or use all the investment techniques permitted by the Funds' Prospectus and this SAI or invest in such instruments or engage in such techniques to the full extent permitted by the Funds' investment policies and restrictions.

III. ADDITION OF TRUSTEE TO BOARD OF TRUSTEES

Effective October 24, 2019, the SAI is hereby amended to add Ronald D. Murff as a member of the Board of Trustees of GuideStone Funds. Mr. Murff will be an Independent Trustee, as he is not an "interested person" of the Trust, as the term "interested person" is defined in Section 2(a)(19) of the 1940 Act.

Under the heading "Management of the Funds," on page 53, the section entitled *The Board of Trustees* is deleted in its entirety and replaced with the following:

The Board of Trustees. The primary responsibility of the Board of Trustees is to represent the interests of the shareholders of the Trust and to oversee the management of the Trust. The Board meets at least quarterly to review the investment performance of each Fund and other operational matters, including policies and procedures with respect to compliance with regulatory and other requirements. Only shareholders of the Trust, by a vote of a majority of the outstanding shares, may fill vacancies or otherwise elect a Trustee. The Board is comprised of 10 individuals, two of whom are considered "interested" Trustees as defined by the 1940 Act due to their positions on the Board of Trustees of GuideStone Financial Resources. The remaining Trustees are deemed not to be "interested persons" of the Trust as defined by Section 2(a)(19) of the 1940 Act ("Independent Trustees").

Under the section entitled *Information About Each Trustee's Qualifications, Experience, Attributes or Skills*, beginning on page 54, the following information is added in alphabetical order to the portion of the table listing the Independent Trustees:

Name (Date of Birth), Address and Position(s) with Trust	**Term of Office and Length of Time Served[1]**	**Principal Occupation(s) During Past 5 Years**	**Number of Portfolios in Fund Complex Overseen by Trustee**	**Other Trusteeships/ Directorships Held by Trustee During Past 5 Years**
INDEPENDENT TRUSTEES				
Ronald D. Murff (1953) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2019	President, JKL Group, LLC, 2010 – present; Principal, Dalcor Companies, 2012 – present.	24	Baylor University – Board of Regents Member, June 2009 – May 2018; Baylor University – Chairman of the Board of Regents, June 2016 – June 2017; Baylor University Medical Center – Board Member, May 2005 – present; Baylor Research Institute – Board Member, June 2015 – present; Southwest Transplant Alliance – Board Member, November 2008 – present; Accutex Investments/ Highland Residential Mortgage – Board Member, January 2011 - present.

(1) Each Independent Trustee serves until his or her resignation, removal or mandatory retirement. Each Interested Trustee serves until his or her resignation, removal or mandatory retirement or until he or she ceases to be a member of the Board of Trustees of GuideStone Financial Resources. All Trustees must retire at the end of the calendar year in which they attain the age of 80 or after achieving 10 years of service, whichever occurs last. Officers serve at the pleasure of the Board of Trustees.

Also in the section entitled *Information About Each Trustee's Qualifications, Experience, Attributes or Skills*, beginning on page 54, the following paragraph is added in alphabetical order:

Ronald D. Murff. Mr. Murff is the President of JKL Group, LLC, a private investment firm in Dallas, Texas. He is also a Principal of Dalcor Companies, which is active in multi-family housing, where he has served since 2012. Previously, he worked in the banking industry, including spending more than 20 years with Guaranty Bank, a $17 billion bank operating in Texas and California. He served in several executive roles, including President of the Retail Banking Group and Chief Financial Officer, and was responsible for coordinating the spinoff of the bank from its parent company in late 2007. Mr. Murff serves on the boards of the Baylor University Medical Center, Baylor Research Institute, Southwest Transplant Alliance and Accutex Investments/Highland Residential Mortgage. He served on the Board of Regents of Baylor University from 2009 to 2018, serving as chair of several committees and then Chairman of the Board in 2016 and 2017. Mr. Murff has previously served as a trustee of GuideStone Financial Resources from June 2003 through October 2010, as an advisory director for Baylor University's Hankamer School of Business and has served as a board member for the Federal Home Loan Bank of Dallas and the Ladybird Johnson Wildflower Center in Austin, Texas. He holds a Bachelor of Business Administration degree in Accounting from Baylor University.

The section entitled *Audit Committee*, on page 58, is deleted in its entirety and replaced with the following:

Audit Committee. The Board has an Audit Committee comprised only of the Independent Trustees, Messrs. George, Hartis, Hazel, Mack, McMillan, Morgan, Murff (upon commencement of his service on the Board) and Tucker. Pursuant to its charter, the Audit Committee has the responsibility, among other things, to (1) appoint the Trust's independent auditors; (2) review and approve the scope of the independent auditors' audit activity; (3) review the financial statements, which are the subject of the independent auditors' certifications; and (4) review with such independent auditors the adequacy of the Trust's basic accounting system and the effectiveness of the Trust's internal accounting controls. During the fiscal year ended December 31, 2018, there were three meetings of the Audit Committee.

The section entitled *Nominating Committee*, on page 59, is deleted in its entirety and replaced with the following:

Nominating Committee. The Board has a Nominating Committee, comprised only of the Independent Trustees, Messrs. George, Hartis, Hazel, Mack, McMillan, Morgan, Murff (upon commencement of his service on the Board) and Tucker. Pursuant to its charter, the Nominating Committee is responsible for the nomination of candidates to serve as Trustees. The Trust's governing documents provide that only shareholders, by a vote of a majority of the outstanding shares, may fill vacancies in the Board or otherwise elect a Trustee. The Trust documents further provide that the selection and nomination of persons to fill vacancies on the Board to serve as Independent Trustees shall be committed to the discretion of the Independent Trustees then serving, provided that shareholders may also nominate and select persons to serve in these positions. During the fiscal year ended December 31, 2018, there were three meetings of the Nominating Committee.

In the section entitled *Security and Other Interests*, beginning on page 59, the following information is added in alphabetical order to the portion of the table listing the Independent Trustees, which is current as of June 30, 2019:

Name of Trustee	**Dollar Range of Equity Securities in each Series of the Trust**	**Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee within the Family of Investment Companies**
INDEPENDENT TRUSTEES		
Ronald D. Murff	$50,001-$100,000 in the Aggressive Allocation Fund $50,001-$100,000 in the Growth Equity Fund Over $100,000 in the Small Cap Equity Fund	Over $100,000

In the section entitled *Security and Other Interests*, beginning on page 59, the first and third paragraphs after the table are deleted in their entirety and replaced with the following, respectively:

As a group, the Trustees and officers of the Trust owned less than 1% of each Class of a Fund, as of June 30, 2019.

Dr. Hahn and Messrs. Murff's and Tucker's spouses are participants in the Southern Baptist Churches 403(b)(9) Retirement Plan established and maintained by GuideStone Financial Resources. Mr. Mack is a participant in the 403(b)(9) Retirement Plan for the South Carolina Baptist Convention established and maintained by GuideStone Financial Resources.

IV. CHANGE TO MANAGEMENT OF THE FUNDS

The first paragraph in the section entitled *The Sub-Advisers*, on page 60, is deleted in its entirety and replaced with the following two paragraphs:

The Sub-Advisers. The Adviser and the Trust have entered into a Sub-Advisory Agreement with Parametric Portfolio Associates LLC ("Parametric") whereby Parametric is responsible for monitoring and investing cash balances of each Fund, except the Money Market Fund. The Adviser and the Sub-Adviser(s) for each Fund determine the amount of each Fund's cash balances. Under the agreement, Parametric may from time to time invest in long and/or short positions in U.S. Treasury securities and derivative instruments, such as futures contracts, within the Target Date Funds and Target Risk Funds in order to gain market exposure on cash balances or to reduce market exposure in anticipation of liquidity needs. Regarding the Equity Funds, Parametric may from time to time invest in long and/or short positions in U.S. Treasury securities and derivative instruments, such as exchange listed equity index futures contracts (*e.g.,* S&P 500® Index, MSCI EAFE Index, etc.), to gain market exposure on cash balances or to reduce market exposure in anticipation of liquidity needs. Furthermore, Parametric may use short positions in derivative instruments, such as futures contracts, as well as short U.S. Treasury securities, within the Bond Funds for the purpose of reducing market exposure in anticipation of liquidity needs. For the Strategic Alternatives Fund and Defensive Market Strategies Fund, Parametric may invest in long and short positions in exchange listed equity futures contracts (*e.g.,* S&P 500® Index) and U.S. Treasury futures contracts and exchange listed equity index futures contracts (*e.g.,* S&P 500® Index), respectively, to gain market exposure on cash balances, to reduce market exposure in anticipation of liquidity needs or to manage risk relative to the corresponding broad-based benchmark of the Fund.

The Adviser and the Trust have also entered into a Sub-Advisory Agreement with Parametric on behalf of the Value Equity Fund, Growth Equity Fund, Small Cap Equity Fund and International Equity Fund. Under this Sub-Advisory Agreement, Parametric is responsible for implementing custom solutions consisting of various style and factor tilts designed to temporarily complement existing sub-advisers, to ensure that a Fund maintains its desired risk exposure. A completion portfolio may be employed, for example, if a core Sub-Adviser exhibited style drift, thereby causing a Fund's risk/return profile and style orientation to be inconsistent with the Fund's stated objective. In such a situation, the Adviser may direct Parametric to apply the appropriate completion portfolio to restore the Fund to its desired portfolio alignment. The implementation of completion portfolios within the specified Equity Select Funds may entail the utilization of one of five single-factor strategies. In addition, Parametric may implement a combination of single-factor strategies or factor-targeting portfolios designed by the Adviser based on the desired risk/return profile of a Fund.

V. UPDATE TO CONTROL PERSONS OF SUB-ADVISERS

In the section entitled *Control Persons of Sub-Advisers*, beginning on page 65, the following disclosure pertaining to Barrow, Hanley, Mewhinney & Strauss, LLC ("BHMS") for the Value Equity Fund is deleted in its entirety and replaced with the following:

Barrow, Hanley, Mewhinney & Strauss, LLC ("BHMS"), 2200 Ross Avenue, 31st Floor, Dallas, Texas 75201: BHMS is a subsidiary of BrightSphere Investment Group Inc., a NYSE listed company.

VI. NEW SUB-ADVISER FOR THE VALUE EQUITY FUND, GROWTH EQUITY FUND, SMALL CAP EQUITY FUND AND INTERNATIONAL EQUITY FUND

Effective as soon as practicable on or after October 1, 2019, Parametric is appointed as a new sub-adviser to the Value Equity Fund, Growth Equity Fund, Small Cap Equity Fund and International Equity Fund.

In the section entitled *Control Persons of Sub-Advisers*, beginning on page 65, the following disclosure pertaining to Parametric is added in alphabetical order to the Value Equity Fund, Growth Equity Fund, Small Cap Equity Fund and International Equity Fund:

Parametric Portfolio Associates LLC ("Parametric"), 800 Fifth Avenue, Suite 2800, Seattle, Washington 98104: Parametric is a registered investment adviser offering a variety of structured portfolio solutions. Eaton Vance Corp., through its wholly owned affiliates Eaton Vance Acquisitions and EVA Holdings LLC, maintains 100% voting control of Parametric, a current profit interest of 95.10%, and a current capital interest of 99.38%. Employees of Parametric, through ownership in Parametric Portfolio LP, currently hold a combined indirect profit interest of 4.90% and capital interest of 0.62%.

VII. NEW SUB-ADVISER FOR THE EMERGING MARKETS EQUITY FUND

Effective on or about September 30, 2019, RBC Global Asset Management (UK) Limited ("RBC GAM UK") is appointed as a new sub-adviser to the Emerging Markets Equity Fund.

In the section entitled *Control Persons of Sub-Advisers*, on page 71, the following paragraph is added in alphabetical order for the Emerging Markets Equity Fund:

RBC Global Asset Management (UK) Limited ("RBC GAM UK"), 77 Grosvenor Street, London, W1K 3JR, United Kingdom: RBC GAM UK is a wholly owned direct subsidiary of Royal Bank of Canada Holdings (U.K.) Limited, a company formed in the United Kingdom and which is a wholly owned subsidiary of the Royal Bank of Canada ("RBC"). RBC is publicly held and traded on the New York Stock Exchange and Toronto Stock Exchange.

In the section entitled *Portfolio Manager Compensation*, beginning on page 81, the following disclosure pertaining to RBC GAM UK is added in alphabetical order. This information is current as of June 30, 2019.

RBC Global Asset Management (UK) Limited ("RBC GAM UK"). The compensation program for investment management personnel is comprised of three elements: (i) base salary; (ii) annual discretionary bonus; and (iii) profit sharing plan (for senior investment staff only). For junior members of the team (both portfolio managers and analysts), the compensation package includes only two of the components listed above – base salary and annual discretionary bonus. Compensation for senior investment personnel, including Mr. Langham, is comprised of all three elements.

Annual Discretionary Bonus. All RBC GAM UK team members are eligible for a discretionary bonus and are graded on a 200-point scale. The grading is a combination of quantitative and qualitative assessments, although in some cases, and depending on the type of role, only a qualitative assessment is possible.

Profit Sharing Plan ("PSP"). Certain senior investment staff members are eligible to participate in the PSP. The pool is calculated quarterly based on a fixed percentage of the Net Income before Taxes ("NIBT") of the investment management division of RBC GAM UK. A distribution for each PSP unit is calculated on a quarterly basis and distributed to each participant based on the number of units held. PSP units are reviewed annually and approved by the global RBC Global Asset Management Chief Investment Officer and Chief Executive Officer. The number of units held by each individual does not normally change during the year.

Deferral. Consistent with best practices, and dependent on the total level of compensation, a portion of the investment professionals' variable compensation (Annual Discretionary Bonus plus PSP awards) is subject to a three-year mandatory deferral.

In “Appendix B – Descriptions of Proxy Voting Procedures,” the following disclosure is added in alphabetical order:

RBC Global Asset Management (UK) Limited (“RBC GAM UK”). RBC GAM UK has adopted the Royal Bank of Canada Global Asset Management group (the “RBC GAM group”) Proxy Voting Policy and Guidelines (“Guidelines”) and the related procedures which apply to all funds and client accounts over which the RBC GAM group entities have been delegated the authority to vote proxies.

The Guidelines are comprehensive and set out detailed guidelines on areas that include (i) structure and independence of the board of directors; (ii) management and director compensation; (iii) takeover protection; (iv) shareholder rights; and (v) environmental and social shareholder proposals. The Guidelines are reviewed and updated on an annual basis as corporate governance best practice evolves.

A Proxy Voting Committee (the “Committee”) has been formed and is responsible for (i) instances where it is in the best interests of a client to deviate from the Guidelines based on the unique circumstances of a certain ballot item; (ii) where the proxy voting may give rise to an actual or perceived conflict of interest; or (iii) unique circumstances regarding corporate action items. Proxy voting decisions are made by the Committee based on a review of the voting matter with the portfolio managers and, if the chief investment officer deems necessary, with the chief executive officer and/or Board of Directors of the relevant RBC GAM group entity. If any member of the Committee is aware of a conflict of interest related to himself or herself and the exercise of the proxy voting rights, that member will excuse himself/herself from any discussions or decision making process concerning that proxy voting matter.

Institutional Shareholder Services Inc. (“ISS”) provides proxy voting administration services. ISS makes a recommendation as to how each ballot item should be voted in accordance with the Guidelines. Each recommendation is reviewed by an internal proxy analyst prior to the vote being submitted.

VIII. CHANGES TO PROXY VOTING

Under the heading “Proxy Voting,” beginning on page 107, the following paragraph is added after the fourth paragraph:

The Adviser may, at its own discretion and without consulting a Sub-Adviser, purchase individual securities on behalf of the Funds. When this occurs, the Adviser will maintain responsibility for voting proxies associated with the security(ies) purchased under its investment discretion. The Adviser will vote proxies on behalf of the Funds in the best interest of the Funds.

In “Appendix B – Descriptions of Proxy Voting Procedures,” on page B-1, the following paragraph is inserted after the fourth paragraph for GuideStone Capital Management, LLC:

The Adviser may, at its own discretion and without consulting a Sub-Adviser, purchase individual securities on behalf of the Funds. When this occurs, the Adviser will maintain responsibility for voting proxies associated with the security(ies) purchased under its investment discretion. The Adviser will vote proxies on behalf of the Funds in the best interest of the Funds.

IX. CHANGES TO OTHER ACCOUNTS MANAGED

The *Other Accounts Managed* table, beginning on page 72, is amended as follows to update the disclosure for BHMS and Parametric, and to add the disclosure for RBC GAM UK, in alphabetical order. The information is current as of December 31, 2018, except as otherwise noted.

	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		**Other Pooled Investment Vehicles**		**Other Accounts**		**Registered Investment Companies**		**Other Pooled Investment Vehicles**		**Other Accounts**	
Sub-Advisers Portfolio Managers	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**
Barrow, Hanley, Mewhinney & Strauss, LLC												
David Ganucheau, CFA®†	2	$ 9,861	1	$ 304	23	$ 2,197	2	$ 9,554	N/A	N/A	N/A	N/A
Mark Giambrone†	8	$14,682	1	$ 319	37	$ 5,179	2	$10,993	N/A	N/A	N/A	N/A
Cory Martin†	1	$ 341	1	$ 304	11	$ 858	1	$ 34	N/A	N/A	N/A	N/A
Lewis Ropp†	4	$ 1,326	1	$ 146	51	$ 5,399	N/A	N/A	N/A	N/A	1	$ 416
Parametric Portfolio Associates LLC												
Paul Bouchey, CFA®†	17	$15,461	7	$ 488	18,970	$111,403	N/A	N/A	N/A	N/A	N/A	N/A
Richard Fong, CFA®	5	$ 199	N/A	N/A	82	$ 10,523	N/A	N/A	N/A	N/A	N/A	N/A
Justin Henne, CFA®	20	$ 821	N/A	N/A	401	$ 34,159	N/A	N/A	N/A	N/A	N/A	N/A
Tom Lee, CFA®	16	$ 430	5	$6,769	261	$ 28,379	N/A	N/A	N/A	N/A	6	$ 808
Perry Li, CFA®, FRM	4	$ 0	5	$6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A
Thomas Seto†	44	$27,192	11	$ 513	18,970	$ 11,403	N/A	N/A	N/A	N/A	N/A	N/A
Jay Strohmaier, CFA®	5	$ 376	5	$6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A
Michael Zaslavsky, CFA®	4	$ 0	5	$6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A

	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		**Other Pooled Investment Vehicles**		**Other Accounts**		**Registered Investment Companies**		**Other Pooled Investment Vehicles**		**Other Accounts**	
Sub-Advisers Portfolio Managers	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**
RBC Global Asset Management (UK) Limited												
Philippe Langham, ACA†	3	$ 1,576	7	$6,573	6	$ 919	N/A	N/A	N/A	N/A	N/A	N/A

† Information is current as of June 30, 2019.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

GUIDESTONE FUNDS

Supplement dated June 17, 2019

to

Statement of Additional Information ("SAI") dated May 1, 2019

This supplement provides new information beyond that contained in the SAI. It should be retained and read in conjunction with the SAI.

I. UPDATE TO NON-FUNDAMENTAL INVESTMENT RESTRICTIONS

In the section disclosing "Non-Fundamental Investment Restrictions," beginning on page 52, the seventh non-fundamental investment restriction is deleted in its entirety and replaced with the following:

7. Each of the Bond Funds and each of the Equity Funds (other than the Defensive Market Strategies Fund) shall not change its policies regarding the investment of 80% of its assets consistent with its name without 60 days' prior notice to its shareholders. For purposes of determining compliance with an 80% investment policy, each of the Funds may account for a derivative position by reference to either its market value or notional value, depending upon the circumstances. Consistent with the purpose of Rule 35d-1 of the 1940 Act, a Fund may use the notional value of a derivative when notional value is the best measure of the economic exposure the derivative provides to investments that are consistent with the Fund's name.

II. CHANGE TO MANAGEMENT OF THE FUNDS

Effective May 21, 2019, under the heading, "Management of the Funds," beginning on page 53, the portion of the Trustees and executive officers table listing "Officers Who Are Not Trustees" is deleted in its entirety and replaced with the following:

Name (Date of Birth), Address and Position(s) with Trust	Term of Office and Length of Time Served[1]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/ Directorships Held by Trustee During Past 5 Years
OFFICERS WHO ARE NOT TRUSTEES[3]				
Ron W. Bass (1966) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Chief Compliance Officer and AML Officer	Since 2009	Director of Asset Management Compliance, GuideStone Financial Resources, June 2009 – present.	N/A	N/A
Melanie Childers (1971) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Vice President — Fund Operations	Since 2014	Managing Director, Fund Operations, GuideStone Financial Resources, 2014 – present; Director, Funds Administration and Operations, GuideStone Financial Resources, 2009 – 2014.	N/A	N/A
John R. Jones (1953) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 President	Since 2000	Executive Vice President and Chief Operating Officer, GuideStone Financial Resources, 1997 – present.	N/A	N/A

Name (Date of Birth), Address and Position(s) with Trust	Term of Office and Length of Time Served[1]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/ Directorships Held by Trustee During Past 5 Years
Patrick Pattison (1974) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Vice President and Treasurer	Since 2008	Chief Accounting Officer, GuideStone Financial Resources, 2015 – present; Director of Financial Reporting & Process Review, GuideStone Financial Resources, 2008 – 2015.	N/A	N/A
Matt L. Peden (1967) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Vice President and Investment Officer	Since 2001	Vice President and Chief Investment Officer, GuideStone Financial Resources, 2015 – present; Director of Portfolio Management, GuideStone Financial Resources, 2010 – 2015.	N/A	N/A
David S. Spika (1964) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Executive Vice President	Since 2019	Vice President and Chief Strategic Investment Officer, GuideStone Financial Resources, 2016 – present; Global Investment Strategist, GuideStone Financial Resources, 2015 – 2016; Investment Strategist, Westwood Holdings Group, 2003 – 2015.	N/A	N/A
Matthew A. Wolfe (1982) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Chief Legal Officer and Secretary	Since 2017	Associate Counsel – Investment and Corporate Services, GuideStone Financial Resources, 2015 – present; Vice President and Assistant General Counsel, Goldman Sachs & Co., 2012 – 2015.	N/A	N/A
Erin Wynne (1981) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Assistant Treasurer	Since 2016	Director, Financial Reporting & Analysis, GuideStone Financial Resources, 2015 – present; Manager, Financial Reporting & Analysis, GuideStone Financial Resources, 2010 – 2015.	N/A	N/A

(1) Each Independent Trustee serves until his or her resignation, removal or mandatory retirement. Each Interested Trustee serves until his or her resignation, removal or mandatory retirement or until he or she ceases to be a member of the Board of Trustees of GuideStone Financial Resources. All Trustees must retire at the end of the calendar year in which they attain the age of 80 or after achieving 10 years of service, whichever occurs last. Officers serve at the pleasure of the Board of Trustees.

(2) Dr. Hahn and Mr. Morris are “interested persons” of the Trust as the term is defined in the 1940 Act due to their positions on the Board of Trustees of GuideStone Financial Resources.

(3) The officers of the Trust may be deemed to be affiliates of the Adviser due to their positions with the Adviser and/or GuideStone Financial Resources.

III. SUB-ADVISER CHANGE FOR THE STRATEGIC ALTERNATIVES FUND

Effective on or after August 1, 2019, Perella Weinberg Partners Capital Management LP ("PWP") will no longer serve as sub-adviser to the Strategic Alternatives Fund, and Weiss Multi-Strategy Advisers LLC ("Weiss") will become a sub-adviser to the Strategic Alternatives Fund. Effective on or after August 1, 2019, all references to PWP are deleted in their entirety. In addition, the following changes are made:

<u>In the section disclosing "Control Persons of Sub-Advisers" for the Strategic Alternatives Fund, beginning on page 66, the following paragraph is added in alphabetical order:</u>

Weiss Multi-Strategy Advisers LLC ("Weiss"), 320 Park Avenue, 20th Floor, New York, New York 10022: Weiss is majority-owned by GWA, LLC, a Connecticut limited liability company. GWA, LLC, in turn, is majority-owned by Weiss Family Interests LLC, which is majority-owned by various Weiss family trusts. A substantial number of Weiss' employees also own minority interests in GWA, LLC.

The “Other Accounts Managed” table, beginning on page 72, is amended as follows to add the disclosure for Weiss, in alphabetical order, effective on or after August 1, 2019. The accounts and total assets information is current as of March 31, 2019.

	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		**Other Pooled Investment Vehicles**		**Other Accounts**		**Registered Investment Companies**		**Other Pooled Investment Vehicles**		**Other Accounts**	
Sub-Advisers Portfolio Managers	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**
Weiss Multi-Strategy Advisers LLC												
David Baker	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

In the section disclosing "Portfolio Manager Compensation," beginning on page 81, the following disclosure pertaining to Weiss is added in alphabetical order. This information is current as of March 31, 2019.

Weiss Multi-Strategy Advisers LLC ("Weiss"). Each portfolio manager receives a fixed salary and discretionary bonus for his/her service as portfolio manager. The discretionary bonuses are determined by Weiss in its sole discretion which takes into account such things as Weiss' profitability, product profitability and overall employee contributions to the firm in the relevant fiscal years. Although portfolio performance is not a direct factor in the determination of discretionary bonuses, portfolio performance affects Weiss' overall profitability and, therefore, indirectly, any such determination.

In "Appendix B – Descriptions of Proxy Voting Procedures," the following disclosure is added in alphabetical order:

Weiss Multi-Strategy Advisers LLC ("Weiss"). When Weiss has discretion to vote the proxies of clients, the firm will vote those proxies in the best interests of clients and in accordance with these policies and procedures.

Procedures regarding proxies received by Weiss are as follows: (i) keep a record of each proxy received; (ii) determine which accounts managed by Weiss hold the security to which the proxy relates; (iii) except in the case of Germany, Weiss will vote in accordance with an independent third party recommendation unless a Weiss portfolio manager requests otherwise; and (iv) Weiss will retain a third party to assist the firm in coordinating and voting proxies with respect to client securities. Weiss will vote proxies in accordance with the independent third party recommendations and the head of operations at Weiss or a delegate will monitor the third party to assure that all proxies are being properly voted and appropriate records are being retained. For Germany, custodians will be placing a share-blocking flag on the ballot when applicable. Therefore, a "Do Not Vote" will be placed on Weiss' ballots per Weiss' share-blocking voting strategy. Weiss has the ability to override the share-blocking and vote the ballot, however, the shares must be put on Weiss' Restricted List for "NO TRADING" between the vote cutoff date and the de-registration date set by the issuers. This will ensure the liquidity of the shares.

Voting Guidelines. Generally, Weiss will vote in accordance with the recommendations provided by an independent third party proxy recommendation service, except in situations where Weiss' investment professionals determine that voting otherwise would be in the best interests of clients. Any proxies that are voted against the recommendation of the proxy recommendation service will be reviewed by Weiss' Proxy Review Committee ("Committee"), which includes the firm's general counsel, chief compliance officer and head of operations and delegates. In determining whether a proposal is in the best interests of clients, the Committee may take into account the factors which include the following, among others: whether the proposal was recommended by management and Weiss' opinion of management; whether the proposal acts to entrench existing management; and whether the proposal fairly compensates management for past and future performance.

Conflicts of Interest. Weiss may occasionally be subject to conflicts of interest in the voting of proxies and will follow the third party service recommendation in that circumstance.

IV. SUB-ADVISER CHANGE FOR THE GLOBAL REAL ESTATE SECURITIES FUND

Effective on or about June 30, 2019, Heitman International Real Estate Securities GmbH ("HIRES GmbH") will no longer serve as a sub-adviser to the Global Real Estate Securities Fund. Effective on or about June 30, 2019, all references to HIRES GmbH are deleted in their entirety.

V. CHANGE TO SHAREHOLDER SERVICING ARRANGEMENTS

Under the heading, "Shareholder Servicing Arrangements," on page 110, the third paragraph is deleted in its entirety and replaced with the following:

The Funds may pay up to the entire amount of the shareholder service fee to GuideStone Financial Resources and GSRM or to unaffiliated service providers who provide these services to the Funds. In addition, the Adviser has agreed to make payments from its own resources to an unaffiliated financial intermediary under a distribution support agreement in the amount of 0.10% annualized of the average daily aggregate value of a Fund's shares held by that intermediary's customers.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE

Table of Contents

History of the Funds

GuideStone Funds (the “Trust”), formerly AB Funds Trust, is an open-end management investment company organized as a Delaware statutory trust on March 2, 2000. On September 13, 2005, AB Funds Trust changed its name to GuideStone Funds. The Trust has established 24 series (each, a “Fund” and together, the “Funds”), which are described in this SAI. Each Fund is a separate mutual fund with its own investment objective, strategies and risks.

The MyDestination 2015 Fund, MyDestination 2025 Fund, MyDestination 2035 Fund, MyDestination 2045 Fund and MyDestination 2055 Fund are each referred to as a “Target Date Fund” and are together the “Target Date Funds.” The Conservative Allocation Fund, Balanced Allocation Fund, Growth Allocation Fund and Aggressive Allocation Fund are each referred to as an “Asset Allocation Fund” and are together referred to as the “Asset Allocation Funds.” The remaining Funds are each referred to as a “Select Fund” and are together referred to as the “Select Funds.” The Low-Duration Bond Fund, Medium-Duration Bond Fund, Extended-Duration Bond Fund and Global Bond Fund are each referred to as a “Bond Fund” and are together referred to as the “Bond Funds.” The Defensive Market Strategies Fund, Equity Index Fund, Global Real Estate Securities Fund, Value Equity Fund, Growth Equity Fund, Small Cap Equity Fund, International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund are each referred to as an “Equity Fund” and are together referred to as the “Equity Funds.”

Each Target Date Fund and each Asset Allocation Fund is a “Fund-of-Funds,” which means that it generally does not buy securities directly, but rather allocates its assets among a different mix of mutual funds, primarily the Select Funds, to meet a specified investment objective. The Select Funds, in turn, invest directly in different types of fixed-income obligations, stocks or other investments to meet their investment objectives.

Currently, there are two classes of shares issued by the Trust, the Institutional Class and Investor Class (each, a “Class” and together, the “Classes”). The Trust’s Board of Trustees (“Board” or “Board of Trustees”) may issue additional classes of shares or series at any time without prior approval of the shareholders.

Description of Investments and Risks

The following should be read in conjunction with the Fund Summary of each Fund in the Funds’ Prospectus, specifically the sections entitled “Investment Objective,” “Principal Investment Strategies” and “Principal Investment Risks.” Unless otherwise defined in this SAI, the capitalized terms used herein have the respective meanings assigned to them in the Prospectus.

You should understand that all investments involve risk and that there can be no guarantee against loss resulting from an investment in the Funds. Unless otherwise indicated, all percentage limitations governing the investments of the Funds apply only at the time of a transaction.

GuideStone Capital Management, LLC (the “Adviser”) serves as the investment adviser to the Funds and is an affiliate of GuideStone Financial Resources of the Southern Baptist Convention (“GuideStone Financial Resources”). The Funds are series of a diversified, open-end, management investment company as defined in the Investment Company Act of 1940, as amended (the “1940 Act”). The Adviser allocates each Target Date Fund’s and each Asset Allocation Fund’s investments among a mix of mutual funds, primarily, but not limited to, the Select Funds. Rather than making the day-to-day investment decisions for the Select Funds, the Adviser acts as a manager of managers and retains various investment management firms (each a “Sub-Adviser” and collectively, the “Sub-Advisers”) to do so. The Sub-Advisers employ portfolio managers to make the day-to-day investment decisions regarding portfolio holdings of the Select Funds. The Sub-Advisers may invest in all the instruments or use all the investment techniques permitted by the Funds’ Prospectus and this SAI or invest in such instruments or engage in such techniques to the full extent permitted by the Funds’ investment policies and restrictions.

The Funds do 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. The Funds may not be able to take advantage of certain investment opportunities due to these restrictions. This policy may not be changed without a vote of a majority of the outstanding shares of the Trust.

Each Target Date Fund and the Asset Allocation Fund invests primarily in a diversified portfolio of Select Funds, and unless indicated otherwise, the description of investments and risks in this SAI applies to the Target Date Funds and the Asset Allocation Funds through their investments in the Select Funds and other investments.

Each Target Date Fund and each Asset Allocation Fund may from time to time invest and reinvest up to 10% of its assets directly in U.S. Treasury obligations, exchange-listed equity futures contracts and exchange-listed U.S. Treasury futures contracts to gain exposure to the U.S. equity and fixed-income markets on cash balances. Any such investment will be made for cash management purposes and will seek to provide market exposure approximating the strategic asset allocation of the applicable Target Date Fund and Asset Allocation Fund.

Asset-Backed Securities. The Bond Funds and the Strategic Alternatives Fund may purchase asset-backed securities. Asset-backed securities represent direct or indirect participations in, or are secured by and payable from, pools of assets such as, among other things, motor vehicle installment sales contracts, installment loan contracts, leases of various types of real and personal property and receivables from revolving credit (credit card) agreements, or a combination of the foregoing. These assets are securitized through the use of trusts and special purpose corporations. Credit enhancements, such as various forms of cash collateral accounts or letters of credit, may support payments of principal and interest on asset-backed securities. Although these securities may be supported by letters of credit or other credit enhancements, payment of interest and principal ultimately depends upon individuals paying the underlying loans, which may be affected adversely by general downturns in the economy.

Asset-backed securities are subject to the same risk of prepayment described with respect to mortgage-backed securities and to extension risk (the risk that an issuer of a security will make principal payments slower than anticipated by the investor, thus extending the securities' duration). The risk that recovery on repossessed collateral might be unavailable or inadequate to support payments, however, is greater for asset-backed securities than for mortgage-backed securities.

Certificates for Automobile Receivables℠ ("CARS℠") represent undivided fractional interests in a trust whose assets consist of a pool of motor vehicle retail installment sales contracts and security interests in the vehicles securing those contracts. Payments of principal and interest on the underlying contracts are passed through monthly to certificate holders and are guaranteed up to specified amounts by a letter of credit issued by a financial institution unaffiliated with the trustee or originator of the trust. Underlying installment sales contracts are subject to prepayment, which may reduce the overall return to certificate holders. Certificate holders also may experience delays in payment or losses on CARS℠ if the trust does not realize the full amounts due on underlying installment sales contracts because of unanticipated legal or administrative costs of enforcing the contracts; depreciation, damage, or loss of the vehicles securing the contracts; or other factors.

Credit card receivable securities are backed by receivables from revolving credit card agreements ("Accounts"). Credit balances on Accounts are generally paid down more rapidly than are automobile contracts. Most of the credit card receivable securities issued publicly to date have been pass-through certificates. In order to lengthen their maturity or duration, most such securities provide for a fixed period during which only interest payments on the underlying Accounts are passed through to the security holder; principal payments received on the Accounts are used to fund the transfer of additional credit card charges made on the Accounts to the pool of assets supporting the securities. Usually, the initial fixed period may be shortened if specified events occur which signal a potential deterioration in the quality of the assets backing the security, such as the imposition of a cap on interest rates. An issuer's ability to extend the life of an issue of credit card receivable securities thus depends on the continued generation of principal amounts in the underlying Accounts and the non-occurrence of the specified events. The non-deductibility of consumer interest, as well as competitive and general economic factors, could adversely affect the rate at which new receivables are created in an Account and conveyed to an issuer, thereby shortening the expected weighted average life of the related security and reducing its yield. An acceleration in cardholders' payment rates or any other event that shortens the period during which additional credit card charges on an Account may be transferred to the pool of assets supporting the related security could have a similar effect on its weighted average life and yield.

Credit cardholders are entitled to the protection of state and federal consumer credit laws. Many of those laws give a holder the right to set off certain amounts against balances owed on the credit card, thereby reducing amounts paid on Accounts. In addition, unlike the collateral for most other asset-backed securities, Accounts are unsecured obligations of the cardholder. A Fund may invest in trust preferred securities, which are a type of asset-backed security. Trust preferred securities represent interests in a trust formed by a parent company to finance its operations. The trust sells preferred shares and invests the proceeds in debt securities of the parent. This debt may be subordinated and unsecured. Dividend payments on the trust preferred securities match the interest payments on the debt securities; if no interest is paid on the debt securities, the trust will not make current payments on its preferred securities. Unlike typical asset-backed securities, which have many underlying payors and are usually overcollateralized, trust preferred securities have only one underlying payor and are not overcollateralized. Issuers of trust preferred securities and their parents currently enjoy favorable tax treatment. If the tax characterization of trust preferred securities were to change, they could be redeemed by the issuers, which could result in a loss to a Fund.

Bankers' Acceptances, Certificates of Deposit, Time Deposits and Bank Notes. The Select Funds may invest in such obligations issued by U.S. or foreign issuers; however, the Money Market Fund will invest in instruments denominated exclusively in U.S. dollars. Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning, in effect, that the bank unconditionally agrees to pay the face value of the instrument on maturity. Fixed time deposits are bank obligations payable at a stated maturity date and bearing interest at a fixed rate. Fixed time deposits may be withdrawn on demand by the investor but may be subject to early withdrawal penalties that vary depending upon market conditions and the remaining maturity of the obligation. There are no contractual restrictions on the right to transfer a beneficial interest in a fixed time deposit to a third party. Bank notes and bankers' acceptances rank junior to deposit liabilities of the bank and equal to other senior, unsecured obligations of the bank. Bank notes are classified as "other borrowings" on a bank's balance sheet, while deposit notes and certificates of deposit are classified as deposits. Bank notes are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other insurer. Deposit notes are insured by the FDIC only to the extent of $250,000 per depositor per bank.

The Select Funds may invest in the obligations of foreign banks and foreign branches of domestic banks. Such obligations include Eurodollar certificates of deposit, which are U.S. dollar-denominated certificates of deposit issued by offices of foreign and domestic banks located outside the United States; Eurodollar time deposits, which are U.S. dollar-denominated deposits in a foreign branch of a U.S. bank or a foreign bank; Canadian time deposits, which are essentially the same as Eurodollar time deposits except they are issued by Canadian offices of major Canadian banks; Schedule Bs, which are obligations issued by Canadian branches of foreign or domestic banks; Yankee certificates of deposit, which are U.S. dollar-denominated certificates of deposit issued by a U.S. branch of a foreign bank and held in the United States; and Yankee bankers' acceptances, which are U.S. dollar-denominated bankers' acceptances issued by a U.S. branch of a foreign bank and held in the United States.

Obligations of foreign banks involve somewhat different investment risks than those affecting obligations of U.S. banks, including the possibilities that their liquidity could be impaired because of future political and economic developments, that the obligations may be less marketable than comparable obligations of U.S. banks, that a foreign jurisdiction might impose withholding taxes on interest income payable on those obligations, that foreign deposits may be seized or nationalized, that foreign governmental restrictions such as exchange controls may be adopted that might adversely affect the payment of principal and interest on those obligations and that the selection of those obligations may be more difficult because there may be less publicly available information concerning foreign banks or the accounting, auditing and financial reporting standards, practices and requirements applicable to foreign banks may differ from those applicable to U.S. banks. U.S. branches of foreign banks may be considered domestic banks if it can be demonstrated they are subject to the same regulation as U.S. banks.

Investments in Eurodollar and Yankee dollar obligations involve additional risks. Most notably, there generally is less publicly available information about foreign companies; there may be less governmental regulation and supervision; they may use different accounting and financial standards; and the adoption of foreign governmental restrictions may adversely affect the payment of principal and interest on foreign investments. In addition, not all foreign branches of U.S. banks are supervised or examined by regulatory authorities as are U.S. banks, and such branches may not be subject to reserve requirements.

Bank Loans. The Bond Funds, the Strategic Alternatives Fund and the Defensive Market Strategies Fund may invest in bank loans, which include senior secured and unsecured floating rate loans made by U.S. banks and other financial institutions to corporate customers. There are special risks associated with investments in bank loans, which include (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so-called lender-liability claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations and (iv) limitations on the ability of a Fund to directly enforce its rights with respect to participations. Typically, these loans hold the most senior position in a borrower's capital structure, may be secured by the borrower's assets and have interest rates that reset frequently. Bank loans may be issued in connection with acquisitions, refinancings and recapitalizations. These loans generally will not be rated investment-grade by the rating agencies. Economic downturns generally lead to higher non-payment and default rates, and a senior loan could lose a substantial part of its value prior to a default. However, as compared to high yield or junk bonds, senior floating rate loans are typically senior in the capital structure and are often secured by collateral of the borrower. The Bond Funds', the Strategic Alternatives Fund's and the Defensive Market Strategies Fund's investments in loans are subject to credit risk, and even secured bank loans may not be adequately collateralized. The interest rates of bank loans reset frequently, and thus, bank loans are subject to interest rate risk. Most bank loans, like most investment-grade bonds, are not traded on any national securities exchange. Bank loans generally have less liquidity than investment-grade bonds, and there may be less public information available about them. Bank loans are generally less liquid than many other debt securities. Transactions in bank loans may settle on a delayed basis, such that a Fund may not receive the proceeds from the sale of a loan for a substantial period of time after the sale. As a result, the proceeds related to the sale of bank loans may not be available to make additional investments or to meet the Fund's redemption obligations until a substantial period after the sale of the loans. In order to finance redemptions pending settlement of bank loans, a Fund may employ a wide variety of means to meet short-term liquidity needs, including, without limitation drawing on its cash and other short term positions, all of which may adversely affect the Fund's performance. The Bond Funds, the Strategic Alternatives Fund and the Defensive Market Strategies Fund may participate in the primary syndicate for a loan, or they may also purchase loans from other lenders (sometimes referred to as loan assignments). The Bond Funds, the Strategic Alternatives Fund and the Defensive Market Strategies Fund may also acquire a participation interest in another lender's portion of the senior loan. Participation interests and assignments involve credit, interest rate and liquidity risk (See "Loan Participations" disclosure in this SAI). The Bond Funds', the Strategic Alternatives Fund's and the Defensive Market Strategies Fund's investments in bank loans may include, without limitation, bridge loans and revolving lines of credit.

Some loans may not be considered "securities" for certain purposes under the federal securities laws, and purchasers, such as a Fund, therefore may not be entitled to rely on the anti-fraud protections of the federal securities laws. Loans and other debt instruments that are not in the form of securities may offer less legal protection to a Fund in the event of fraud or misrepresentation.

Collateralized Debt Obligations. The Bond Funds may invest in collateralized debt obligations ("CDOs"), which are securitized interests in pools of, generally non-mortgage, assets. Assets called collateral usually comprise loans or debt instruments. A CDO may be called a collateralized loan obligation ("CLO") or collateralized bond obligation ("CBO") if it holds only loans or bonds, respectively. Investors bear the credit risk of the collateral. Multiple tranches of securities are issued by the CDO, offering investors various maturity and credit risk characteristics. Tranches are categorized as senior, mezzanine and subordinated/equity, according to their degree of credit risk. If there are defaults or the CDO's collateral otherwise underperforms, scheduled payments to senior tranches take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. Senior and mezzanine tranches are typically rated, with the former receiving ratings of A to AAA/Aaa and the latter receiving ratings of B to BBB/Baa. The ratings reflect both the credit quality of underlying collateral as well as how much protection a given tranche is afforded by tranches that are subordinated to it.

Despite the protection from the riskier tranches, senior CBO or CLO tranches can experience substantial losses due to actual defaults (including collateral default), the total loss of the riskier tranches due to losses in the collateral, market anticipation of defaults, fraud by the trust and the illiquidity of CBO or CLO securities.

The risks of an investment in a CDO largely depend on the type of underlying collateral securities and the tranche in which a Fund invests. Risks of CDOs include: (i) the possibility that distributions from collateral securities will be insufficient to make interest or other payments; (ii) the possibility that the quality of the collateral may decline in value or default, (iii) market and liquidity risks affecting the price of a structured finance investment, if required to be sold, at the time of sale, and (iv) if the particular structured product is invested in a security in which a Fund is also invested, this would tend to increase a Fund's overall exposure to the credit of the issuer of such securities. In addition, due to the complex nature of a CDO, an investment in a CDO may not perform as expected.

Commercial Paper. The Select Funds may invest in commercial paper, which includes short-term unsecured promissory notes, variable rate demand notes and variable rate master demand notes issued by bank holding companies, corporations and financial institutions and similar instruments the interest on which is subject to federal income tax issued by government agencies and instrumentalities. A Select Fund will only invest in commercial paper to the extent consistent with its investment policies, including its policies regarding credit quality and ratings.

Commodities Exposure. Exposure to the commodities markets may subject a Fund to greater volatility than investments in traditional securities. The commodities markets may fluctuate widely based on a variety of factors including changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in exchange rates, domestic or foreign interest rates or inflation rates and/or investor expectations concerning such rates, and trading activities in commodities. Prices of various commodities may also be affected by factors such as droughts, floods and other natural hazards, livestock disease and embargoes, tariffs and other regulatory developments. The frequency, duration and magnitude of such changes cannot be predicted. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. As a result, political, economic and supply-related events in such countries could have a disproportionate impact on the prices of such commodities. Securities of companies that are dependent on a single commodity, or are concentrated in a single commodity sector, may exhibit even higher volatility attributable to commodity prices. No active trading market may exist for certain commodities investments, which may impair the ability of a Fund to sell or realize the full value of such investments in the event of the need to liquidate such investments. Because the value of a commodity-linked derivative instrument typically is based upon the price movements of a physical commodity, the value of a commodity-linked derivative instrument may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity. The value of these instruments will rise or fall in response to changes in the underlying commodity or related index of investment. Some commodity-linked investments are issued by companies in the financial services sector, including the banking, brokerage and insurance sectors. As a result, events affecting issuers in the financial services sector may adversely affect a Fund's performance. Although investments in commodities may move in different directions than traditional equity securities and debt instruments, when the value of those traditional investments is declining due to adverse economic conditions, there is no guarantee that commodities will perform in that manner, and at certain times the price movements of commodity-linked investments have been parallel to those of traditional equity securities and debt instruments.

Contingent Convertible Securities. The Strategic Alternatives Fund may invest in contingent convertible securities ("CoCos"). CoCos are a form of hybrid security that are intended to either convert into equity or have their principal written down upon the occurrence of certain triggers. The triggers are generally linked to regulatory capital thresholds or regulatory actions calling into question the issuer's continued viability as a going concern. The unique equity conversion or principal write-down features of CoCos are tailored to the issuer and its regulatory requirements. These features may cause substantially greater risk exposure during times of market turmoil. CoCos typically will be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Factors that may impact the value of CoCos include, but are not limited to: economic, financial, and political events that affect the issuer, its particular market, or financial markets as a whole; creditworthiness of the issuer; general market conditions; fluctuations in the issuer's capital ratios; and the supply and demand for CoCos.

One type of CoCo provides for mandatory conversion of the security into common stock of the issuer under certain circumstances. The mandatory conversion might relate, for example, to the issuer's failure to maintain a regulatory-required capital minimum. Because the common stock of the issuer may not pay a dividend, investors in such securities could experience reduced yields (or no yields at all) and conversion would worsen an investor's standing in the case of the issuer's insolvency. Another type of CoCo has characteristics designed to absorb losses, whereby the liquidation value of the security may be adjusted downward to below the original par value or written off entirely under certain circumstances. For instance, in the event that losses have eroded the issuer's capital levels to below a specified threshold, the liquidation value of the security may be reduced in whole or in part. The write-down of the security's par value may occur automatically and would not entitle holders to institute bankruptcy proceedings against the issuer. In addition, an automatic write-down could result in a reduced income rate if the dividend or interest payment associated with the security is based on the security's par value. Such securities may, but are not required to, provide for circumstances under which the liquidation value of the security may be adjusted back up to par, such as an improvement in capitalization or earnings. In addition, CoCos may have no stated maturity and may have fully discretionary coupons that can potentially be cancelled at the issuer's discretion or may be prohibited by the relevant regulatory authority from being paid in order to help the issuer absorb losses.

Convertible Securities. The Equity Funds, Bond Funds and Strategic Alternatives Fund may invest in convertible securities. The Strategic Alternatives Fund, Defensive Market Strategies Fund, International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund may invest in convertible securities of non-U.S. issuers. Convertible securities entitle the holder to receive interest paid or accrued on debt or the dividend paid on preferred stock until the convertible securities mature or are redeemed, converted or exchanged. Prior to conversion, convertible securities have characteristics similar to ordinary debt securities in that they normally provide a stable stream of income with generally higher yields than those of common stock of the same or similar issuers. Convertible securities rank senior to common stock in a corporation's capital structure and therefore generally entail less risk than the corporation's common stock, although the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed-income security.

The value of convertible securities is a function of their investment value (determined by yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and their conversion value (their worth, at market value, if converted into the underlying common stock). The investment value of convertible securities is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline, and by the credit standing of the issuer and other factors. The conversion value of convertible securities is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible securities is governed principally by their investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible securities will be increasingly influenced by their conversion value. In addition, convertible securities generally sell at a premium over their conversion value determined by the extent to which investors place value on the right to acquire the underlying common stock while holding fixed-income securities.

Capital appreciation for a Fund may result from an improvement in the credit standing of an issuer whose securities are held in the Fund or from a general lowering of interest rates, or a combination of both. Conversely, a reduction in the credit standing of an issuer whose securities are held by a Fund or a general increase in interest rates may be expected to result in capital depreciation to the Fund.

In general, investments in lower quality convertible securities are subject to a significant risk of a change in the credit rating or financial condition of the issuing entity. Investments in convertible securities of medium or lower quality are also likely to be subject to greater market fluctuation and to greater risk of loss of income and principal due to default than investments of higher quality fixed-income securities. Such lower quality securities generally tend to reflect short-term corporate and market developments to a greater extent than higher quality securities, which react more to fluctuations in the general level of interest rates. Additionally, investments by a Fund in convertible debt securities may be unrated; therefore, judgment may play a greater role in determining the credit risk or the default risk of an unrated convertible security. A Fund will generally reduce risk to the investor by diversification, credit analysis and attention to current developments in trends of both the economy and financial markets. However, while diversification reduces the effect on a Fund of any single investment, it does not reduce the overall risk of investing in lower quality securities.

The Defensive Market Strategies Fund may establish a “synthetic” convertible instrument by combining fixed-income securities (which may be either convertible or non-convertible) with the right to acquire equity securities. In establishing a synthetic instrument, the Fund may pool a basket of fixed-income securities and a basket of warrants or options that produce the economic characteristics similar to a convertible security.

Within each basket of fixed-income securities and warrants or options, different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.

More flexibility is possible in the assembly of a synthetic convertible instrument than in the purchase of a convertible security. Although synthetic convertible instruments may be selected where the two components are issued by a single issuer, the character of a synthetic convertible instrument allows the combination of components representing distinct issuers, when management believes that such a combination would better promote the Fund’s investment objectives. A synthetic convertible instrument also is a more flexible investment in that its two components may be purchased separately. For example, a Fund may purchase a warrant for inclusion in a synthetic convertible instrument but temporarily hold short-term investments while postponing the purchase of a corresponding bond pending development of more favorable market conditions.

A holder of a synthetic convertible instrument faces the risk of a decline in the price of the security or the level of the index involved in the convertible component, causing a decline in the value of the call option or warrant purchased to create the synthetic convertible instrument. Should the price of the stock fall below the exercise price and remain there throughout the exercise period, the entire amount paid for the call option or warrant would be lost. Because a synthetic convertible instrument includes the fixed-income component as well, the holder of a synthetic convertible instrument also faces the risk that interest rates will rise, causing a decline in the value of the fixed income instrument.

The Defensive Market Strategies Fund may also purchase synthetic convertible instruments manufactured by other parties, including convertible structured notes. Convertible structured notes are fixed-income debentures linked to equity, and are typically issued by investment banks. Convertible structured notes have the attributes of a convertible security; however, the investment bank that issued the convertible note assumes the credit risk associated with the investment, rather than the issuer of the underlying common stock into which the note is convertible.

Cybersecurity Risk. With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, the Funds and their service providers may be more susceptible to operational and related risks through breaches in cybersecurity. A cybersecurity incident may refer to intentional or unintentional events that allow an unauthorized party to gain access to a Fund's assets, customer data, or proprietary information, or cause a Fund or a Fund's service providers (including, but not limited to, the Adviser, distributor, fund accountant, custodian, transfer agent, Sub-Advisers (if applicable) and financial intermediaries) to suffer data corruption or lose operational functionality. A cybersecurity incident could, among other things, result in the loss or theft of customer data or the Funds, customers or employees being unable to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system or remediation costs associated with system repairs.

Any of these results could have a substantial adverse impact on a Fund and its shareholders. For example, if a cybersecurity incident results in a denial of service, Fund shareholders could lose access to their electronic accounts and be unable to buy or sell Fund shares for an unknown period of time, and employees could be unable to access electronic systems to perform critical duties for a Fund, such as trading, NAV calculation, shareholder accounting or fulfillment of Fund share purchases and redemptions. Cybersecurity incidents could cause a Fund or Fund service provider to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures or financial loss of a significant magnitude and could result in allegations that a Fund or Fund service provider violated privacy and other laws. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which a Fund invests, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. Risk management systems and business continuity plans seek to reduce the risks associated with cybersecurity in the event there is a cybersecurity breach, but there are inherent limitations in these systems and plans, including the possibility that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. Furthermore, a Fund does not control the cybersecurity systems and plans of the issuers of securities in which a Fund invests or the Fund's third party service providers or trading counterparties or any other service providers whose operations may affect a Fund or its shareholders.

Depositary Arrangements. Each Select Fund may invest in American Depositary Receipts ("ADRs") and regular shares of foreign companies traded and settled on U.S. exchanges and over-the-counter markets. The Global Bond Fund may invest in ADRs on a limited basis (generally no more than 5% of the Fund's assets). ADRs are receipts typically issued by a U.S. bank or trust company evidencing ownership of the underlying foreign securities. ADRs are denominated in U.S. dollars. They are publicly traded on exchanges or over-the-counter in the United States.

A Fund may invest in both sponsored and unsponsored ADR programs. There are certain risks associated with investments in unsponsored ADR programs. Because the non-U.S. securities issuer does not actively participate in the creation of the ADR program, the underlying agreement for service and payment will be between the depositary and the shareholder. The company issuing the stock underlying the ADR pays nothing to establish the unsponsored facility because fees for ADR issuance and cancellation are paid by brokers. Investors directly bear the expenses associated with certificate transfer, custody and dividend payment.

In an unsponsored ADR program, there may also be several depositories with no defined legal obligations to the non-U.S. company. The duplicate depositories may lead to marketplace confusion because there would be no central source of information for buyers, sellers and intermediaries. The efficiency of centralization gained in a sponsored program can greatly reduce the delays in delivery of dividends and annual reports.

Investments in ADRs involve certain risks not typically involved in purely domestic investments. These risks are set forth in the section entitled "Foreign Securities and Obligations" in this SAI.

The International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund may also invest in European Depositary Receipts ("EDRs"), International Depositary Receipts ("IDRs") and Global Depositary Receipts ("GDRs"). These are receipts issued by a non-U.S. financial institution evidencing ownership of underlying foreign or U.S. securities and are usually denominated in foreign currencies. They may not be denominated in the same currency as the securities they represent. Generally, EDRs, GDRs and IDRs are designed for use in the foreign securities markets. Investments in EDRs, GDRs and IDRs involve certain risks not typically involved in purely domestic investments, including currency exchange risk. These risks are set forth in the section entitled "Foreign Securities and Obligations" in this SAI.

The International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund may also invest in other forms of depositary receipts that are certificates issued by non-U.S. institutions evidencing ownership of underlying foreign securities, including non-voting depositary receipts ("NVDRs"). Such depositary receipts may or may not be traded in a secondary market, and, as is the case with the NVDRs, might only be redeemable by the issuer. Investments in these depositary receipts may provide economic exposure to the underlying security, but may be less liquid and more volatile than the underlying securities, which may be issued by companies in emerging markets. In addition, investments in these depositary receipts are subject to many of the same risks associated with investing directly in foreign securities. These risks are set forth in the section entitled "Foreign Securities and Obligations" in this SAI. Investments in these depositary receipts, particularly NVDRs, may not entitle the holders to vote the underlying shares.

Dollar Rolls. The Select Funds may enter into dollar roll transactions, pursuant to which they sell a mortgage-backed TBA ("to be announced") or security and simultaneously purchase a similar, but not identical, TBA with the same issuer, rate and terms. The Funds may execute a "roll" to obtain better underlying mortgage securities or to increase yield. The Funds account for dollar roll transactions as purchases and sales, which has the effect of increasing their portfolio turnover rates. Risks associated with dollar rolls are that actual mortgages received by the Funds may be less favorable than those anticipated or that counterparties may fail to perform under the terms of the contracts. For additional information, see the section entitled "Mortgage Dollar Rolls" in this SAI.

Foreign Currency

Foreign Currency — Generally. The Select Funds (other than the Money Market Fund) may invest in securities denominated in foreign currencies. As part of the cash overlay program, the Funds (other than the Money Market Fund and Strategic Alternatives Fund) may also utilize foreign currency futures contracts, which are discussed in this section. The performance of investments in securities and obligations denominated in a foreign currency will be impacted by the strength of the foreign currency against the U.S. dollar and the interest rate environment in the country issuing the currency. Currency exchange rates may fluctuate based on factors extrinsic to that country's economy. Absent other events that could otherwise affect the value of a foreign security or obligation (such as a change in the political climate or an issuer's credit quality), appreciation in the value of the foreign currency generally can be expected to increase the value of a foreign currency-denominated security or obligation in terms of U.S. dollars. A decline in the value of the foreign currency relative to the U.S. dollar generally can be expected to depress the value of a foreign currency-denominated security or obligation.

Although the Equity Funds, Bond Funds and Strategic Alternatives Fund may invest in securities and obligations denominated in foreign currencies as discussed herein, their portfolio securities and other assets are valued in U.S. dollars. Currency exchange rates may fluctuate significantly over short periods of time causing, together with other factors, a Fund's net asset value ("NAV") to fluctuate as well. Currency exchange rates can be affected unpredictably by the intervention or the failure to intervene by U.S. or foreign governments, or central banks. They can also be affected by currency controls, or by political developments in the U.S. or abroad. To the extent a Fund's total assets, adjusted to reflect its net position after giving effect to currency transactions, are denominated in the currencies of foreign countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries. In addition, through the use of forward currency exchange contracts and other currency instruments as described below, the respective net currency positions of the Funds may expose them to risks independent of their securities positions. Although the net long and short foreign currency exposure of the Equity Funds, Bond Funds and Strategic Alternatives Fund will not exceed their total asset value, to the extent a Fund is fully invested in foreign securities while also maintaining currency positions, it may be exposed to greater risk than it would have if it did not maintain the currency positions. The Funds are also subject to the possible imposition of exchange control regulations or freezes on the convertibility of currency.

Foreign Currency — Forward Currency Exchange Contracts. The Bond Funds, Strategic Alternatives Fund, Defensive Market Strategies Fund, International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund may enter into forward currency exchange contracts in order to hedge to the U.S. dollar and to hedge one foreign currency against changes in exchange rates for a different foreign currency. Each of these Funds may also use forward currency exchange contracts for non-hedging purposes, even if it does not own securities denominated in that currency. Forward currency exchange contracts represent an obligation to purchase or sell a specified currency at a future date at a price set at the time of the contract. This allows a Fund to establish a rate of exchange for a future point in time.

When one of these Funds owns securities denominated in a foreign currency that the Sub-Adviser anticipates may decline substantially relative to the U.S. dollar or other leading currencies, the Fund may attempt to reduce this currency risk by entering into a forward currency exchange contract to sell, for a fixed amount, an amount of the foreign currency approximating the value of some or all of the Fund's securities denominated in that foreign currency. When a Fund creates a short position in a foreign currency, it may enter into a forward contract to buy, for a fixed amount, an amount of foreign currency approximating the short position. A Fund's net long and short foreign currency exposure will not exceed its total asset value.

In addition, when entering into a contract for the purchase or sale of a security, one of these Funds may enter into a forward currency exchange contract for the amount of the purchase or sale price. This protects the Fund against variations, between the date the security is purchased or sold and the date on which payment is made or received, in the value of the foreign currency relative to the U.S. dollar or other foreign currency.

Portfolio securities hedged by forward currency exchange contracts are still subject to fluctuations in market value. In addition, it will not generally be possible to match precisely the amount covered by a forward currency exchange contract. Additionally, the value of the securities involved will fluctuate based on market movements after the contract is entered into. Such imperfect correlation may cause a Fund to sustain losses that will prevent it from achieving a complete hedge or expose it to risk of foreign exchange loss. While forward currency exchange contracts may protect a Fund from losses resulting from movements in exchange rates adverse to the Fund's position, they may also limit potential gains that result from beneficial changes in the value of such currency. A Fund will also incur costs in connection with forward currency exchange contracts and conversions of foreign currencies and U.S. dollars.

Forward contracts in which a Fund may engage also include non-deliverable forwards ("NDFs"). NDFs are cash-settled, short-term forward contracts on foreign currencies (each a "Reference Currency") that are non-convertible and that may be thinly traded or illiquid. NDFs are classified as swaps and regulated as such under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). NDFs involve an obligation to pay an amount (the "Settlement Amount") equal to the difference between the prevailing market exchange rate for the Reference Currency and the agreed upon exchange rate (the "NDF Rate"), with respect to an agreed notional amount. NDFs have a fixing date and a settlement (delivery) date. The fixing date is the date and time at which the difference between the prevailing market exchange rate and the agreed upon exchange rate is calculated. The settlement (delivery) date is the date by which the payment of the Settlement Amount is due to the party receiving payment.

Although NDFs are similar to foreign exchange forwards, NDFs do not require physical delivery of the Reference Currency on the settlement date. Rather, on the settlement date, the only transfer between the counterparties is the monetary settlement amount representing the difference between the NDF Rate and the prevailing market exchange rate. NDFs typically may have terms from one month up to two years and are settled in U.S. dollars.

NDFs are subject to many of the risks associated with derivatives in general and forward currency transactions, including risks associated with fluctuations in foreign currency and the risk that the counterparty will fail to fulfill its obligations. Although NDFs historically have been traded over-the-counter, in the future, pursuant to the Dodd-Frank Act, they may be exchange-traded. Under such circumstances, they will be centrally cleared and a secondary market for them will exist. With respect to NDFs that are centrally-cleared, while central clearing is intended to decrease counterparty risk, an investor could lose margin payments it has deposited with the clearing organization as well as the net amount of gains not yet paid by the clearing organization if the clearing organization breaches its obligations under the NDF, becomes insolvent or goes into bankruptcy. In the event of bankruptcy of the clearing organization, the investor may be entitled to the net amount of gains the investor is entitled to receive plus the return of margin owed to it only in proportion to the amount received by the clearing organization's other customers, potentially resulting in losses to the investor. Even if some NDFs remain traded OTC, they will be subject to margin requirements for uncleared swaps and counterparty risk common to other swaps. For more information about the risks associated with utilizing swaps, please see the section entitled "Swaps — Generally" in this SAI.

Foreign Currency — Currency Futures Contracts and Related Options Transactions. The Bond Funds, Strategic Alternatives Fund and Defensive Market Strategies Fund may also engage in futures contracts on foreign currencies and related options transactions, for the same purposes that they are permitted to use forward currency exchange contracts. A currency futures contract is a standardized contract for the future delivery of a specified amount of currency at a future date at a price set at the time of the contract. These Funds may enter into currency futures contracts traded on regulated commodity exchanges, including non-U.S. exchanges. These Funds may either accept or make delivery of the currency specified at the maturity of a futures contract or, prior to maturity, enter into a closing transaction involving the purchase or sale of an offsetting contract. Trading options on currency futures is relatively new, and the ability to establish and close out positions on such options is subject to the maintenance of a liquid market which may not always be available. Buyers and sellers of currency futures and options thereon are subject to the same risks that apply to the use of futures generally. These risks are set forth in the section entitled "Futures and Options" in this SAI.

Foreign Currency — Currency Options. The Bond Funds, Strategic Alternatives Fund, Defensive Market Strategies Fund, Global Real Estate Securities Fund, International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund may also write covered put and covered call options and purchase put and call options on foreign currencies, for the same purposes that they are permitted to use forward currency exchange contracts. These Funds will write or purchase currency options that are traded on U.S. or foreign exchanges or over-the-counter.

A call option written by a Fund obligates it to sell specified currency to the holder of the option at a specified price at any time before the expiration date. A put option written by a Fund obligates it to purchase specified currency from the option holder at a specified time before the expiration date. The writing of currency options involves the risk that a Fund may be required to sell the specified currency (subject to a call) at a price that is less than the currency's market value or to purchase the specified currency (subject to a put) at a price that exceeds the currency's market value. The use of currency options is subject to the same risks that apply to options generally. These risks are set forth in the section entitled "Futures and Options" in this SAI.

The purchase of a call option would entitle a Fund to purchase specified currency at a specified price during the option period. A Fund would ordinarily realize a gain if, during the option period, the value of the currency exceeded the sum of the exercise price, the premium paid and transaction costs; otherwise, a Fund would realize either no gain or a loss on the purchase of the call option. A Fund may forfeit the entire amount of the premium plus related transaction costs if exchange rates move in a manner adverse to the Fund's position.

One of these Funds may, for example, purchase put options in anticipation of a decline in the dollar value of currency in which securities in its portfolio are denominated. The purchase of a put option would entitle a Fund to sell a specific currency at a specified price during the option period. This is meant to offset or hedge against a decline in the dollar value of such portfolio securities due to currency exchange rate fluctuations. A Fund would ordinarily realize a gain if, during the option period, the value of the underlying currency decreased below the exercise price sufficiently to more than cover the premium and transaction costs; otherwise, a Fund would realize either no gain or a loss on the purchase of the put option. Gains and losses on the purchase of protective put options would tend to be offset by countervailing changes in the value of the underlying currency.

Foreign Currency — TBAs. The Bond Funds may enter into to-be-announced purchase commitments to purchase securities for a fixed price at a future date, typically not exceeding 45 days ("TBAs"). As with other delayed delivery transactions, a seller agrees to issue a TBA security at a future date. However, the seller does not specify the particular securities to be delivered. Instead, the Fund agrees to accept any security that meets specified terms. TBAs may be considered securities in themselves and involve a risk of loss if the value of the security to be purchased declines prior to settlement date. This risk is in addition to the risk of decline in each Fund's other assets. Unsettled TBAs are valued at the current market value of the underlying portfolio securities, according to the procedures described in the section entitled "Valuation of Shares" in this SAI.

Foreign Currency — Cover Requirements. When these Funds engage in forward currency exchange contracts, currency futures contracts and options thereon, and currency put and call options, they will comply with guidelines established by the U.S. Securities and Exchange Commission ("SEC") with respect to coverage of these strategies. These coverage guidelines are set forth in the section entitled "Futures and Options — Cover Requirements" in this SAI.

Foreign Securities and Obligations. Each Equity Fund and the Strategic Alternatives Fund may invest in ADRs and regular shares of foreign companies traded and settled on U.S. and foreign exchanges and over-the-counter markets. The International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund invest primarily in the securities of foreign issuers. In addition, the Bond Funds, Strategic Alternatives Fund, Defensive Market Strategies Fund, International Equity Fund and Emerging Markets Equity Fund may invest a portion of their assets in debt obligations issued by foreign issuers, including obligations not traded and settled on U.S. exchanges and over-the-counter markets. These obligations may be issued by supranational entities, including international organizations, designed or supported by governmental entities to promote economic reconstruction or development and international banking institutions and related government agencies.

Investment in foreign securities and obligations involves special risks. These include market risk, interest rate risk and the risks of investing in securities of foreign issuers and of companies whose securities are principally traded outside the United States and in investments denominated in foreign currencies. Market risk involves the possibility that stock prices will decline over short or even extended periods. The stock markets tend to be cyclical, with periods of generally rising prices and periods of generally declining prices. These cycles will affect the value of a Fund that invests in foreign stocks. The holdings of a Fund that invests in fixed-income securities will be sensitive to changes in interest rates and the interest rate environment. Generally, the prices of bonds and debt securities fluctuate inversely with interest rate changes.

Foreign investments also involve risks associated with the level of currency exchange rates, less complete financial information about the issuers, less market liquidity, more market volatility and political instability.

Future political and economic developments, the possible imposition of withholding taxes on dividend and interest income, the possible seizure or nationalization of foreign holdings, the possible establishment of exchange controls or the adoption of other governmental restrictions might adversely affect an investment in foreign securities or obligations. Additionally, foreign banks and foreign branches of domestic banks are subject to less stringent reserve requirements and to different accounting, auditing and recordkeeping requirements. For a discussion of risks and instruments related to foreign currency, see the section entitled "Foreign Currency" in this SAI.

Investment in foreign securities and obligations may involve higher costs than investment in U.S. securities and obligations. Investors should understand that the expense ratios of the International Equity Index Fund, International Equity Fund and Emerging Markets Equity Fund generally can be expected to be higher than those of Funds investing primarily in domestic securities. The costs attributable to investing abroad are usually higher for several reasons, such as the higher cost of investment research, higher costs of custody of foreign securities, higher commissions paid on comparable transactions in foreign markets, costs arising from delays in settlements of transactions and the imposition of withholding taxes by foreign governments on dividends and interest payable on a Fund's foreign portfolio securities. To the extent those taxes are not offset by credits or deductions allowed to investors under the federal income tax law (such as a Fund's pass-through to its shareholders of foreign taxes it pays — see "Taxation — General" in this SAI), they may reduce the net return to the shareholders.

The Bond Funds, Strategic Alternatives Fund, Defensive Market Strategies Fund, International Equity Fund and Emerging Markets Equity Fund may invest in foreign debt, including the securities of foreign governments and foreign corporations. Several risks exist concerning such investments, including the risk that foreign issuers may default on their obligations, may not respect the integrity of such debt, may attempt to renegotiate the debt at a lower rate and may not honor investments by U.S. entities or citizens.

To the extent consistent with their investment objectives, these Funds may also invest in obligations of the International Bank for Reconstruction and Development (also known as the World Bank), which are supported by subscribed, but unpaid, commitments of its member countries. There is no assurance that these commitments will be undertaken or complied with in the future.

In addition, the Bond Funds, Strategic Alternatives Fund, Defensive Market Strategies Fund, Global Real Estate Securities Fund, International Equity Fund and Emerging Markets Equity Fund may invest their assets in countries with emerging economies or securities markets. These countries are primarily located in the Asia-Pacific region, Eastern Europe, Latin and South America and Africa. Political and economic structures in many of these countries may be undergoing significant evolution and rapid development, and these countries may lack the social, political and economic stability characteristics of more developed countries. Some of these countries may have in the past failed to recognize private property rights and may have at times nationalized or expropriated the assets of private companies. In general, the securities markets of these countries are less liquid, subject to greater price volatility, have smaller market capitalizations and have problems with securities registration and custody. As a result, the risks presented by investments in these countries are heightened. Additionally, settlement procedures in emerging countries are frequently less developed and less reliable than those in the United States and may involve a Fund's delivery of securities before receipt of payment for their sale. Settlement or registration problems may make it more difficult for a Fund to value its portfolio securities. They also could cause the Fund to miss attractive investment opportunities, to have a portion of its assets uninvested, to incur losses due to the failure of a counterparty to pay for securities the Fund has delivered, or to incur losses due to the Fund's inability to complete a contractual obligation to deliver securities. In addition, frontier countries generally have smaller economies and/or less developed capital markets than traditional emerging markets, and may be more politically instable, and as a result, the risks of investing in emerging market countries are magnified in frontier countries.

More specific disclosure related to investments in certain countries or geographic regions is provided below:

Asia-Pacific Countries. In addition to the risks associated with foreign and emerging markets, the developing market Asia-Pacific countries in which a Fund may invest are subject to certain additional or specific risks. A Fund may make substantial investments in Asia-Pacific countries. In the Asia-Pacific markets, there is a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of investors and financial intermediaries. Many of these markets also may be affected by developments with respect to more established markets in the region, such as Japan and Hong Kong. Brokers in developing market Asia-Pacific countries typically are fewer in number and less well-capitalized than brokers in the United States. These factors, combined with the U.S. regulatory requirements for open-end investment companies and the restrictions on foreign investment, result in potentially fewer investment opportunities for a Fund and may have an adverse impact on the Fund's investment performance.

Many of the developing market Asia-Pacific countries may be subject to a greater degree of economic, political and social instability than is the case in the United States and Western European countries. Such instability may result from, among other things: (i) authoritarian governments or military involvement in political and economic decision-making, including changes in government through extra-constitutional means; (ii) popular unrest associated with demands for improved political, economic and social conditions; (iii) internal insurgencies; (iv) hostile relations with neighboring countries; and/or (v) ethnic, religious and racial disaffection. In addition, the governments of many of such countries, such as Indonesia, have a heavy role in regulating and supervising the economy.

An additional risk common to most such countries is that the economy is heavily export-oriented and, accordingly, is dependent upon international trade, which could be negatively impacted during a synchronized slowdown in global economic activity. The existence of overburdened infrastructure and obsolete financial systems also present risks in certain countries, as do environmental problems. Certain economies also depend to a significant degree upon exports of primary commodities and, therefore, are vulnerable to changes in commodity prices that, in turn, may be affected by a variety of factors. The legal systems in certain developing market Asia-Pacific countries also may have an adverse impact on a Fund. For example, while the potential liability of a shareholder in a U.S. corporation with respect to acts of the corporation is generally limited to the amount of the shareholder's investment, the notion of limited liability is less clear in certain emerging market Asia-Pacific countries. Similarly, the rights of investors in developing market Asia-Pacific companies may be more limited than those of shareholders of U.S. corporations. It may be difficult or impossible to obtain and/or enforce a judgment in a developing market Asia-Pacific country.

Governments of many developing market Asia-Pacific countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In certain cases, the government owns or controls many companies, including the largest in the country. Accordingly, government actions in the future could have a significant effect on economic conditions in developing market Asia-Pacific countries, which could affect private sector companies, as well as the value of securities in the Fund's portfolio. In addition, economic statistics of developing market Asia-Pacific countries may be less reliable than economic statistics of more developed nations.

It is possible that developing market Asia-Pacific issuers may not be subject to the same accounting, auditing and financial reporting standards as U.S. companies. Inflation accounting rules in some developing market Asia-Pacific countries require companies that keep accounting records in the local currency, for both tax and accounting purposes, to restate certain assets and liabilities on the company's balance sheet in order to express items in terms of currency of constant purchasing power. Inflation accounting may indirectly generate losses or profits for certain developing market Asia-Pacific companies. In addition, satisfactory custodial services for investment securities may not be available in some developing Asia-Pacific countries, which may result in a Fund incurring additional costs and delays in providing transportation and custody services for such securities outside such countries.

Certain developing Asia-Pacific countries are especially large debtors to commercial banks and foreign governments. Fund management may determine that, notwithstanding otherwise favorable investment criteria, it may not be practicable or appropriate to invest in a particular developing Asia-Pacific country. A Fund may invest in countries in which foreign investors, including management of the Fund, have had no or limited prior experience.

Brazil. Investing in Brazil involves certain considerations not typically associated with investing in the United States. Additional considerations include: (i) investment and repatriation controls, which could affect a Fund's ability to operate, and to qualify for the favorable tax treatment afforded to regulated investment companies for U.S. federal income tax purposes; (ii) fluctuations in the rate of exchange between the Brazilian real and the U.S. dollar; (iii) the generally greater price volatility and lesser liquidity that characterize Brazilian securities markets, as compared with U.S. markets; (iv) the effect that balance of trade could have on Brazilian economic stability and the Brazilian government's economic policy; (v) potentially high rates of inflation, a rising unemployment rate and a high level of debt, each of which may hinder economic growth; (vi) governmental involvement in and influence on the private sector; (vii) Brazilian accounting, auditing and financial standards and requirements, which differ from those in the United States; (viii) political and other considerations, including changes in applicable Brazilian tax laws; and (ix) restrictions on investments by foreigners. In addition, commodities, such as oil, gas and minerals, represent a significant percentage of Brazil's exports and, therefore, its economy is particularly sensitive to fluctuations in commodity prices. Additionally, an investment in Brazil is subject to certain risks stemming from political and economic corruption. For example, the Brazilian Federal Police conducted a criminal investigation into corruption allegations, known as Operation Car Wash, which led to charges against high level politicians and corporate executives and resulted in substantial fines for some of Brazil's largest companies. This has had a widespread political and economic impact and may continue to affect negatively the country and the reputation of Brazilian companies connected with the investigation, and therefore, the trading price of securities issued by those companies.

China. Investing in China involves special considerations not typically associated with investing in countries with more democratic governments or more established economies or currency markets. These risks include: (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater governmental involvement in and control over the economy, interest rates and currency exchange rates; (iii) controls on foreign investment and limitations on repatriation of invested capital; (iv) greater social, economic and political uncertainty (including the risk of war); (v) dependency on exports and the corresponding importance of international trade; (vi) currency exchange rate fluctuations; and (vii) the risk that certain companies in which a Fund may invest may have dealings with countries subject to sanctions or embargoes imposed by the U.S. government or identified as state sponsors of terrorism. The government of China maintains strict currency controls in support of economic, trade and political objectives and regularly intervenes in the currency market. The government's actions in this respect may not be transparent or predictable. As a result, the value of the Yuan, and the value of securities designed to provide exposure to the Yuan, can change quickly and arbitrarily. Furthermore, it is difficult for foreign investors to directly access money market securities in China because of investment and trading restrictions. While the economy of China has enjoyed substantial economic growth in recent years, there can be no guarantee this growth will continue. These and other factors may decrease the value and liquidity of a Fund's investments. Recently, the United States and China have announced that each country would impose certain tariffs on exports from the other country. Though the impact and duration of such tariffs is uncertain the imposition of tariffs by either country may negatively affect each country's economy and the U.S. and foreign markets and may negatively affect a Fund's investment.

China A-shares are equity securities of companies based in mainland China that trade on Chinese stock exchanges such as the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE") ("A-shares"). Foreign investment in A-shares on the SSE and SZSE is historically not permitted other than through a license granted under regulations in the People's Republic of China ("PRC") known as the Qualified Foreign Institutional Investor ("QFII") and Renminbi Qualified Foreign Institutional Investor ("RQFII") systems. Each license permits investment in A-shares only up to a specified quota.

Because restrictions continue to exist and capital therefore cannot flow freely into and out of the A-Share market, it is possible that in the event of a market disruption, the liquidity of the A-Share market and trading prices of A-Shares could be more severely affected than the liquidity and trading prices of markets where securities are freely tradable and capital therefore flows more freely. A Fund cannot predict the nature or duration of such a market disruption or the impact that it may have on the A-Share market and the short-term and long-term prospects of its investments in the A-Share market. In the event that a Fund invests in A-Shares directly, a Fund may incur significant losses, or may not be able fully to implement or pursue its investment objectives or strategies, due to investment restrictions on RQFIIs and QFIIs, illiquidity of the Chinese securities markets or delay or disruption in execution or settlement of trades. A-Shares may become subject to frequent and widespread trading halts.

The Chinese government has in the past taken actions that benefitted holders of A-Shares. As A-Shares become more available to foreign investors, such as a Fund, the Chinese government may be less likely to take action that would benefit holders of A-Shares. In addition, there is no guarantee that an A-Shares quota will be sufficient for a Fund's intended scope of investment.

The regulations which apply to investments by RQFIIs and QFIIs, including the repatriation of capital, are relatively new. The application and interpretation of such regulations are therefore relatively untested. In addition, there is little precedent or certainty evidencing how such discretion may be exercised now or in the future, and even if there were precedent, it may provide little guidance as PRC authorities would likely continue to have broad discretion.

Investment in eligible A-shares listed and traded on the SSE is now permitted through the Stock Connect program. Stock Connect is a securities trading and clearing program established by Hong Kong Securities Clearing Company Limited, the SSE and Chinese Securities Depositary and Clearing Corporation that aims to provide mutual stock market access between China and Hong Kong by permitting investors to trade and settle shares on each market through their local exchanges. Certain Funds may invest in other investment companies that invest in A-shares through Stock Connect or on such other stock exchanges in China which participate in Stock Connect from time to time. Under Stock Connect, a Fund's trading of eligible A-shares listed on the SSE would be effectuated through its Hong Kong broker.

Although no individual investment quotas or licensing requirements apply to investors in Stock Connect, trading through Stock Connect's Northbound Trading Link is subject to aggregate and daily investment quota limitations that require that buy orders for A-shares be rejected once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded (although a Fund will be permitted to sell A-shares regardless of the quota balance). These limitations may restrict a Fund from investing in A-shares on a timely basis, which could affect a Fund's ability to effectively pursue its investment strategy. Investment quotas are also subject to change. Investment in eligible A-shares through Stock Connect is subject to trading, clearance and settlement procedures that could pose risks to a Fund. A-shares purchased through Stock Connect generally may not be sold or otherwise transferred other than through Stock Connect in accordance with applicable rules. In addition, Stock Connect will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, an investment in A-shares through Stock Connect may subject a Fund to a risk of price fluctuations on days where the Chinese market is open, but Stock Connect is not trading.

Developing and Emerging Markets. Emerging and developing markets abroad may offer special opportunities for investing, but may have greater risks than more developed foreign markets, such as those in Europe, Canada, Australia, New Zealand and Japan. There may be even less liquidity in their securities markets, and settlements of purchases and sales of securities may be subject to additional delays. They are subject to greater risks of limitations on the repatriation of income and profits because of currency restrictions imposed by local governments. Those countries may also be subject to the risk of greater political and economic instability, which can greatly affect the volatility of prices of securities in those countries.

Investing in emerging markets securities imposes risks different from, or greater than, risks of investing in foreign developed countries. These risks include: smaller market capitalization of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales; future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization or creation of government monopolies. The currencies of emerging markets countries may experience significant declines against the U.S. dollar. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries. Additional risks of emerging markets securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organized and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition, emerging securities markets may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions.

Europe. Investing in European countries may impose economic and political risks associated with Europe in general and the specific European countries in which it invests. The economies and markets of European countries are often closely connected and interdependent, and events in one European country can have an adverse impact on other European countries. European Union ("EU") member countries are required to comply with restrictions on inflation rates, deficits, interest rates, debt levels and fiscal and monetary controls, each of which may significantly affect every country in Europe. Decreasing imports or exports, changes in governmental or EU regulations on trade, changes in the exchange rate of the euro (the common currency of certain EU countries), the default or threat of default by an EU member country on its sovereign debt, and/or an economic recession in an EU member country may have a significant adverse effect on the economies of EU member countries and their trading partners, including some or all of the emerging markets materials sector countries. Although certain European countries do not use the euro, many of these countries are obliged to meet the criteria for joining the euro zone. Consequently, these countries must comply with many of the restrictions noted above. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns, rising government debt levels and the possible default of government debt in several European countries, including Greece, Ireland, Italy, Portugal and Spain. In order to prevent further economic deterioration, certain countries, without prior warning, can institute "capital controls." Countries may use these controls to restrict volatile movements of capital entering and exiting their country. Such controls may negatively affect a Fund's investments. A default or debt restructuring by any European country would adversely impact holders of that country's debt and sellers of credit default swaps linked to that country's creditworthiness, which may be located in countries other than those listed above. In addition, Italy's credit rating was recently downgraded, which may result in deteriorating investor confidence in other European economies. These events have adversely affected the value and exchange rate of the euro and may continue to significantly affect the economies of every country in Europe, including countries that do not use the euro and non-EU member countries. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the EU. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching and could adversely impact the value of investments in the region.

The announcement of the Referendum of the United Kingdom's (the "UK") Membership of the EU (referred to as "Brexit"), advising for the exit of the UK from the EU, has caused business disruptions and uncertainty and thus adversely impact the financial results and operations of various European companies and economies. It was expected that the UK would exit the EU within two years of the UK's formal notification under Article 50 of the Treaty of Lisbon to the European Council of its intention to withdraw, which was formally made by Prime Minister Theresa May on March 29, 2017. Brexit negotiations are currently ongoing, but there is still considerable uncertainty regarding the transition period as well as the potential consequences of Brexit to the UK economy. The effects of Brexit will depend on any agreements the UK makes to retain access to the EU Common Market either during a transitional period or more permanently. Brexit could lead to legal and tax uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws to replace or replicate. Additionally, Brexit could lead to global economic uncertainty and result in significant volatility in the global stock markets and currency exchange rate fluctuations.

On November 25, 2018, EU leaders approved the terms of the UK's withdrawal from the EU. The withdrawal agreement is currently under consideration by the UK's Parliament, but the possibility of its ultimate implementation remains uncertain. The UK has not yet ratified the withdrawal agreement, and the UK's withdrawal from the EU has been delayed. In the event that the UK withdraws without ratifying an agreement with the EU, the relationship between the UK and EU would be based on the World Trade Organization rules. It is not presently possible to determine the extent of the impact this arrangement would have on the Fund's investments in the UK, and this continued uncertainty with respect to the withdrawal negotiations could negatively impact the Fund's investments.

Japan. Japanese investments may be significantly affected by events influencing Japan's economy and changes in the exchange rate between the Japanese yen and the U.S. Dollar. Japan's economy fell into a long recession in the 1990s. After a few years of mild recovery in the mid-2000s, Japan's economy fell into another recession as a result of the recent global economic crisis. Japan is heavily dependent on exports and foreign oil. Furthermore, Japan is located in a seismically active area, and in 2011 experienced an earthquake of a sizeable magnitude and a tsunami that significantly affected important elements of its infrastructure and resulted in a nuclear crisis. Since these events, Japan's financial markets have fluctuated dramatically. The full extent of the impact of these events on Japan's economy and on foreign investment in Japan is difficult to estimate. Japan's economic prospects may be affected by the political and military situations of its near neighbors, notably North and South Korea, China, and Russia.

Russia. Investing in Russia involves risks and special considerations not typically associated with investing in United States. Since the breakup of the Soviet Union at the end of 1991, Russia has experienced dramatic political and social change. The political system in Russia is emerging from a long history of extensive state involvement in economic affairs. The country is undergoing a rapid transition from a centrally-controlled command system to a market-oriented, democratic model. As a result, relative to companies operating in Western economies, companies in Russia are characterized by a lack of: (i) management with experience of operating in a market economy; (ii) modern technology; and, (iii) a sufficient capital base with which to develop and expand their operations. It is unclear what will be the future effect on Russian companies, if any, of Russia's continued attempts to move toward a more market-oriented economy. Russia's economy has experienced severe economic recession, if not depression, since 1990 during which time the economy has been characterized by high rates of inflation, high rates of unemployment, declining gross domestic product, deficit government spending and a devalued currency. The economic reform program has involved major disruptions and dislocations in various sectors of the economy, and those problems have been exacerbated by growing liquidity problems. Russia's economy is also heavily reliant on the energy and defense-related sectors, and is therefore susceptible to the risks associated with these industries. Further, Russia presently receives significant financial assistance from a number of countries through various programs. To the extent these programs are reduced or eliminated in the future, Russian economic development may be adversely impacted. The laws and regulations in Russia affecting Western investment business continue to evolve in an unpredictable manner. Russian laws and regulations, particularly those involving taxation, foreign investment and trade, title to property or securities, and transfer of title, which may be applicable to a Fund's activities are relatively new and can change quickly and unpredictably in a manner far more volatile than in the United States or other developed market economies. Although basic commercial laws are in place, they are often unclear or contradictory and subject to varying interpretation, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interest of a Fund.

As a result of recent events involving Ukraine and Russia and other developments involving Russia, the United States and the EU have imposed sanctions on certain Russian individuals and companies, including certain financial institutions, have limited certain exports and imports to and from Russia and have imposed diplomatic punishments, such as the expulsion of Russian diplomats. The United States and other nations or international organizations may impose additional, broader economic sanctions or take other actions that may adversely affect Russian-related issuers in the future. These sanctions, any future sanctions or other actions, or even the threat of further sanctions or other actions, may negatively affect the value and liquidity of a Fund's investments. Russia may undertake countermeasures or retaliatory actions which may further impair the value and liquidity of a Fund's investments.

Taiwan. Investment in Taiwanese issuers may subject a Fund to loss in the event of adverse political, economic, regulatory and other developments that affect Taiwan, including fluctuations of the New Taiwan dollar versus the U.S. dollar. Taiwan has few natural resources; therefore, any fluctuation or shortage in the commodity markets could have a negative impact on the Taiwanese economy. Appreciation of the New Taiwan dollar, rising labor costs and increasing environmental consciousness have led some labor-intensive industries to relocate to other countries with cheaper work forces. Continued labor outsourcing may adversely affect the Taiwanese economy. Taiwanese firms are among the world's largest suppliers of computer monitors and leaders in personal computer manufacturing. A slowdown in global demand for these products will likely have an adverse impact on the Taiwanese economy. The Chinese government views Taiwan as a renegade province and continues to contest Taiwan's sovereignty. The outbreak of hostilities between the two nations, or even the threat of an outbreak of hostiles, will likely adversely impact the Taiwanese economy. Such risks, among others, may adversely affect the value of a Fund's investments.

Forward Commitments, When-Issued Securities and Delayed-Delivery Transactions. To the extent consistent with their respective investment objectives, each Select Fund may purchase securities on a when-issued basis or purchase or sell securities on a forward commitment (sometimes called delayed delivery) basis. These transactions involve a commitment by a Fund to purchase or sell securities at a future date. The price of the underlying securities (usually expressed in terms of yield) and the date when the securities will be delivered and paid for (the settlement date) are fixed at the time the transaction is negotiated. When-issued purchases and forward commitment transactions are normally negotiated directly with the other party.

When a Fund purchases securities on a when-issued basis or purchases or sells securities on a forward commitment basis, the Fund may complete the transaction and actually purchase or sell the securities. However, if deemed advisable as a matter of investment strategy, a Fund may dispose of or negotiate a commitment after entering into it. A Fund may also sell securities it has committed to purchase before those securities are delivered to the Fund on the settlement date.

When a Fund purchases securities on a when-issued, delayed-delivery or forward commitment basis, it will segregate liquid assets having a value determined daily at least equal to the amount of its purchase commitments until three days prior to the settlement date, or it will otherwise cover its position. In the case of a forward commitment to sell securities, a Fund will segregate with its custodian actual securities or liquid assets that are unencumbered and daily marked-to-market, while the commitment is outstanding. These procedures are designed to ensure that a Fund will maintain sufficient assets at all times to cover its obligations under when-issued purchases, forward commitments and delayed-delivery transactions.

Futures and Options

Futures and Options — Generally. The Bond Funds, Equity Funds and Strategic Alternatives Fund may purchase or sell (1) put and call options on securities, indexes and other financial instruments and (2) futures contracts and options thereon. The Funds may enter into such futures transactions on domestic exchanges. The Funds may enter into such futures transactions on domestic exchanges and generally may do so on foreign exchanges as well. However, certain products listed on foreign exchanges require special regulatory approval before being offered or sold to persons located in the United States. Futures (and options thereon) on broad-based stock indexes must be approved by the Commodity Futures Trading Commission ("CFTC"). Security futures (futures on single securities or narrow-based indexes) may only be offered and sold in accordance with guidance issued by the CFTC and SEC. Debt obligations of a foreign government must be designated as an exempted security by the SEC under SEC Rule 3a12-8 before a futures contract or option thereon can be offered or sold in the United States. In addition, the Equity Funds may invest and reinvest in long or short positions in any of the instruments contemplated in this section. The Bond Funds may purchase or sell (1) put and call options on fixed-income securities and (2) futures contracts and options thereon. In addition, the Bond Funds may invest in long or short positions in any of the instruments contemplated in this section. The Target Date Funds and the Asset Allocation Funds may from time to time invest up to 10% of their assets directly in U.S. Treasury securities, exchange-listed equity futures contracts and exchange-listed U.S. Treasury futures contracts in order to gain exposure to the U.S. equity and fixed-income markets on cash balances. The Equity Funds may sell short exchange-listed equity futures contracts to reduce market exposure. The Target Date Funds, Asset Allocation Funds and Bond Funds may sell short exchange-listed U.S. Treasury future contracts to reduce market exposure.

Futures and Options — Futures Contracts Generally. A futures contract may generally be described as an agreement between two parties to buy and sell a specified quantity of a particular instrument, such as a security, currency or index, during a specified future period at a specified price. When interest rates are rising or securities prices are falling, a Fund can seek, through the sale of futures contracts, to offset a decline in the value of its current portfolio securities. When rates are falling or prices are rising, a Fund, through the purchase of futures contracts, can attempt to secure better rates or prices than might later be available in the market when they affect anticipated purchases.

Although futures contracts by their terms generally call for the actual delivery or acquisition of the underlying instrument or the cash value of the instrument, in most cases, the contractual obligation is fulfilled before the date of the contract without having to make or take such delivery. The contractual obligation is offset by buying or selling, as the case may be, on a commodities exchange an identical futures contract calling for delivery in the same period. Such a transaction, which is executed through a member of an exchange, cancels the obligation to make or take delivery of the instrument or the cash value of the instrument underlying the contractual obligations. Such offsetting transactions may result in a profit or loss, and a Fund may incur brokerage fees when it purchases or sells futures contracts. While each Fund's futures contracts will usually be liquidated in this manner, a Fund may instead make or take delivery of the underlying instrument whenever it appears economically advantageous for it to do so.

The use of options and futures is subject to applicable regulations of the SEC and CFTC and the several exchanges upon which they are traded. In addition, a Fund's ability to use options and futures may be limited by tax considerations. For more information, see the section entitled "Taxation" in this SAI. Pursuant to a claim for exemption filed with the National Futures Association on behalf of each Fund, the Adviser is not deemed to be a commodity pool operator, nor each Fund a commodity pool, under the Commodity Exchange Act (the "CEA") Rule 4.5 and neither the Funds nor the Adviser is subject to registration as such under the CEA.

Under Rule 4.5, if a Fund uses commodity interests (such as futures contracts, options on futures contracts and swaps) other than for bona fide hedging purposes (as defined by the CFTC) the aggregate initial margin and premiums required to establish these positions (after taking into account unrealized profits and unrealized losses on any such positions and excluding the amount by which options that are "in-the-money" at the time of purchase) may not exceed 5% of a fund's NAV, or alternatively, the aggregate net notional value of those positions, as determined at the time the most recent position was established, may not exceed 100% of the fund's NAV (after taking into account unrealized profits and unrealized losses on any such positions). In addition, to qualify for an exclusion, a Fund must satisfy a marketing test, which requires, among other things, that a Fund not hold itself out as a vehicle for trading commodity interests. Each Fund is subject to the risk that a change in U.S. law and related regulations will impact the way a Fund operates, increase the particular costs of a Fund's operation and/or change the competitive landscape. In this regard, any further amendments to the CEA or its related regulations that subject a Fund to additional regulation may have adverse impacts on a Fund's operations and expenses.

Futures and Options — Options Generally. Options may relate to particular securities, foreign and domestic securities indexes, financial instruments, foreign currencies or the yield differential between two securities.

Such options may or may not be listed on a domestic or foreign securities exchange and may or may not be issued by the Options Clearing Corporation ("OCC"). A call option for a particular security gives the purchaser of the option the right to buy, and a writer the obligation to sell, the underlying security at the stated exercise price before the expiration of the option, regardless of the market price of the security. A premium is paid to the writer by the purchaser in consideration for undertaking the obligation under the option contract. A put option for a particular security gives the purchaser the right to sell and a writer the obligation to buy the security at the stated exercise price before the expiration date of the option, regardless of the market price of the security.

In addition, some swaps are, and more in the future will be, centrally cleared. Swaps that are centrally cleared are subject to the creditworthiness of the clearing organizations involved in the transaction. For example, a swap investment by a Fund could lose margin payments deposited with the clearing organization, as well as the net amount of gains not yet paid by the clearing organization, if the clearing organization breaches the swap agreement with the Fund or becomes insolvent or goes into bankruptcy. In the event of bankruptcy of the clearing organization, the Fund may be entitled to the net amount of gains the Fund is entitled to receive, plus the return of margin owed to it, only in proportion to the amount received by the clearing organization's other customers, potentially resulting in losses to the Fund.

Options trading is a highly specialized activity that entails greater than ordinary investment risk. Options may be more volatile than the underlying instruments and, therefore, on a percentage basis, an investment in options may be subject to greater fluctuation than an investment in the underlying instruments themselves.

A Fund's obligation to sell an instrument subject to a covered call option written by it, or to purchase an instrument subject to a secured put option written by it, may be terminated before the expiration of the option by the Fund's execution of a closing purchase transaction. This means that a Fund buys on an exchange an option of the same series (*i.e.*, same underlying instrument, exercise price and expiration date) as the option previously written. Such a purchase does not result in the ownership of an option. A closing purchase transaction will ordinarily be effected to realize a profit on an outstanding option, to prevent an underlying instrument from being called, to permit the sale of the underlying instrument or to permit the writing of a new option containing different terms on such underlying instrument. The cost of such a closing purchase plus related transaction costs may be greater than the premium received upon the original option, in which event the Fund will experience a loss. There is no assurance that a liquid secondary market will exist for any particular option. A Fund that has written an option and is unable to effect a closing purchase transaction will not be able to sell the underlying instrument (in the case of a covered call option) or liquidate the segregated assets (in the case of a secured put option) until the option expires or the optioned instrument is delivered upon exercise. The Fund will be subject to the risk of market decline or appreciation in the instrument during such period.

Options purchased are recorded as an asset and written options are recorded as liabilities to the extent of premiums paid or received. The amount of this asset or liability will be subsequently marked-to-market to reflect the current value of the option purchased or written. The current value of the traded option is the last sale price or, in the absence of a sale, the current bid price. If an option purchased by a Fund expires unexercised, the Fund will realize a loss equal to the premium paid. If a Fund enters into a closing sale transaction on an option purchased by it, the Fund will realize a gain if the premium received by the Fund on the closing transaction is more than the premium paid to purchase the option, or a loss if it is less. If an option written by a Fund expires on the stipulated expiration date or if a Fund enters into a closing purchase transaction, it will realize a gain (or loss if the cost of a closing purchase transaction exceeds the net premium received when the option is sold), and the liability related to such option will be eliminated. If an option written by a Fund is exercised, the proceeds of the sale will be increased by the net premium originally received and the Fund will realize a gain or loss.

There are several other risks associated with options. For example, there are significant differences among the securities, currency and options markets that could result in an imperfect correlation among these markets, causing a given transaction not to achieve its objectives. In addition, a liquid secondary market for particular options, whether traded over-the-counter or on an exchange, may be absent for reasons that include the following: there may be insufficient trading interest in certain options; restrictions may be imposed by an exchange on opening transactions or closing transactions or both; trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options or underlying securities or currencies; unusual or unforeseen circumstances may interrupt normal operations on an exchange; the facilities of an exchange or the OCC may not at all times be adequate to handle current trading value; or one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options), in which event the secondary market on that exchange (or in that class or series of options) would cease to exist, although outstanding options that had been issued by the OCC as a result of trades on that exchange would continue to be exercisable in accordance with their terms.

Futures and Options — Financial Futures Contracts. Financial futures contracts are simply futures contracts that obligate the holder to buy or sell a financial instrument, such as a U.S. Treasury security, an equity security or foreign currency, during a specified future period at a specified price. A sale of a financial futures contract means the acquisition of an obligation to sell the financial instrument called for by the contract at a specified price on a specified date. A purchase of a financial futures contract means the acquisition of an obligation to buy the financial instrument called for by the contract at a specified price on a specified date.

Futures and Options — Bond Index Futures and Options Thereon. The Bond Funds, Target Date Funds and Asset Allocation Funds may buy and sell futures contracts based on an index of debt securities and options on such futures contracts to the extent they currently exist and, in the future, may be developed. The Funds reserve the right to conduct futures and options transactions based on an index that may be developed in the future to correlate with price movements in certain categories of debt securities. The Funds' investment strategy in employing futures contracts based on an index of debt securities may be similar to that used by them in other financial futures transactions. The Funds may also buy and write put and call options on such index futures and enter into closing transactions with respect to such options.

Futures and Options — Interest Rate Futures and Options. Interest rate futures contracts are a type of financial futures contracts that call for the future delivery of U.S. government securities or index-based futures contracts. The value of these instruments changes in response to changes in the value of the underlying security or index, which depends primarily on prevailing interest rates.

A Fund may, for example, enter into interest rate futures contracts in order to protect its portfolio securities from fluctuations in interest rates without necessarily buying or selling the underlying fixed-income securities. For example, if a Fund owns bonds and interest rates are expected to increase, it might sell futures contracts on debt securities having characteristics similar to those held in the portfolio. Such a sale would have much the same effect as selling an equivalent value of the bonds owned by the Fund. If interest rates did increase, the value of the debt securities in the portfolio would decline, but the value of the futures contract to the Fund would increase at approximately the same rate, thereby keeping the NAV of the Fund from declining as much as it otherwise would have.

Futures and Options — Stock Index Futures Contracts. A stock index futures contract is a type of financial futures contract that obligates the seller to deliver (and the purchaser to buy) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement was made. Open futures contracts are valued on a daily basis, and a Fund may be obligated to provide or receive cash reflecting any decline or increase in the contract's value. No physical delivery of the underlying stocks in the index is made in the future.

For example, a Target Date Fund, Asset Allocation Fund, Equity Fund or the Strategic Alternatives Fund may sell stock index futures contracts in anticipation of or during a market decline to attempt to offset the decrease in market value of its equity securities that might otherwise result. When a Fund is not fully invested in stocks and it anticipates a significant market advance, it may buy stock index futures in order to gain rapid market exposure that may in part or entirely offset increases in the cost of stocks that it intends to buy.

Futures and Options — Options on Indexes and Yield Curve Options. Options on indexes and yield curve options provide the holder with the right to make or receive a cash settlement upon exercise of the option. With respect to options on indexes, the amount of the settlement will equal the difference between the closing price of the index at the time of exercise and the exercise price of the option expressed in dollars, times a specified multiple. With respect to yield curve options, the amount of the settlement will equal the difference between the yields of designated securities. Yield curve options are traded over-the-counter, and because they have been only recently introduced, established trading markets for these securities have not yet developed.

Futures and Options — Options on Futures Contracts. The acquisition of put and call options on futures contracts will give a Fund the right, but not the obligation, to sell or to purchase, respectively, the underlying futures contract for a specified price at any time during the option period. As the purchaser of an option on a futures contract, a Fund obtains the benefit of the futures position if prices move in a favorable direction but limits its risk of loss in the event of an unfavorable price movement to the loss of the premium and transaction costs.

Futures and Options — Options on Stock Index Futures. The Target Date Funds, Asset Allocation Funds, Equity Funds and Strategic Alternatives Fund may buy and sell call and put options on stock index futures. Call and put options on stock index futures are similar to options on securities except that, rather than the right to buy stock at a specified price, options on stock index futures give the holder the right to receive cash. Upon exercise of the option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's futures margin account, which represents the amount by which the market price of the futures contract, at exercise, exceeds, in the case of a call, or is less than, in the case of a put, the exercise price of the option on the futures contract. If an option is exercised on the last trading day prior to the expiration date of the option, the settlement will be made entirely in cash equal to the difference between the exercise price of the option and the closing price of the futures contract on the expiration date.

Futures and Options — Cover Requirements. The Funds will comply with SEC guidelines for covering future commitments that result from certain investment strategies such as futures contracts and options thereon, put and call options and forward currency exchange contracts. SEC guidelines generally require that when entering into such transactions a Fund either (1) set aside cash or liquid, unencumbered, daily marked-to-market securities in one or more segregated accounts with the custodian in the prescribed amount or (2) hold securities or other options or futures contracts whose values are expected to offset ("cover") their obligations thereunder. A Fund cannot sell or close out securities, currencies or other options or futures contracts used for cover while these strategies are outstanding, unless the Fund replaces them with similar assets. As a result, if a Fund sets aside a large percentage of its assets to cover such obligations, it runs the risk that portfolio management will be impeded or that it will not be able to meet redemption requests or other current obligations. If the market or fair value of the assets used for cover declines, a Fund will segregate daily additional liquid assets so that the value of the segregated assets will equal the amount of such commitments by the Fund.

A Fund may cover a forward currency exchange contract to sell a currency by owning the currency or securities denominated in the currency, or holding another forward currency exchange contract or call option permitting the Fund to buy the same currency at a price that is (1) no higher than the Fund's price to sell the currency or (2) greater than the Fund's price to sell the currency provided the Fund segregates liquid assets in the amount of the difference. A Fund may cover a forward currency exchange contract to buy a foreign currency by holding another forward currency exchange contract or put option permitting the Fund to sell the same currency at a price that is (1) as high as or higher than the Fund's price to buy the currency or (2) lower than the Fund's price to buy the currency provided the Fund segregates liquid assets in the amount of the difference.

To the extent a Fund enters into a futures contract, it will deposit in a segregated account with the futures commission merchant, cash or U.S. Treasury obligations equal to a specified percentage of the value of the futures contract, as required by the relevant contract market and futures commission merchant. The futures contract will be marked-to-market daily. If the value of the futures contract declines relative to the Fund's position, the Fund will be required to pay to the futures commission merchant an amount equal to such change in value. If the Fund has insufficient cash, it may have to sell portfolio securities at a time when it may be disadvantageous to do so in order to meet such daily variations in margins.

When selling a call option, a Fund will segregate with its custodian and mark-to-market daily liquid assets that, when added to the amounts deposited as margin, equal the total market value of the investment underlying the call option. Alternatively, the Fund may cover its position by entering into a long position in the same investment at a price no higher than the strike price of the call option, by owning the instruments underlying the contract or by holding a separate call option permitting the Fund to purchase the same investment at a price not higher than the strike price of the call option sold by the Fund.

When selling a put option, a Fund will segregate with its custodian and mark-to-market daily liquid assets that equal the purchase price of the investment underlying the put option less any margin on deposit. Alternatively, the Fund may cover the position either by entering into a short position in the same option or by owning a separate put option permitting it to sell the same investment so long as the strike price of the purchased put option is the same or higher than the strike price of the put option sold by the Fund.

With respect to yield curve options, a call or put option is covered if a Fund holds another call or put, respectively, on the spread between the same two securities and maintains in a segregated account liquid assets sufficient to cover the Fund's net liability under the two options. Therefore, the Fund's liability for such a covered option is generally limited to the difference between the amount of the Fund's liability under the option it wrote less the value of the option it holds. A Fund may also cover yield curve options in such other manner as may be in accordance with the requirements of the counterparty with which the option is traded and applicable laws and regulations.

Futures and Options — Future Developments. The Funds may take advantage of opportunities in the area of options and futures contracts and options on futures contracts and any other derivative investments that are not presently contemplated for use by the Funds or that are not currently available but that may be developed, to the extent such opportunities are both consistent with the Funds' investment goals and legally permissible for the Funds.

High Yield, High Risk Securities. The Extended-Duration Bond Fund may invest up to 20% of its assets in fixed-income securities that are rated below investment grade ("lower rated securities") or that are unrated but deemed equivalent to those rated below investment grade by the Sub-Adviser. The Low-Duration Bond Fund and Medium-Duration Bond Fund may invest up to 15% of their assets in lower rated securities or securities that are unrated but deemed equivalent by a Sub-Adviser. The Global Bond Fund may invest up to 70% of its assets in fixed-income securities that are rated below investment grade or that are unrated but deemed equivalent to those rated below investment grade by a Sub-Adviser. The Strategic Alternatives Fund may invest up to 40% of its assets in fixed-income securities that are lower rated securities or that are unrated but deemed equivalent to those rated below investment grade by the Sub-Adviser. The Defensive Market Strategies Fund may invest up to 50% of its assets in lower rated securities. The lower the ratings of such securities, the greater their risks. Lower rated securities generally offer a higher current yield than that available from higher grade issues and typically involve greater risk.

The yields on lower rated securities will fluctuate over time. In general, prices of all bonds rise when interest rates fall and fall when interest rates rise. While less sensitive to changing interest rates than investment grade securities, lower rated securities are especially subject to adverse changes in general economic conditions and to changes in the financial condition of their issuers. During periods of economic downturn or rising interest rates, issuers of these instruments may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default.

The risk of loss through default is greater because lower rated securities are usually unsecured and are often subordinate to an issuer's other obligations. Additionally, the issuers of these securities frequently have high debt levels and are thus more sensitive to difficult economic conditions, individual corporate developments and rising interest rates. Consequently, the market price of these securities may be quite volatile and may result in wider fluctuations of a Fund's NAV per share.

Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of these securities, especially in a market characterized by only a small amount of trading and with relatively few participants. These factors can also limit a Fund's ability to obtain accurate market quotations for these securities, making it more difficult to determine the Fund's NAV. In cases where market quotations are not available, lower rated securities are valued using guidelines established by the Board of Trustees.

Perceived credit quality in this market can change suddenly and unexpectedly and may not fully reflect the actual risk posed by a particular lower rated or unrated security. Subsequent to its purchase by a Fund, the rating of an issue of debt securities may be reduced, so that the securities would no longer be eligible for purchase by the Low-Duration Bond Fund, Medium Duration-Bond Fund and Extended-Duration Bond Fund. In such a case, the Sub-Adviser will take action that it believes to be advantageous to the Fund, including continuing to hold the downgraded securities. However, the Sub-Adviser will engage in an orderly disposition of the downgraded securities or other securities to the extent necessary to ensure the Funds' holdings of securities that are considered by the Fund to be below investment grade will not exceed 15% of its net assets, as described in the section entitled "Illiquid and Restricted Securities" in this SAI.

Ratings, however, are general and are not absolute standards of quality. There is no guarantee that the ratings provided by ratings agencies will necessarily provide an accurate reflection of the credit quality of the securities they rate. Consequently, obligations with the same rating, maturity and interest rate may have different market prices. For a more complete discussion of ratings, see Appendix A to this SAI.

Illiquid and Restricted Securities. A Fund will invest no more than 15% (5% with respect to the Money Market Fund) of the value of its net assets in illiquid securities. Generally, a security is "illiquid" if it cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. It includes, among other things, repurchase agreements maturing in more than seven days. In addition, investments in illiquid securities by the Money Market Fund are subject to the portfolio liquidity requirements of Rule 2a-7 under the 1940 Act.

Subject to this limitation, the Board of Trustees has authorized each Fund to invest in restricted securities where such investment is consistent with the Fund's investment goals and has authorized such securities to be considered liquid to the extent the Adviser or Sub-Adviser determines that there is a liquid institutional or other market for such securities, such as restricted securities that may be freely transferred among qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended ("1933 Act"), and for which a liquid institutional market has developed. The Board of Trustees will review periodically any determination by the Adviser or Sub-Adviser to treat a restricted security as liquid, including the Adviser's or Sub-Adviser's assessment of current trading activity and the availability of reliable price information.

Restricted securities are securities that may not be sold to the public without registration under the 1933 Act or an exemption from registration. Restricted securities involve certain risks, including the risk that a secondary market may not exist when a holder wants to sell them. In addition, the price and valuation of these securities may reflect a discount because they are perceived as having less liquidity than the same securities that are not restricted. If a Fund suddenly has to sell restricted securities, time constraints or lack of interested, qualified buyers may prevent the Fund from receiving the value at which the securities are carried on its books at the time of the sale. Alternatively, the Adviser or Sub-Adviser may sell unrestricted securities it might have retained if the Fund had only held unrestricted securities.

Inflation-Indexed Securities. The Target Date Funds, Asset Allocation Funds and Bond Funds may invest in inflation-indexed securities issued by the U.S. Treasury and others. Inflation-indexed securities are debt securities the principal value of which is adjusted periodically in accordance with changes in a measure of inflation. Inflation-indexed securities issued by the U.S. Treasury use the Consumer Price Index for Urban Consumers ("CPI-U") published by the U.S. Bureau of Labor Statistics. Inflation-indexed securities issued by a foreign government are generally adjusted to reflect a comparable inflation index, calculated by that government. Two structures for inflation-indexed securities are common: the U.S. Treasury and some other issuers utilize a structure that adjusts the principal value of the security according to the rate of inflation; most other issuers pay out the Consumer Price Index adjustments as part of a semi-annual coupon.

In the first, the interest rate on the inflation-indexed bond is fixed, while the principal value rises or falls semi-annually based on changes in a published measure of inflation. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal. In the second, the inflation adjustment for certain inflation-indexed bonds is reflected in the semiannual coupon payment. As a result, the principal value of these inflation-indexed bonds does not adjust according to the rate of inflation.

In general, the value of inflation-indexed securities increases in periods of general inflation and declines in periods of general deflation. If inflation is lower than expected during the period a Fund holds an inflation-indexed security, the Fund may earn less on it than on a conventional bond. Inflation-indexed securities are expected to react primarily to changes in the "real" interest rate (*i.e.*, the nominal, or stated, rate less the rate of inflation), while a typical bond reacts to changes in the nominal interest rate. Accordingly, inflation-indexed securities have characteristics of fixed-rate U.S. Treasury securities having a shorter duration. Changes in market interest rates from causes other than inflation will likely affect the market prices of inflation-indexed securities in the same manner as conventional bonds.

Any increase in the principal value of an inflation-indexed security is taxable in the taxable year the increase occurs, even though its holders do not receive cash representing the increase until the security matures, and the amount of that increase for a Fund generally must be distributed each taxable year to its shareholders. See the "Taxation" section of this SAI. Thus, each Fund that invests therein could be required, at times, to liquidate other investments in order to satisfy its distribution requirements.

Initial Public Offerings. The Equity Funds and Strategic Alternatives Fund may purchase stock in an initial public offering ("IPO"). By definition, an IPO has not traded publicly until the time of its offering. Special risks associated with IPOs may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history, all of which may contribute to price volatility. IPOs are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of the companies involved in new industries may be regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of such. Foreign IPOs are subject to foreign political and currency risks. Many IPOs are issued by undercapitalized companies of small or microcap size. Investing in IPOs entails other risks, including possible high portfolio turnover and limited liquidity.

Interest Rate Sensitivity. The price of debt securities typically drops as interest rates rise and increases as interest rates drop. Debt securities with a higher average weight dollar duration will typically be more sensitive to interest rate fluctuations than debt securities with a lower average weight dollar duration.

Interest Rate Swaps, Floors and Caps and Currency Swaps. The Bond Funds and the Strategic Alternatives Fund may enter into interest rate swaps and may purchase interest rate floors or caps. A Fund will typically use interest rate swaps to preserve a return on a particular investment or portion of its portfolio or to shorten the effective duration of its portfolio investments. Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. The purchase of an interest rate floor or cap entitles the purchaser to receive payments of interest on a notional principal amount from the seller, to the extent the specified index falls below (floor) or exceeds (cap) a predetermined interest rate. The Equity Funds, Bond Funds and Strategic Alternatives Fund may also enter into currency swaps, which involve the exchange of the rights of a Fund and another party to make or receive payments in specific currencies.

A Fund will only enter into interest rate swaps or interest rate floor or cap transactions on a net basis (*i.e.,* the two payment streams are netted out) with a Fund receiving or paying, as the case may be, only the net amount of the two payments. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Inasmuch as these transactions are entered into for good faith hedging purposes, the Funds and the Adviser believe that such obligations do not constitute senior securities as defined in the 1940 Act and, accordingly, will not treat them as being subject to the Funds' borrowing restrictions.

The net amount of the excess, if any, of the Funds' obligations over their entitlements with respect to each interest rate or currency swap will be accrued on a daily basis, and an amount of liquid assets having an aggregate NAV at least equal to such accrued excess will be segregated by the Funds.

If there is a default by the other party to such transaction, a Fund will have contractual remedies pursuant to the agreements related to the transaction. The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. In addition, some swaps are, and more in the future may be, centrally cleared. As a result, the swap market has become relatively liquid in comparison with markets for other similar instruments which are traded in the Interbank market.

Interfund Borrowing and Lending. The SEC has granted the Trust an exemptive order to allow each Fund to participate in a credit facility whereby each Fund, under certain conditions, would be permitted to lend money directly to and borrow directly from other Funds for temporary purposes. The Trust has not implemented the interfund credit facility. It is anticipated that the credit facility, if implemented, will provide a borrowing Fund with savings at times when the cash position of the Fund is insufficient to meet temporary cash requirements. This situation could arise when shareholder redemptions exceed anticipated volumes and certain Funds have insufficient cash on hand to satisfy such redemptions. However, redemption requests normally are satisfied immediately. The credit facility would provide a source of immediate, short-term liquidity pending settlement of the sale of portfolio securities.

Investment Companies. Each Select Fund may invest in shares of other investment companies, to the extent permitted by the 1940 Act and by exemptive orders granted by the SEC. This includes shares of other open-end, management investment companies (commonly called mutual funds), closed-end funds and exchange-traded funds ("ETFs"). Section 12(d)(1)(A) of the 1940 Act states that a mutual fund may not acquire shares of other investment companies, such as ETFs, in excess of: 3% of the total outstanding voting stock of the investment company; 5% of its total assets invested in the investment company; or more than 10% of the fund's total assets were to be invested in the aggregate in all investment companies. In reliance on an SEC exemptive rule, a Fund may invest an unlimited amount of its uninvested cash and cash collateral received in connection with securities lending in shares of money market funds and unregistered funds that operate in compliance with Rule 2a-7 under the 1940 Act, whether or not advised by the Adviser or an affiliate, under specified conditions. Among other things, the conditions preclude the investing Fund from paying a sales charge, as defined in rule 2830(b) of the Conduct Rules of the Financial Industry Regulatory Authority, Inc. ("FINRA") ("sales charge"), or service fee, as defined in rule 2830(b) of the Conduct Rules of the FINRA, in connection with its purchase or redemption of the money market fund's or unregistered fund's shares, or the Fund's investment adviser must waive a sufficient amount of its advisory fee to offset any such sales charge or service fee. As described in the Prospectus, the Target Date Funds and the Asset Allocation Funds invest primarily in the shares of the Select Funds. The Adviser believes this diversification offers the opportunity to benefit from a variety of investment approaches and strategies employed by experienced investment professionals.

The Funds may also acquire investment company shares received or acquired as dividends, through offers of exchange or as a result of reorganization, consolidation or merger. When investing in securities of other investment companies, a Fund will be indirectly exposed to all the risks of such investment companies' portfolio investments. As a shareholder in an investment company, a Fund would bear its pro rata share of that investment company's expenses, including operating costs and investment advisory and administration fees. Investment in other investment companies may involve the payment of substantial premiums above the value of such issuer's portfolio securities.

In addition, a Fund (other than the Money Market Fund) may invest, subject to certain conditions, cash collateral received in connection with securities lending in shares of a registered fund advised by The Northern Trust Company that invests in securities that satisfy the quality requirements of Rule 2a-7 and have short maturities.

Investment Companies — Exchange-Traded Funds. ETFs are a type of investment company (or similar entity) the shares of which are bought and sold on a securities exchange. An ETF represents a portfolio of securities (or other assets) generally designed to track a particular market index or other referenced asset. ETFs also may be actively managed. Many ETFs have obtained exemptive relief from the SEC to permit other investment companies (such as the Funds) to invest in their shares beyond the statutory limits on investments in other investment companies governed by Section 12(d)(1)(A) of the 1940 Act, subject to certain conditions and pursuant to contractual arrangements between the ETFs and the investing funds. A Fund may rely on these exemptive orders in investing in ETFs. The risks of owning an ETF generally reflect the risks of owning the underlying portfolio securities or other financial instruments it holds, although lack of liquidity in an ETF could result in it being more volatile, and ETFs have fees which increase their costs. In addition, there is the risk that an ETF may fail to closely track the index, if any, that it is designed to replicate. Although the market price of an ETF is related to the ETF's underlying portfolio assets, shares of ETFs (like shares of closed-end investment companies) can trade at a discount or premium to net asset value. In addition, a failure to maintain the exchange listing of an ETF's shares and substantial market or other disturbances could adversely affect the value of such securities. Because ETFs are listed on an exchange, they may be subject to trading halts, may trade at a discount or premium to their NAV and may not be liquid. The purchase of shares of ETFs may result in duplication of expenses, including advisory fees, in addition to a Fund's own expenses.

Large Shareholders. Shares held by large shareholders, including institutional accounts managed by the Adviser's affiliates, as well as shares held by other Funds, may from time to time represent a substantial portion of a Fund's assets. Accordingly, a Fund is subject to the potential for large-scale inflows and outflows as a result of purchases and redemptions of its shares by such large shareholders. While it is impossible to predict the overall effect of these transactions over time, there could be an adverse impact on a Fund's performance. In the event of such redemptions or investments, a Fund could be required to sell securities or to invest cash at a time when it may not otherwise desire to do so. Such transactions may increase a Fund's brokerage and/or other transaction costs and affect the liquidity of a Fund's portfolio. In addition, when funds of funds (*e.g.*, the Target Date Funds or the Asset Allocation Funds) or other investors own a substantial portion of a Fund's shares, a large redemption by such an investor could cause actual expenses to increase, or could result in a Fund's current expenses being allocated over a smaller asset base, leading to an increase in a Fund's expense ratio. Redemptions of Fund shares could also accelerate a Fund's realization of capital gains (which would be taxable to its shareholders when distributed to them) if sales of securities needed to fund the redemptions result in net capital gains. The impact of these transactions is likely to be greater when a fund of funds or other significant investor purchases, redeems or owns a substantial portion of a Fund's shares. A high volume of redemption requests can impact a Fund the same way as the transactions of a single shareholder with substantial investments.

LIBOR Rate Risk. Many debt securities, derivatives and other financial instruments, including some of the Funds' investments, utilize the London Interbank Offered Rate ("LIBOR") as the reference or benchmark rate for variable interest rate calculations. However, the use of LIBOR started to come under pressure following manipulation allegations in 2012. Despite increased regulation and other corrective actions since that time, concerns have arisen regarding its viability as a benchmark, due largely to reduced activity in the financial markets that it measures.

In June 2017, the Alternative Reference Rates Committee, a group of large U.S. banks working with the Federal Reserve, announced its selection of a new Secured Overnight Funding Rate ("SOFR"), which is intended to be a broad measure of secured overnight U.S. Treasury repo rates, as an appropriate replacement for LIBOR. The Federal Reserve Bank of New York plans to start publishing the SOFR sometime in 2018, with the expectation that it could be used on a voluntary basis in new instruments and transactions. Bank working groups and regulators in other countries have suggested other alternatives for their markets, including the Sterling Overnight Interbank Average Rate ("SONIA") in England.

In July 2017, the Financial Conduct Authority (the "FCA"), the United Kingdom financial regulatory body, announced that after 2021 it will cease its active encouragement of U.K. banks to provide the quotations needed to sustain LIBOR. That announcement suggests that LIBOR may cease to be published after that time. The roughly 4 1/2 year period until the end of 2021 is expected to be enough time for market participants to transition to the use of a different benchmark for both new and existing securities and transactions.

Various financial industry groups have begun planning for that transition, but there are obstacles to converting certain longer term securities and transactions to a new benchmark. Transition planning is at an early stage, and neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that currently rely on the LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based instruments. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

Loan Participations. Each Bond Fund, the Strategic Alternatives Fund and the Defensive Market Strategies Fund may purchase participations in commercial loans. Such indebtedness may be secured or unsecured. Loan participations typically represent direct participation in a loan to a corporate borrower and generally are offered by banks or other financial institutions or lending syndicates. The Bond Funds may participate in such syndications, or can buy part of a loan, becoming a part lender. When purchasing loan participations, a Fund assumes the credit risk associated with the corporate borrower and may assume the credit risk associated with an interposed bank or other financial intermediary. The participation interests in which a Fund intends to invest may not be rated by any nationally recognized rating service.

A loan is often administered by an agent bank acting as agent for all holders. The agent bank administers the terms of the loan, as specified in the loan agreement. In addition, the agent bank is normally responsible for the collection of principal and interest payments from the corporate borrower and the apportionment of these payments to the credit of all institutions which are parties to the loan agreement. Unless, under the terms of the loan or other indebtedness, a Fund has direct recourse against the corporate borrower, the Fund may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower. In addition, holders of the loans, such as the Funds, may be required to indemnify the agent bank in certain circumstances.

Purchases of loans and other forms of direct indebtedness depend primarily upon the creditworthiness of the corporate borrower for payment of principal and interest. If a Fund does not receive scheduled interest or principal payments on such indebtedness, the Fund’s share price and yield could be adversely affected. Loans that are fully secured offer a Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower’s obligation or that the collateral can be liquidated.

The Bond Funds invest in loan participations with credit quality comparable to that of issuers of their securities investments. Indebtedness of companies whose creditworthiness is poor involves substantially greater risks and may be highly speculative. Some companies may never pay off their indebtedness or may pay only a small fraction of the amount owed. Consequently, when investing in indebtedness of companies with poor credit, a Fund bears a substantial risk of losing the entire amount invested.

Loans and other types of direct indebtedness may not be readily marketable and may be subject to restrictions on resale. In some cases, negotiations involved in disposing of indebtedness may require weeks to complete. Consequently, some indebtedness may be difficult or impossible to dispose of readily at what the Sub-Adviser believes to be a fair price. In addition, valuation of illiquid indebtedness involves a greater degree of judgment in determining a Fund’s NAV than if that value were based on available market quotations and could result in significant variations in the Fund’s daily share price. At the same time, some loans’ interests are traded among certain financial institutions and accordingly may be deemed liquid. As the market for different types of indebtedness develops, the liquidity of these instruments is expected to improve. In addition, each Fund currently intends to treat indebtedness for which there is no readily available market as illiquid for purposes of its limitation on illiquid investments. Investments in loan participations are considered to be debt obligations for purposes of the investment restriction relating to the lending of funds or assets by a Fund.

Some loans may not be considered "securities" for certain purposes under the federal securities laws, and purchasers, such as a Fund, therefore may not be entitled to rely on the anti-fraud protections of the federal securities laws. Loans and other debt instruments that are not in the form of securities may offer less legal protection to a Fund in the event of fraud or misrepresentation.

Investments in loans through a direct assignment of the financial institution's interests with respect to the loan may involve additional risks to the Bond Funds. For example, if a loan is foreclosed, a Fund could become part owner of any collateral and would bear the costs and liabilities associated with owning and disposing of the collateral. In addition, it is conceivable that under emerging legal theories of lender liability, a Fund could be held liable as co-lender. It is unclear whether loans and other forms of direct indebtedness offer securities law protections against fraud and misrepresentation. In the absence of definitive regulatory guidance, the Funds rely on the Sub-Advisers' research in an attempt to avoid situations where fraud or misrepresentation could adversely affect a Fund.

Master Limited Partnerships. The Equity Funds and the Strategic Alternatives Fund may invest in master limited partnerships ("MLPs"). MLPs are publicly-traded partnerships primarily engaged in the transportation, storage, processing, refining, marketing, exploration, production and mining of minerals and natural resources. MLP units are registered with the SEC and are freely traded on a securities exchange or in the over-the-counter market. Because MLPs are partnerships, investments in securities of MLPs involve risks that differ from investments in common stock, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's right to require unitholders to sell their common units at an undesirable time or price, resulting from regulatory changes or other reasons.

Certain MLP securities may trade in lower volumes due to their smaller capitalizations. Accordingly, those MLPs may be subject to more abrupt or erratic price movements, may lack sufficient market liquidity to enable the Fund to effect sales at an advantageous time or without a substantial drop in price, and investment in those MLPs may restrict the Fund's ability to take advantage of other investment opportunities. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns, which may affect the overall performance of the Fund.

Investing in MLPs involves certain risks related to investing in their underlying assets and risks associated with pooled investment vehicles. MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with such industry or region. MLPs are subject to various risks related to the underlying operating companies they control, including dependence upon specialized management skills and the risk that such companies may lack or have limited operating histories. Investments held by MLPs may be relatively illiquid, limiting the MLPs' ability to vary their portfolios promptly in response to changes in economic or other conditions. Many MLPs are also subject to regulatory risks due to the imposition of various federal, state and local environmental laws and health and safety laws as well as laws and regulations specific to their particular activities.

A Fund must recognize income that is allocated from underlying MLPs for federal income tax purposes, even if the Fund does not receive cash distributions from the MLPs in an amount necessary to pay such tax liability. In addition, part of a distribution received by a Fund as the holder of an MLP interest may be treated as a "return of capital," which would reduce the Fund's adjusted tax basis in the interests and thus result in an increase in the amount of gain (or decrease in the amount of loss) the Fund will recognize for federal income tax purposes on the sale of all or part of the interest or on subsequent distributions in respect of such interests. Furthermore, any return of capital distribution received from the MLP may require the Fund to restate the character of its distributions and amend any shareholder tax reporting previously issued.

MLPs generally do not pay federal income tax at the partnership level, subject to the application of certain partnership audit rules. Rather, each partner is allocated a proportionate share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law, or a change in the underlying business mix of a given MLP, could result in an MLP being treated as a corporation for federal income tax purposes, which would result in the MLP being required to pay federal income tax (as well as state and local income taxes) on its taxable income. The treatment of an MLP as a corporation for federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. If any MLP in which a Fund invests were treated as a corporation for those purposes, it could result in a reduction of the value of the Fund's investment in the MLP and lower income to the Fund.

Under certain circumstances, an MLP could be deemed to be an investment company. If that occurs, the Fund's investment in the MLP's securities would be limited by the 1940 Act. For more information, see "Investment Companies" disclosure in this section of the SAI.

Money Market Instruments. To the extent consistent with its investment objective and strategies, each Select Fund may invest a portion of its assets in short-term high-quality instruments, such as those that are eligible for investment by the Money Market Fund. The Target Date Funds and the Asset Allocation Funds may from time to time invest up to 10% of their assets directly in U.S. Treasury obligations, exchange listed equity futures contracts and exchange listed U.S. Treasury futures contracts in order to gain exposure to the U.S. equity and fixed-income markets on cash balances. In addition, each Select Fund (except the Money Market Fund), Target Date Fund and Asset Allocation Fund may invest its cash reserves in shares of the Money Market Fund.

Mortgage-Backed Securities. The Bond Funds, the Strategic Alternatives Fund, and the Money Market Fund may purchase mortgage-backed securities in accordance with their investment strategies as stated in the Prospectus. Mortgage-backed securities ("MBS") represent direct or indirect participations in, or are secured by and payable from, pools of mortgage loans. Those securities may be guaranteed by a U.S. government agency or instrumentality (such as the Government National Mortgage Association, or "Ginnie Mae"); issued and guaranteed by a government-sponsored stockholder-owned corporation, though not backed by the full faith and credit of the United States (such as by the Federal National Mortgage Association, or "Fannie Mae," or the Federal Home Loan Mortgage Corporation, or "Freddie Mac" (collectively, the "GSEs"), and described in greater detail below); or issued by fully private issuers. Private issuers are generally originators of and investors in mortgage loans and include savings associations, mortgage bankers, commercial banks, investment bankers, and special purpose entities. Private MBS may be supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance and letters of credit, which may be issued by governmental entities, private issuers or the mortgage poolers.

Government-related guarantors (*i.e.*, not backed by the full faith and credit of the U.S. government) include Fannie Mae and Freddie Mac. Fannie Mae is a government-sponsored corporation owned by stockholders. It is subject to general regulation by the Federal Housing Finance Authority ("FHFA"). Fannie Mae purchases residential mortgages from a list of approved seller/servicers that include state and federally chartered savings and loan associations, mutual savings banks, commercial banks, credit unions and mortgage bankers. Fannie Mae guarantees the timely payment of principal and interest on pass-through securities that it issues, but those securities are not backed by the full faith and credit of the U.S. government. Freddie Mac is a government-sponsored corporation formerly owned by the twelve Federal Home Loan Banks and now owned by stockholders. Freddie Mac issues Participation Certificates ("PCs"), which represent interests in mortgages from Freddie Mac's national portfolio. Freddie Mac guarantees the timely payment of interest and ultimate collection of principal on the PCs it issues, but those PCs are not backed by the full faith and credit of the U.S. government.

The U.S. Treasury historically has had the authority to purchase obligations of Fannie Mae and Freddie Mac. However, in 2008, due to capitalization concerns, Congress provided the U.S. Treasury with additional authority to lend the GSEs emergency funds and to purchase their stock. In September 2008, those capital concerns led the U.S. Treasury and the FHFA to announce that the GSEs had been placed in conservatorship.

Since that time, the GSEs have received significant capital support through U.S. Treasury preferred stock purchases as well as U.S. Treasury and Federal Reserve purchases of their MBS. While the MBS purchase programs ended in 2010, the U.S. Treasury announced in December 2009 that it would continue its support for the entities' capital as necessary to prevent a negative net worth. Since the GSEs were placed into conservatorship through the fourth quarter of 2017, they required U.S. Treasury support of approximately $187.5 billion through draws under the preferred stock purchase agreements. However, the GSEs have together paid $278.8 billion to the Treasury in aggregate cash dividends (although those payments do not constitute a repayment of their draws). In the first quarter of 2018, Fannie Mae and Freddie Mac each reported that the passage of the Tax Cut and Jobs Act in December 2017 had resulted in a decrease in the value of their deferred tax assets. As a result, Fannie Mae and Freddie Mac each reported net losses during the fourth quarter of 2017 and indicated that they would request draws from the U.S. Treasury in the amount of $3.7 billion and $0.3 billion, respectively. The FHFA stated that the GSEs may need an additional injection of Treasury capital in the future. Accordingly, no assurance can be given that the Federal Reserve, U.S. Treasury, or FHFA initiatives will ensure that the GSEs will remain successful in meeting their obligations with respect to the debt and MBS they issue into the future.

In addition, the future of the GSEs is in serious question as the U.S. government is considering multiple options, ranging on a spectrum from significant reform, nationalization, privatization, consolidation, or abolishment of the entities. Congress is considering several pieces of legislation that would reform the GSEs, proposing to address their structure, mission, portfolio limits, and guarantee fees, among other issues. The FHFA and the U.S. Treasury (through its agreement to purchase GSE preferred stock) have imposed strict limits on the size of GSEs' mortgage portfolios. In August 2012, the U.S. Treasury amended its preferred stock purchase agreements to provide that the GSEs' portfolios will be wound down at an annual rate of 15 percent (up from the previously agreed annual rate of 10 percent), requiring the GSEs to reach the $250 billion target four years earlier than previously planned. (As of February 2017, the GSEs have met their interim reduction targets, with Freddie Mac's balance of $295.4 billion and Fannie Mae's balance of $268.8 billion.)

MBS may have either fixed or adjustable interest rates. Tax or regulatory changes may adversely affect the mortgage securities market. In addition, changes in the market's perception of the issuer may affect the value of MBS. The rate of return on MBS may be affected by prepayments of principal on the underlying loans, which generally increase as market interest rates decline; as a result, when interest rates decline, holders of these securities normally do not benefit from appreciation in market value to the same extent as holders of other non-callable debt securities. Because many mortgages are repaid early, the actual maturity and duration of MBS are typically shorter than their stated final maturity and their duration calculated solely on the basis of the stated life and payment schedule. In calculating its dollar-weighted average maturity and duration, a Fund may apply certain industry conventions regarding the maturity and duration of mortgage-backed instruments. Different analysts use different models and assumptions in making these determinations. Increasing market interest rates generally extend the effective maturities of mortgage-backed securities, increasing their sensitivity to interest rate changes.

MBS may be issued in the form of collateralized mortgage obligations ("CMOs") or collateralized mortgage-backed bonds ("CBOs"). CMOs are obligations that are fully collateralized, directly or indirectly, by a pool of mortgages; payments of principal and interest on the mortgages are passed through to the holders of the CMOs, although not necessarily on a pro rata basis, on the same schedule as they are received. CBOs are general obligations of the issuer that are fully collateralized, directly or indirectly, by a pool of mortgages. The mortgages serve as collateral for the issuer's payment obligations on the bonds, but interest and principal payments on the mortgages are not passed through either directly (as with mortgage-backed "pass-through" securities issued or guaranteed by U.S. government agencies or instrumentalities) or on a modified basis (as with CMOs). Accordingly, a change in the rate of prepayments on the pool of mortgages could change the effective maturity or the duration of a CMO but not that of a CBO (although, like many bonds, CBOs may be callable by the issuer prior to maturity). To the extent that rising interest rates cause prepayments to occur at a slower than expected rate, a CMO could be converted into a longer-term security that is subject to greater risk of price volatility.

Governmental, government-related, and private entities (such as commercial banks, savings institutions, private mortgage insurance companies, mortgage bankers, and other secondary market issuers, including securities broker-dealers and special purpose entities that generally are affiliates of the foregoing established to issue such securities) may create mortgage loan pools to back CMOs and CBOs. Such issuers may be the originators and/or servicers of the underlying mortgage loans, as well as the guarantors of the MBS. Pools created by non-governmental issuers generally offer a higher rate of interest than governmental and government-related pools because of the absence of direct or indirect government or agency guarantees. Various forms of insurance or guarantees, including individual loan, title, pool, and hazard insurance and letters of credit, may support timely payment of interest and principal of non-governmental pools. Governmental entities, private insurers, and mortgage poolers issue these forms of insurance and guarantees. There can be no assurance that private insurers or guarantors can meet their obligations under insurance policies or guarantee arrangements. A Fund may, consistent with a Fund's investment objective, policies and limitations and quality standards, consider making investments in new types of MBS as such securities are developed and offered to investors.

Freddie Mac Collateralized Mortgage Obligations. Freddie Mac CMOs are debt obligations of Freddie Mac issued in multiple tranches having different maturity dates that are secured by the pledge of a pool of conventional mortgage loans purchased by Freddie Mac. Unlike Freddie Mac PCs, payments of principal and interest on the CMOs are made semiannually, as opposed to monthly. The amount of principal payable on each semiannual payment date is determined in accordance with Freddie Mac's mandatory sinking fund schedule, which, in turn, is equal to approximately 100% of FHA prepayment experience applied to the mortgage collateral pool. All sinking fund payments in the CMOs are allocated to the retirement of the individual tranches of bonds in the order of their stated maturities. Payment of principal on the mortgage loans in the collateral pool in excess of the amount of Freddie Mac's minimum sinking fund obligation for any payment date are paid to the holders of the CMOs as additional sinking fund payments. This "pass-through" of prepayments has the effect of retiring most CMO tranches prior to their stated final maturity.

If collection of principal (including prepayments) on the mortgage loans during any semiannual payment period is not sufficient to meet Freddie Mac's minimum sinking fund obligation on the next sinking fund payment date, Freddie Mac agrees to make up the deficiency from its general funds. Freddie Mac has the right to substitute collateral in the event of delinquencies and/or defaults.

Mortgage-Related Securities. Other mortgage-related securities include securities other than those described above that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property, including stripped mortgage-backed securities. Other mortgage-related securities may be equity or debt securities issued by agencies or instrumentalities of the U.S. government or by private originators of, or investors in, mortgage loans, including savings and loan associations, homebuilders, mortgage banks, commercial banks, investment banks, partnerships, trusts and special purpose entities of the foregoing.

Mortgage Dollar Rolls. The Bond Funds may enter into mortgage dollar rolls. The Bond Funds may purchase pools of mortgage securities for future settlement, generally 30 to 60 days. Please refer to the section entitled "Forward Commitments, When-Issued Securities and Delayed-Delivery Transactions" in this SAI. In a mortgage "dollar roll," a Bond Fund sells these mortgages for delivery prior to settlement and simultaneously agrees to repurchase substantially similar (*i.e.,* same type and coupon) but not identical securities on a specified future date from the same party. To be considered similar, the securities returned to the Bond Funds, generally must: (1) be collateralized by the same types of underlying mortgages; (2) be issued by the same agency and be part of the same program; (3) have a similar original stated maturity; (4) have identical net coupon rates; (5) have similar market yields (and therefore price); and (6) satisfy "good delivery" requirements, meaning that the aggregate principal amounts of the securities delivered and received back must be within a certain percentage of the initial amount delivered. During the period before the repurchase, the Bond Fund forgoes principal and interest payments on the securities. The Bond Fund is compensated by the difference between the current sales price and the forward price for the future purchase (often referred to as the "drop"), as well as by the interest earned on the investments which have been set aside to cover the amount due at settlement. Another possible reason the Bond Funds may enter into these transactions is to gain the economic benefit from the ownership of mortgage pools while avoiding the administrative cost of accounting for monthly principal and interest payments.

The market value of the mortgage pools may rise prior to the future settlement date which would benefit the Bond Funds. Conversely, the value of the mortgage pools could fall in which case the Bond Funds would incur a loss in market value. Cash, which would be used to purchase the mortgages, will be invested in instruments that are permissible investments for the applicable Bond Funds. Each Bond Fund will hold and maintain, until the settlement date, segregated cash or liquid assets in an amount equal to its forward purchase price.

Mortgages purchased for forward delivery involve certain risks, including a risk that the counterparty will be unable or unwilling to complete the transaction as scheduled, which may result in losses to a Bond Fund. There is no assurance that mortgage dollar rolls will be economically beneficial to the Bond Funds.

Municipal Instruments. The Bond Funds may invest in obligations issued or guaranteed by municipalities and states. Municipal instruments are generally issued to finance public works, such as airports, bridges, highways, housing, health-related entities, transportation-related projects, educational programs, water and pollution control and sewer works. They are also issued to repay outstanding obligations, to raise funds for general operating expenses and to make loans to other public institutions and for other facilities. Municipal instruments include private activity bonds issued by or on behalf of public authorities.

Private activity bonds are, or have been, issued to obtain funds to provide, among other things, privately operated housing facilities, pollution control facilities, convention or trade show facilities, mass transit, airport, port or parking facilities and certain local facilities for water supply, gas, electricity or sewage or solid waste disposal. Private activity bonds are also issued to privately held or publicly owned corporations in the financing of commercial or industrial facilities. State and local governments are authorized in most states to issue private activity bonds for such purposes in order to encourage corporations to locate within their communities. The principal and interest on these obligations may be payable from the general revenues of the users of such facilities.

Municipal instruments include both “general” and “revenue” obligations. General obligations are secured by the issuer’s pledge of its full faith, credit and taxing power for the payment of principal and interest. Revenue obligations are payable only from the revenues derived from a particular facility or class of facilities or, in some cases, from the proceeds of a special excise tax or other specific revenue source such as lease revenue payments from the user of the facility being financed. Private activity bonds are in most cases revenue securities and are not payable from the unrestricted revenues of the issuer. Consequently, the credit quality of a private activity bond is usually directly related to the credit standing of the private user of the facility involved.

The Bond Funds may also invest in “moral obligation” bonds, which are normally issued by special purpose public authorities. If the issuer of a moral obligation bond is unable to meet its debt service obligations from current revenues, it may draw on a reserve fund (if such a fund has been established), the restoration of which is a moral commitment but not a legal obligation of the state or municipality which created the issuer.

Within the principal classifications of municipal instruments described above there are a variety of categories, including municipal bonds, municipal notes, municipal leases, custodial receipts and participation certificates. Municipal notes include tax, revenue and bond anticipation notes of short maturity, generally less than three years, which are issued to obtain temporary funds for various public purposes. Municipal leases and participation certificates are obligations issued by state or local governments or authorities to finance the acquisition of equipment and facilities. Participation certificates may represent participations in a lease, an installment purchase contract or a conditional sales contract. Certain municipal lease obligations (and related participation certificates) may include “non-appropriation” clauses which provide that the municipality has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose on a yearly basis. Custodial receipts are underwritten by securities dealers or banks and evidence ownership of future interest payments, principal payments or both on certain municipal securities. Municipal leases (and participations in such leases) present the risk that a municipality will not appropriate funds for the lease payments.

An issuer’s obligations under its municipal instruments are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors, such as the Federal Bankruptcy Code, and laws, if any, that may be enacted by federal or state legislatures extending the time for payment of principal or interest, or both, or imposing other constraints upon enforcement of such obligations or upon the ability of municipalities to levy taxes. The power or ability of an issuer to meet its obligations for the payment of interest on, and principal of, its municipal instruments may be materially adversely affected by litigation or other conditions.

Certain of the municipal instruments held by a Fund may be insured as to the timely payment of principal and interest. The insurance policies will usually be obtained by the issuer of the municipal instrument at the time of its original issuance. If the issuer defaults on an interest or principal payment, the insurer will be notified and will be required to make payment to the bondholders. There is, however, no guarantee that the insurer will meet its obligations. In addition, such insurance will not protect against market fluctuations caused by changes in interest rates and other factors.

In addition, municipal instruments may be backed by letters of credit or guarantees issued by domestic or foreign banks or other financial institutions that are not subject to federal deposit insurance. Adverse developments affecting the banking industry generally or a particular bank or financial institution that has provided its credit or guarantee with respect to a municipal instrument held by a Fund, including a change in the credit quality of any such bank or financial institution, could result in a loss to the Fund and adversely affect the value of its shares. As described in the section entitled “Foreign Securities and Obligations” in this SAI, letters of credit and guarantees issued by foreign banks and financial institutions involve certain risks in addition to those of similar instruments issued by domestic banks and financial institutions.

The Bond Funds may invest in municipal leases, which may be considered liquid under guidelines established by the Board of Trustees. The guidelines will provide for determination of the liquidity of a municipal lease obligation based on factors including the following: (1) the frequency of trades and quotes for the obligation; (2) the number of dealers willing to purchase or sell the security and the number of other potential buyers; (3) the willingness of dealers to undertake to make a market in the security; and (4) the nature of the marketplace trades, including the time needed to dispose of the security, the method of soliciting offers and the mechanics of transfer. The Funds, under the supervision of the Sub-Adviser, will also consider the continued marketability of a municipal lease obligation based upon an analysis of the general credit quality of the municipality issuing the obligation and the essentiality to the municipality of the property covered by the lease.

Currently, it is not the intention of any Bond Fund to invest more than 25% of the value of its total assets in municipal instruments whose issuers are in the same state.

Negative Interest Rates. Recently, certain countries have experienced negative interest rates on deposits and debt instruments that have traded at negative yields. Negative interest rates may become more prevalent among non-U.S. issuers, and potentially within the United States, if these economies experience deflationary conditions. The imposition of negative interest rates is used as a monetary policy tool to encourage economic growth during periods of deflation. These market conditions may increase a Bond Fund’s (including the Money Market Fund, for purposes of this paragraph) exposures to the risks associated with rising interest rates. To the extent a Bond Fund has a bank deposit or holds a debt instrument with a negative interest rate to maturity, the Bond Fund could generate a negative return on that investment. A number of factors may contribute to debt instruments trading at a negative yield including, but not limited to, central bank monetary policies intended to help create self-sustaining growth in the local economy. While negative yields can be expected to reduce demand for fixed-income investments trading at a negative interest rate, investors may be willing to continue to purchase such investments for a number of reasons including, but not limited to, price insensitivity, arbitrage opportunities across fixed-income markets or rules-based investment strategies. If negative interest rates become more prevalent in the market, it is expected that investors will seek to reallocate assets to other income-producing assets such as investment grade and high-yield debt instruments, or equity investments that pay a dividend. This increased demand for higher yielding assets may cause the price of such instruments to rise while triggering a corresponding decrease in yield and the value of debt instruments over time. In addition, a move to higher yielding investments may cause investors, including a Fund, to seek fixed-income investments with longer duration and/or potentially reduced credit quality in order to seek the desired level of yield. These considerations may limit a Bond Fund’s ability to locate fixed-income instruments containing the desired risk/return profile.

Changing interest rates, including, but not limited to, rates that fall below zero, could have unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility and potential illiquidity.

Portfolio Turnover Rate. The higher the portfolio turnover, the higher the overall brokerage commissions, dealer mark-ups and mark-downs and other direct transaction costs incurred. The Adviser and Sub-Advisers do take these costs into account, since they affect overall investment performance. However, portfolio turnover may vary greatly from year to year as well as within a particular year and may be affected by changes in the holdings of specific issuers, changes in country and currency weightings and cash requirements for redemption of shares. Portfolio turnover rates for the Select Funds may be higher than those of mutual funds with a single manager. The Funds are not restricted by policy with regard to portfolio turnover and will make changes in their investment portfolio from time to time as business and economic conditions as well as market prices may dictate. During the 2018 fiscal year, the Target Date Funds experienced significantly higher turnover than in 2017 due to underlying fund allocation changes as well as the rebalancing of holdings in the Funds. During the 2018 fiscal year, the Asset Allocation Funds experienced lower turnover than in 2017. In 2017, turnover was higher due to asset allocation changes in the Funds. Certain Select Funds experienced significant variation in portfolio turnover in 2018 as compared to 2017: (i) the Low-Duration Bond Fund experienced higher turnover in 2018 due to a higher volatility environment and an increased use of derivative instruments; (ii) the Extended-Duration Bond Fund experienced lower turnover in 2018 due to duration and benchmark changes in 2017; (iii) the Strategic Alternatives Fund experienced higher turnover in 2018 due to Sub-Adviser changes in the Fund which resulted in an increased use of derivative instruments; (iv) the Growth Equity Fund experienced lower turnover in 2018 due to Sub-Adviser changes within the Fund in 2017; and (v) the Small Cap Equity Fund, International Equity Fund and Emerging Markets Equity Fund experienced higher turnover in 2018 due to Sub-Adviser changes within the Funds.

Preferred Stocks. The Equity Funds, Bond Funds and Strategic Alternatives Fund may invest in preferred stock. Preferred stockholders have a greater right to receive liquidation payments, and usually dividends, than do common stockholders. However, preferred stock is subordinated to the liabilities of the issuer in all respects. Preferred stock may or may not be convertible into common stock.

As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element will decline as interest rates and perceived credit risk rises. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics.

Privately Placed and Restricted Securities. An Equity Fund's investments may include privately placed or restricted securities, which are subject to resale restrictions. These securities will have the effect of increasing the level of illiquidity to the extent the Fund may be unable to sell or transfer these securities due to restrictions on transfers or on the ability to find buyers interested in purchasing the securities. The illiquidity of the market, as well as the lack of publicly available information regarding these securities, may also adversely affect the ability to arrive at a fair value for certain securities at certain times and could make it difficult for the Fund to sell certain securities.

An Equity Fund may invest in a private investment in public equity ("PIPE"), in which the Fund purchases stock in a private placement of securities. There is a risk that if the market price drops below a set threshold, the company may have to issue additional stock at a significantly reduced price, which may dilute the value of the Fund's investment. PIPE transactions typically involve the purchase of securities directly from a publicly traded company or its affiliates in a private placement transaction, typically at a discount to the market price of the company's common stock. Equity issued in this manner is often subject to transfer restrictions and is therefore less liquid than equity issued through a registered public offering. In a PIPE transaction, the Fund may bear the price risk from the time of pricing until the time of closing. The Fund may be subject to lock-up agreements that prohibit transfers for a fixed period of time. In addition, because the sale of the securities in a PIPE transaction is not registered under the 1933 Act, the securities are "restricted" and cannot be immediately resold by the investors into the public markets. The Fund may enter into a registration rights agreement with the issuer pursuant to which the issuer commits to file a resale registration statement allowing the Fund to publicly resell its securities. Accordingly, PIPE securities may be deemed illiquid. However, the ability of the Fund to freely transfer the shares is conditioned upon, among other things, the SEC's preparedness to declare the resale registration statement effective covering the resale, from time to time, of the shares sold in the private financing and the issuer's right to suspend the Fund's use of the resale registration statement if the issuer is pursuing a transaction or some other material non-public event is occurring. Accordingly, PIPE securities may be subject to risks associated with illiquid securities.

Real Estate Investments. Each Select Fund may invest in real estate investment trusts ("REITs") and other real estate-related securities. The Global Real Estate Securities Fund invests at least 80% of its net assets in equity securities of REITs and other real estate-related companies. For purposes of the Global Real Estate Securities Fund's investment policies, a real estate related company is one that derives at least 50% of its revenue from, or has at least 50% of the value of its assets in, real estate, including the ownership, construction, management or sale of real estate. A REIT is a company dedicated to owning, and usually operating, income-producing real estate or to financing real estate.

REITs can generally be classified as equity REITs, mortgage REITs or hybrid REITs. Equity REITs invest directly in real property, while mortgage REITs invest in mortgages on real property. Hybrid REITs combine the characteristics of both equity REITs and mortgage REITs. The Global Real Estate Securities Fund invests primarily in equity REITs, but may also invest in mortgage and hybrid REITs. These equity securities can consist of common stocks (including REIT and other real estate related securities), rights or warrants to purchase common stocks, securities convertible into common stocks where the conversion feature represents a significant element of the securities' value and preferred stocks. REITs may be subject to certain risks associated with the direct ownership of real estate, including declines in the value of real estate, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses and variations in rental income. Generally, increases in interest rates will, decrease the value of high-yielding securities and increase the costs of obtaining financing, which could decrease the value of a REIT's investments. In addition, equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended.

Equity and mortgage REITs are dependent upon management skill and are subject to the risks of financing projects. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting investments.

Adverse economic, business or political developments affecting the real estate sector could have a major effect on the value of a Fund's investments. REITs pool investors' funds for investment primarily in income-producing real estate or real estate loans or interests. A tax-qualified REIT is not taxed on its net income and net realized gains it distributes to its shareholders if it complies with several requirements relating to its organization, ownership, diversification of assets, and sources of income and a requirement that it distribute to its shareholders at least 90% of the sum of its taxable income (other than net capital gain) plus certain "net income from foreclosure property" for each taxable year. A Fund will not invest in real estate directly but only in securities issued by real estate and real estate-related companies, except that a Fund may hold real estate and sell real estate acquired through default, liquidation or other distributions of an interest in real estate as a result of the Fund's ownership of securities issued by real estate or real estate-related companies.

In addition, a U.S. REIT could possibly fail to qualify for the beneficial tax treatment available to REITs under the Internal Revenue Code of 1986, as amended (the "Code"), or to maintain its exemption from registration under the 1940 Act, and foreign REITs could possibly fail to qualify for any beneficial tax treatments available in their local jurisdictions. For example, Japanese REITs ("J-REITs") are subject to complex tax regulation in Japan and a failure to comply with those requirements could disqualify the J-REIT from special tax benefits and reduce the amount available for distribution to J-REIT investors.

Repurchase Agreements. Each Fund may agree to purchase portfolio securities from financial institutions subject to the seller's agreement to repurchase them at a mutually agreed upon date and price ("repurchase agreements"). Repurchase agreements are considered to be loans under the 1940 Act. Although the securities subject to a repurchase agreement may bear maturities exceeding one year, settlement for the repurchase agreement will never be more than one year after a Fund's acquisition of the securities and normally will be within a shorter period of time. Securities subject to repurchase agreements are held either by the Fund's custodian or subcustodian (if any) or in the Fed/Treasury Book-Entry System. The seller under a repurchase agreement will be required to maintain the value of the securities subject to the agreement in an amount exceeding the repurchase price (including accrued interest). Default by the seller would, however, expose a Fund to possible loss because of adverse market action or delay and costs in connection with the disposition of the underlying obligations.

Reverse Repurchase Agreements. Each Select Fund may borrow funds by selling portfolio securities to financial institutions such as banks and broker/dealers and agreeing to repurchase them at a mutually specified date and price ("reverse repurchase agreement"). The Funds may use the proceeds of a reverse repurchase agreement to purchase other securities either maturing, or under an agreement to resell, on a date simultaneous with or prior to the expiration of the reverse repurchase agreement. Reverse repurchase agreements are considered to be borrowings under the 1940 Act. Reverse repurchase agreements involve the risk that the market value of the securities sold by a Fund may decline below the repurchase price. A Fund will pay interest on amounts obtained pursuant to a reverse repurchase agreement. While reverse repurchase agreements are outstanding, a Fund will segregate liquid assets in an amount at least equal to the market value of the securities, plus accrued interest, subject to the agreement.

Securities Lending. The Select Funds may lend portfolio securities provided the aggregate market value of securities loaned will not at any time exceed 33 1/3% of the total assets of the Fund. Collateral for loans of portfolio securities made by a Fund may consist of cash, cash equivalents, obligations issued or guaranteed by the U.S. government or its agencies or irrevocable bank letters of credit (or any combination thereof). The borrower of securities will be required to maintain the market value of the collateral at not less than the market value of the loaned securities, and such value will be monitored on a daily basis. When a Fund lends its securities, it continues to receive dividends and interest on the securities loaned and may simultaneously earn interest on the investment of the cash collateral. The Funds do not have the right to vote on securities while they are on loan. However, it is the Funds' policy to attempt to terminate loans in time to vote those proxies that a Fund has determined are material to the interests of the Fund. The Adviser believes the risk of loss on these transactions is slight, because if a borrower were to default for any reason, the collateral should satisfy the obligation. However, as with other extensions of secured credit, loans of portfolio securities involve some risk of loss of rights in the collateral should the borrower fail financially.

The Funds have received an exemptive order from the SEC that permits each Fund to compensate The Northern Trust Company or an affiliated company of The Northern Trust Company for services provided as securities lending agent in connection with the Funds' participation in a securities lending program. The exemptive order, upon which the Funds do not currently rely, would apply in circumstances where The Northern Trust Company or its affiliate served as a sub-adviser to one or more Funds. Currently, The Northern Trust Company serves as custodian and securities lending agent for the Funds. The exemptive order would also permit the Funds (except the Money Market Fund) to invest, subject to certain conditions, cash collateral received in connection with securities lending in shares of a registered fund advised by The Northern Trust Company that invests in securities that satisfy the quality requirements of Rule 2a-7 and have short maturities.

Securities Ratings Information. The Funds may use ratings from rating agencies to assist in determining whether to purchase, sell or hold a security. Ratings are general and are not absolute standards of quality. There is no guarantee that the ratings provided by these agencies will necessarily provide an accurate reflection of the credit quality of the securities that they rate. The Money Market Fund will limit its investments to securities that, at the time of acquisition, are "Eligible Securities" (as defined in Rule 2a-7 under the 1940 Act) that the Sub-Adviser determines present minimal credit risks to the Money Market Fund.

Short Sales. In these transactions, a fund sells a security it does not own in anticipation of a decline in the market value of the security. The International Equity Fund may establish short positions in stocks of foreign companies with a market value of up to 10% of the Fund's assets. The Strategic Alternatives Fund may establish short positions in stocks of companies with a market value of up to 40% of the Fund's assets. The Defensive Market Strategies Fund may establish short positions in stocks of companies with a market value of up to 30% of its assets. The Bond Funds and the Strategic Alternatives Fund may sell short U.S. Treasury securities and derivatives such as, but not limited to, swaps, futures contracts and currency forwards, to manage risk (*e.g.,* duration, currency, credit, etc.). To complete a short sale transaction, a Fund must borrow the security to make delivery to the buyer. The Fund is obligated to replace the security borrowed by purchasing it subsequently at the market price at the time of replacement. The price at such time may be more or less than the price at which the security was sold by the Fund, which would result in a loss or gain, respectively.

While short sales by a Fund create opportunities to increase the Fund's return, at the same time, they involve specific risk considerations. Since the Fund in effect profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, the Fund's NAV per share tends to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than would otherwise be the case if it had not engaged in such short sales. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of any premium, dividends or interest the Fund may be required to pay in connection with the short sale. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may continually increase, although the Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet its short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Until the Fund closes its short position or replaces the borrowed security, it will: (a) segregate permissible liquid assets in an amount that, together with the amount provided as collateral, always equals the current value of the security sold short; or (b) otherwise cover its short position.

Small Company Securities. The Small Cap Equity Fund, which invests mainly (at least, and typically more than 80% of its net assets, plus borrowing for investment purposes, if any) in securities issued by smaller companies, and the Global Real Estate Securities Fund and Emerging Markets Equity Fund are principally subject to the risks associated with investments in securities of small capitalization companies. All of the other Equity Funds and the Strategic Alternatives Fund may also invest in securities issued by smaller companies. Investing in the securities of smaller companies involves greater risk, portfolio price volatility and cost. Historically, small capitalization stocks and stocks of recently organized companies have been more volatile in price than the larger capitalization stocks included in the S&P 500® Index. Among the reasons for this greater price volatility are the lower degree of market liquidity (the securities of companies with small stock market capitalizations may trade less frequently and in limited volume) and the greater sensitivity of small companies to changing economic conditions. For example, these companies are associated with higher investment risk due to the greater business risks of small size and limited product lines, markets, distribution channels and financial and managerial resources.

The values of small company stocks will frequently fluctuate independently of the values of larger company stocks. Small company stocks may decline in price as large company stock prices rise, or rise in price as large company stock prices decline. You should, therefore, expect that because the NAV of the Small Cap Equity Fund's, Global Real Estate Securities Fund's and Emerging Markets Equity Fund's shares will be more volatile than, and may fluctuate independently of, broad stock market indexes such as the S&P 500® Index.

The additional costs associated with the acquisition of small company stocks include brokerage costs, market impact costs (that is, the increase in market prices which may result when a Fund purchases thinly traded stock) and the effect of the "bid-ask" spread in small company stocks. These costs will be borne by all shareholders and may negatively impact investment performance.

Faith-based Investing. The Funds may 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. Faith-based investing, in accordance with the GuideStone Financial Resources stated policy, is an integral part of the investment program of the Trust. The implementation of the Funds' social investment guidelines is overseen by members of the Adviser's executive and senior management team.

It is important to understand that in certain cases it may be more difficult to implement the Funds' social investment guidelines. Faith-based investing outside the United States is often more challenging due to a vastly larger universe of securities and varying laws and regulations governing disclosure requirements. Generally, there is less information available to the public about the business activities and practices of foreign companies. As a result, it is more difficult to effectively apply social investing guidelines abroad than it is in the United States. In addition, it can be more difficult to implement the Funds' social investment guidelines with respect to portfolios that are managed using quantitative investment management processes. The Adviser consistently evaluates portfolios for companies that violate the guidelines and places these companies on a restricted list as it becomes aware of them. There is also the possibility that a company held by a Fund may subsequently become involved in products, services or activities, through a corporate acquisition or change of business strategy, that causes the company to become inconsistent with the Trust's social investment guidelines. Accordingly, there is the risk that, from time to time, securities acquired by a Fund subsequently will be determined to be inconsistent with the Trust's social investment guidelines. When a Fund becomes aware that it has invested in such a security, the Fund will seek to eliminate the position as soon as reasonably possible, which could result in a loss or gain to the Fund.

Stripped Obligations. The U.S. Treasury has facilitated transfers of ownership of zero coupon securities by accounting separately for the beneficial ownership of particular interest coupon and principal payments on U.S. Treasury securities through the Fed book-entry record-keeping system. The Fed program as established by the U.S. Treasury is known as "STRIPS" or "Separate Trading of Registered Interest and Principal of Securities." The Select Funds may purchase securities registered in the STRIPS program. Under the STRIPS program, the Funds are able to have their beneficial ownership of zero coupon securities recorded directly in the book-entry record-keeping system in lieu of having to hold certificates or other evidences of ownership of the underlying U.S. Treasury securities.

In addition, to the extent consistent with its investment objective and strategies, a Select Fund may acquire U.S. government obligations and their unmatured interest coupons that have been separated ("stripped") by their holder, typically a custodian bank or investment brokerage firm. Having separated the interest coupons from the underlying principal of the U.S. government obligations, the holder will resell the stripped securities in custodial receipt programs with a number of different names, including "Treasury Income Growth Receipts" ("TIGRs") and "Certificate of Accrual on Treasury Securities" ("CATS"). The stripped coupons are sold separately from the underlying principal, which is usually sold at a deep discount because the buyer receives only the right to receive a future fixed payment on the security and does not receive any rights to periodic interest (cash) payments. The underlying U.S. Treasury bonds and notes themselves are held in book-entry form at the Fed Bank or, in the case of bearer securities (*i.e.,* unregistered securities that are ostensibly owned by the bearer or holder), in trust on behalf of the owners. Some counsel to the underwriters of certain of these certificates or other evidences of ownership of U.S. Treasury securities generally have stated that, in their opinion, purchasers of the stripped securities most likely will be deemed the beneficial holders of the underlying U.S. government obligations for federal income tax purposes. The Funds are unaware of any binding legislative, judicial or administrative authority on this issue.

The Select Funds may buy U.S. Treasury inflation-indexed securities, including through the Fund's cash overlay program. When a Fund buys inflation-indexed securities, the U.S. Treasury pays the Fund interest on the inflation-adjusted principal amount. Competitive bidding before the security's issue determines the fixed interest or coupon rate. At maturity, the U.S. Treasury redeems the Fund's securities at their inflation-adjusted principal or par amount, whichever is greater. U.S. Treasury securities are backed by the full faith and credit of the U.S.

government. Every six months, the U.S. Treasury will pay interest based on a fixed rate of interest at auction. Semiannual interest payments are determined by multiplying the inflation-adjusted principal amount by one-half the stated rate of interest on each interest payment date.

Other types of stripped securities may be purchased by the Bond Funds and the Money Market Fund including stripped mortgage-backed securities ("SMBS"). SMBS are usually structured with two or more classes that receive different proportions of the interest and principal distributions from a pool of mortgage-backed obligations. A common type of SMBS will have one class receiving all of the interest payments ("interest only") while the other class receives all of the principal repayments ("principal only"). However, in some instances, one class will receive some of the interest and most of the principal while the other class will receive most of the interest and the remainder of the principal. If the underlying obligations experience greater than anticipated prepayments of principal, a Fund may fail to fully recoup its initial investment in these securities. The market value of the class consisting entirely of principal payments generally is extremely volatile in response to changes in interest rates. The yield on a class of SMBS that receives all or most of the interest is generally higher than prevailing market yields on other mortgage-backed obligations because its cash flow patterns are also volatile and there is a risk that the initial investment will not be fully recouped. SMBS issued by the U.S. government (or a U.S. government agency or instrumentality) may be considered liquid under guidelines established by the Board of Trustees if they can be disposed of promptly in the ordinary course of business at a value reasonably close to that used in the calculation of the NAV per share.

Structured Notes. The Bond Funds, the Strategic Alternatives Fund and the Defensive Market Strategies Fund may invest in a broad category of instruments known as "structured notes." These instruments are debt obligations issued by entities such as industrial corporations, financial institutions or governmental or international agencies. Traditional debt obligations typically obligate the issuer to repay the principal plus a specified rate of interest. Structured notes, by contrast, obligate the issuer to pay amounts of principal or interest that are determined by reference to changes in some external factor or factors, or the principal and interest rate may vary from the stated rate because of changes in these factors. For example, the issuer's obligations could be determined by reference to changes in certain factors such as a foreign currency, an index of securities (such as the S&P 500® Index) or an interest rate (such as the U.S. Treasury bill rate). In some cases, the issuer's obligations are determined by reference to changes over time in the difference (or "spread") between two or more external factors (such as the U.S. prime lending rate and the total return of the stock market in a particular country, as measured by a stock index). In some cases, the issuer's obligations may fluctuate inversely with changes in an external factor or factors (for example, if the U.S. prime lending rate goes up, the issuer's interest payment obligations are reduced). In some cases, the issuer's obligations may be determined by some multiple of the change in an external factor or factors (for example, three times the change in the U.S. Treasury bill rate). In some cases, the issuer's obligations remain fixed (as with a traditional debt instrument) so long as an external factor or factors do not change by more than the specified amount (for example, if the value of a stock index does not exceed some specified maximum), but if the external factor or factors change by more than the specified amount, the issuer's obligations may be sharply reduced. Structured notes can serve many different purposes in the management of a Fund. For example, they can be used to increase a Fund's exposure to changes in the value of assets that the Fund would not ordinarily purchase directly (such as stocks traded in a market that is not open to U.S. investors). Also, they can be used to hedge the risks associated with other investments a Fund holds.

Structured notes involve special risks. As with any debt obligation, structured notes involve the risk that the issuer will become insolvent or otherwise default on its payment obligations. This risk is in addition to the risk that the issuer's obligations (and thus the value of a Fund's investment) will be reduced because of adverse changes in the external factor or factors to which the obligations are linked. The value of structured notes will in many cases be more volatile (that is, will change more rapidly or severely) than the value of traditional debt instruments. Volatility will be especially high if the issuer's obligations are determined by reference to some multiple of change in the external factor or factors. Many structured notes have limited or no liquidity, so that a Fund would be unable to dispose of the investment prior to maturity. As with all investments, successful use of structured notes depends in significant part on the accuracy of the Sub-Adviser's analysis of the issuer's creditworthiness and financial prospects, and of the Sub-Adviser's forecast as to changes in relevant economic financial market conditions and factors. In instances where the issuer of a structured note is a foreign entity, the usual risks associated with investments in foreign securities apply. Structured notes may be considered derivative instruments.

An equity-linked note ("ELN") is a structured note with a reference rate that is determined by a single stock, a stock index or a basket of stocks. Equity-linked notes combine the protection normally associated with fixed-income investments with the potential for capital appreciation normally associated with equity investments. Upon the maturity of the note, the holder generally receives a return of principal based on the capital appreciation of the linked securities. Depending on the terms of the note, equity-linked notes may also have a "cap" or "floor" on the maximum principal amount to be repaid to holders, irrespective of the performance of the underlying linked securities. For example, a note may guarantee the repayment of the original principal amount invested (even if the underlying linked securities have negative performance during the note's term), but may cap the maximum payment at maturity at a certain percentage of the issuance price or the return of the underlying linked securities. Alternatively, the note may not guarantee a full return on the original principal, but may offer a greater participation in any capital appreciation of the underlying linked securities. The terms of an equity-linked note may also provide for periodic interest payments to holders at either a fixed or floating rate. The secondary market for equity-linked notes may be limited, and the lack of liquidity in the secondary market may make these securities difficult to dispose of and to value. To the extent a Fund invests in equity-linked notes issued by foreign issuers, it will be subject to the risks associated with the debt securities of foreign issuers and with securities denominated in foreign currencies. Equity-linked notes are also subject to default risk and counterparty risk.

A Fund may purchase ELNs that trade on a securities exchange or those that trade on the over-the-counter market, including Rule 144A securities. Exchange-traded notes ("ETNs"), which are typically unsecured and unsubordinated, are a type of structured note. ETNs are generally notes representing debt of a specific issuer, usually a financial institution. An ETN's returns are linked to the performance of one or more underlying indicators, such as a particular market benchmark, strategy or reference asset, minus fees and expenses. ETNs are listed on an exchange and traded in the secondary market. An ETN can be held until the ETN's maturity, at which time the issuer will pay a return linked to the performance of the specific asset, index or rate ("reference instrument") to which the ETN is linked minus certain fees. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a reference instrument minus applicable fees, no periodic coupon payments are distributed, and no principal protection exists.

ETNs and other structured notes are generally meant to be held until maturity, however, a Fund may sell its ETNs or other structured notes before maturity, which could result in the Fund receiving less in sales proceeds than what the Fund would have received if the notes were held to maturity. ETNs are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or reference instrument remaining unchanged. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying market, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the underlying market or reference instrument. As a result, there may be times when an ETN share trades at a premium or discount to its market benchmark, strategy or reference instrument. A Fund's decision to sell its ETN holdings may also be limited by the availability of a secondary market. If a Fund must sell some or all of its ETN holdings and the secondary market is weak, it may have to sell such holdings at a discount. There may be restrictions on a Fund's right to redeem its investment in an ETN.

ETNs are also subject to tax risk. No assurance can be given that the Internal Revenue Service ("IRS") will accept, or a court will uphold, how a Fund characterizes and treats ETNs for federal income tax purposes. Further, the IRS and Congress have, from time to time, considered proposals that would change the timing and character of net income and realized gains from ETNs.

Supranational Organization Obligations. The Bond Funds, the Strategic Alternatives Fund and the Defensive Market Strategies Fund may invest in obligations of supranational organizations. Supranational organizations are international banking institutions designed or supported by national governments to promote economic reconstruction, development or trade among nations (*e.g.,* the International Bank for Reconstruction and

Development). Obligations of supranational organizations may be supported by appropriated but unpaid commitments of their member countries, and there is no assurance that these commitments will be undertaken or met in the future.

Swaps — Generally. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. A Fund's investment in swaps may involve a small investment relative to the amount of risk assumed. If the Sub-Adviser is incorrect in its forecasts, the investment performance of a Fund would be less favorable than it would have been if this investment technique were not used. The risks of swap agreements depend upon the other party's creditworthiness and ability to perform, as well as the Fund's ability to terminate its swap agreement or reduce its exposure through offsetting transactions. Swap agreements may be illiquid. The swap market is relatively new and largely unregulated. In accordance with SEC requirements, a Fund will segregate cash or liquid securities in an amount equal to its obligations under swap agreements. When an agreement provides for netting the payments by the two parties, the Funds will segregate only the amount of its net obligation, if any.

Centrally cleared swaps are either interest rate or credit default swap agreements brokered by the Chicago Mercantile Exchange, London Clearing House or the Intercontinental Exchange, each a derivatives clearing organization ("DCO"), where the DCOs are the counterparty to both the buyer and seller of protection. Centrally cleared swaps are subject to general market risks and to liquidity risk. Pursuant to the agreement, a Fund agrees to pay to or receive from the broker an amount of cash equal to the daily fluctuation in the value of the contract (the "margin") and daily interest on the margin. In the case of centrally cleared interest rate swaps, the daily settlement also includes the daily portion of interest. Such payments are recorded by a Fund as unrealized gains or losses until the contract is closed or settled. Centrally cleared swaps require no payments at the beginning of the measurement period nor are there liquidation payments at the termination of the swap. DCOs generally require an initial margin payment, and there may need to be some final adjustments at termination depending upon the variation payments made during the life of the swap and final settlement.

Swaps — Equity Swaps. Each Equity Fund and the Strategic Alternatives Fund may enter into equity swap contracts to invest in a market without owning or taking physical custody of securities in circumstances in which direct investment is restricted for legal reasons or is otherwise impracticable. Equity swaps may also be used for hedging purposes or to seek to increase total return. The counterparty to an equity swap contract will typically be a bank, investment banking firm or broker/dealer. Equity swap contracts may be structured in different ways. For example, a counterparty may agree to pay the Fund the amount, if any, by which the notional amount of the equity swap contract would have increased in value had it been invested in particular stocks (or an index of stocks), plus the dividends that would have been received on those stocks. In these cases, the Fund may agree to pay to the counterparty the amount, if any, by which that notional amount would have decreased in value had it been invested in the stocks. Therefore, the return to the Fund on any equity swap contract should be the gain or loss on the notional amount plus dividends on the stocks less the interest paid by the Fund on the notional amount. In other cases, the counterparty and the Fund may each agree to pay the other the difference between the relative investment performances that would have been achieved if the notional amount of the equity swap contract had been invested in different stocks (or indexes of stocks).

An Equity Fund or the Strategic Alternatives Fund will usually enter into equity swaps on a net basis, which means that the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two payments. Payments may be made at the conclusion of an equity swap contract or periodically during its term. Equity swaps do not involve the delivery of securities or other underlying assets. Accordingly, the risk of loss with respect to equity swaps is limited to the net amount of payments that a Fund is contractually obligated to make. If the other party to an equity swap defaults, a Fund's risk of loss consists of the net amount of payments that the Fund is contractually entitled to receive, if any. Inasmuch as these transactions are entered into for hedging purposes or are offset by segregated cash or liquid assets to cover the Funds' potential exposure, the Funds and their Sub-Advisers believe that these transactions do not constitute senior securities under the 1940 Act and, accordingly, will not treat them as being subject to a Fund's borrowing restrictions.

Swaps — Credit Default Swaps. Each Bond Fund and the Strategic Alternatives Fund may use credit default swaps. A credit default swap is a type of insurance against default by an issuer. The owner of protection pays an annual premium to the seller of protection for the right to sell a bond equivalent to the amount of the swap in the event of a default on the bond. It is important to understand that the seller of protection is buying credit exposure and the buyer of protection is selling credit exposure. The Bond Funds and the Strategic Alternatives Fund may act as seller or buyer. The premium on a credit default swap is paid over the term of the swap or until a credit event occurs. In the event of a default, the swap expires, the premium payments cease and the seller of protection makes a contingent payment to the buyer.

Swaps — Currency Swaps. The Bond Funds, Strategic Alternatives Fund, International Equity Fund and Emerging Markets Equity Fund may enter into currency swaps, as described in the section entitled "Interest Rate Swaps, Floors and Caps and Currency Swaps" in this SAI. Currency swaps involve the exchange of the rights of a Fund and another party to make or receive payments in specific currencies.

Swaps — Swaptions. The Funds may enter into a swaption (swap option) to manage exposure to fluctuations in interest rates and to enhance portfolio yield. In a swaption, the buyer, by paying a non-refundable premium for the option, gains the right, but not the obligation, to enter into a previously agreed upon swap agreement on a future date pursuant to the terms of the swaption. In some instances, a swaption may provide the buyer the right, but not the obligation, to shorten, extend, cancel or otherwise modify an existing swap agreement at a designated time on specified terms. In contrast, the writer (seller) of a swaption, in exchange for a premium, becomes obligated (if the option is exercised) to enter into a previously agreed upon swap agreement, or to perform on an existing swap agreement in accordance with the modifications permitted by the swaption, on a future date pursuant to the terms of the swaption.

Depending upon the terms of the agreement, a Fund will generally incur a greater degree of risk when it writes (sells) a swaption than it will incur when it purchases a swaption. When a Fund purchases a swaption, it only risks losing the premium it paid should it decide to let the swaption expire unexercised. However, when a Fund writes (sells) a swaption, upon exercise of the swaption, the Fund will become obligated according to the terms of the underlying previously agreed upon swap agreement, and may be obligated to pay an amount of money that exceeds the sum of the value of the premium that it received for writing (selling) the swaption plus the value that it received pursuant to the terms of the underlying swap. In addition, the Funds bear the market risk arising from any change in index values or interest rates. Entering into a swaption contract involves, to varying degrees, the elements of credit, market, interest rate and other risks associated with both option contracts and swap contracts. The risks are set forth in the sections entitled "Futures and Options" and "Swaps" in this SAI.

Swaps — Total Return Swaps. Each Select Fund may enter into total return swaps. This gives a Fund the right to receive the appreciation in value of an underlying asset in return for paying a fee to the counterparty. The fee paid by a Fund will typically be determined by multiplying the face value of the swap agreement by an agreed-upon interest rate. If the underlying asset declines in value over the term of the swap, the Fund would also be required to pay the dollar value of that decline to the counterparty.

Swaps — Variance Swap Agreements. Variance swap agreements involve two parties exchanging cash payments based on the difference between the stated level of variance ("Variance Strike Price") and the actual variance realized on an underlying asset or index. As a receiver of the realized price variance, a Fund would receive the payoff amount when the realized price variance of the underlying asset is greater than the strike price and would owe the payoff amount when the variance is less than the strike price. As a payer of the realized price variance, a Fund would owe the payoff amount when the realized price variance of the underlying asset is greater than the strike price and would receive the payoff amount when the variance is less than the strike. A Fund may enter into variance swaps in an attempt to hedge market risk or adjust exposure to the markets.

Temporary Defensive Positions. For temporary defensive purposes, the Funds may invest without limit in short-term high-quality money market obligations such as those eligible for purchase by the Money Market Fund. The Funds may also, for temporary defensive purposes, invest in shares of the Money Market Fund.

The Equity Index Fund. The Equity Index Fund seeks total return matching the total return performance of the S&P 500® Index. The S&P 500® Index is a market value-weighted index consisting of 500 common stocks that are traded on the New York Stock Exchange ("NYSE"), NYSE MKT LLC (formerly, American Stock Exchange and NYSE Amex Equities, respectively) and the Nasdaq National Market System and selected by Standard & Poor's® through a detailed screening process starting on a macro-economic level and working toward a micro-economic level dealing with company-specific information such as market value, industry group classification, capitalization and trading activity. Standard & Poor's® primary objective for the S&P 500® Index is to be the performance benchmark for the U.S. equity markets. The companies chosen for inclusion in the S&P 500® Index tend to be leaders in important industries within the U.S. economy. However, companies are not selected for inclusion by Standard & Poor's® because they are expected to have superior stock price performance relative to the market in general or other stocks in particular. Standard & Poor's® makes no representation or warranty, implied or express, to purchasers of Equity Index Fund shares or any member of the public regarding the advisability of investing in the Fund or the ability of the S&P 500® Index to track general stock market performance.

The Equity Index Fund is subject to the risk of tracking variance. It may exclude the stocks of certain companies included in the S&P 500® Index that are publicly recognized as being incompatible with the moral and ethical posture of GuideStone Financial Resources. Tracking variance may also result from share purchases and redemptions, transaction costs, expenses and other factors. Share purchases and redemptions may necessitate the purchase and sale of securities by the Fund, and the resulting transaction costs may be substantial because of the number and the characteristics of the securities held. In addition, transaction costs are incurred because sales of securities received in connection with spin-offs and other corporate organizations are made to conform the Fund's holdings with its investment objective. Tracking variance may also occur due to factors such as the size of the Fund, the maintenance of a cash reserve pending investment or to meet expected redemptions, changes made in the S&P 500® Index or the manner in which the S&P 500® Index is calculated or because the indexing and investment approaches of the Sub-Advisers do not produce the intended goal of the Fund. Tracking variance is monitored by the Adviser at least quarterly. If the performance of the Equity Index Fund is not comparable to the performance of the S&P 500® Index, the Board of Trustees will evaluate the reasons for the deviation and the availability of corrective measures. If substantial deviation in performance were to continue for extended periods, it is expected that the Board of Trustees would consider recommending to shareholders possible changes to the Fund's investment objective.

The Equity Index Fund is not sponsored, endorsed, sold or promoted by Standard & Poor's®, a division of The McGraw-Hill Companies, Inc. ("S&P®"). S&P® makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally, or in the Fund particularly, or the ability of the S&P 500® Index to track general stock market performance. S&P®'s only relationship to the Trust is the licensing of certain trademarks and trade names of S&P® and of the S&P 500® Index which is determined, composed and calculated by S&P® without regard to the Trust or the Fund. S&P® has no obligation to take the needs of the Trust or the owners of the Fund into consideration in determining, composing or calculating the S&P 500® Index. S&P® is not responsible for and has not participated in the determination of the prices and amount of the Fund or the timing of the issuance or sale of the Fund or in the determination or calculation of the equation by which the Fund is to be converted into cash. S&P® has no obligation or liability in connection with the administration, marketing or trading of the Fund.

S&P® DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN, AND S&P® SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. S&P® MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE TRUST, OWNERS OF THE FUND OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. S&P® MAKES NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P® HAVE ANY LIABILITY FOR ANY SPECIAL,

PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

The Money Market Fund. The Money Market Fund is subject to maturity, diversification, liquidity and quality requirements under Rule 2a-7 under the 1940 Act. It will not invest more than 5% of its total assets in the securities (including securities collateralizing a repurchase agreement) of a single issuer, except that it may invest in U.S. government securities or repurchase agreements that are collateralized by cash or U.S. government securities without any such limitation.

The Money Market Fund's diversification tests are measured at the time of acquisition and are calculated as specified in Rule 2a-7 under the 1940 Act, which may allow the Fund to exceed limits specified in the Prospectus and this SAI for certain securities subject to guarantees or demand features. The Fund will be deemed to satisfy the maturity, diversification, liquidity and quality requirements described in the Prospectus and this SAI to the extent it satisfies Rule 2a-7 requirements. The discussion of investments for the Money Market Fund in the Prospectus and this SAI is qualified by Rule 2a-7 limitations.

U.S. Government Obligations. Examples of the types of U.S. government obligations that may be acquired by the Funds include U.S. Treasury Bills, U.S. Treasury Notes and U.S. Treasury Bonds and stripped U.S. Treasury obligations and the obligations of Federal Home Loan Banks, Federal Farm Credit Banks, Federal Land Banks, the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, Fannie Mae, Ginnie Mae, General Services Administration, Central Bank for Cooperatives, Freddie Mac, Federal Intermediate Credit Banks and Maritime Administration. Not all obligations of the U.S. government, its agencies and instrumentalities are backed by the full faith and credit of the United States; some are backed only by the credit of the issuing agency or instrumentality. For instance, obligations such as Ginnie Mae participation certificates are backed by the full faith and credit of the U.S. Treasury. However, GSEs are not backed by the full faith and credit of the U.S. Treasury but are backed by the credit of the federal agencies or government sponsored entities. Accordingly, there may be some risk of default by the issuer in such cases. For more information, see the section entitled "Mortgage-Backed Securities" in this SAI.

Variable and Floating Rate Instruments. The Bond Funds, Money Market Fund, Strategic Alternatives Fund and Defensive Market Strategies Fund may invest in variable and floating rate instruments to the extent consistent with their investment objectives and policies described in the Prospectus and, in the case of the Money Market Fund, consistent with Rule 2a-7 under the 1940 Act. Generally, the Sub-Adviser will consider the earning power, cash flows and other liquidity ratios of the issuers and guarantors of such instruments and, if the instruments are subject to demand features, will monitor their financial status and ability to meet payment on demand. In determining weighted average portfolio maturity, an instrument may, subject to applicable SEC regulations, be deemed to have a maturity shorter than its nominal maturity based on the period remaining until the next interest rate adjustment or the time a Fund can recover payment of principal as specified in the instrument. Where necessary to ensure that a variable or floating rate instrument is of the minimum required credit quality for a Fund, the issuer's obligation to pay the principal of the instrument will be backed by an unconditional bank letter or line of credit, guarantee or commitment to lend.

Variable and floating rate instruments eligible for purchase by the Funds include variable amount master demand notes (which permit the indebtedness thereunder to vary in addition to providing for periodic adjustments in the interest rate), U.S., Yankee and Eurodollar floating rate notes and (except for the Money Market Fund) leveraged inverse floating rate debt instruments and notes ("inverse floaters"). The interest rate on an inverse floater resets in the opposite direction from the market rate of interest to which the inverse floater is indexed. An inverse floater may be considered to be leveraged to the extent that its interest rate varies by a magnitude that exceeds the magnitude of the change in the index rate of interest. The higher degree of leverage interest in inverse floaters is associated with greater volatility in their market values. Accordingly, the duration of an inverse floater may exceed its stated final maturity. The Funds may deem the maturity of variable and floating rate instruments to be less than their stated maturities based on their variable and floating rate features and/or their put features. Unrated variable and floating rate instruments will be determined by the Sub-Adviser to be of comparable quality at the time of purchase to rated instruments which may be purchased by the Funds.

Variable and floating rate instruments (including inverse floaters) held by a Fund will be subject to the Fund's limitation on illiquid investments when the Fund may not demand payment of the principal amount within seven days absent a reliable trading market.

Warrants and Rights. The Select Funds may purchase warrants and rights, which are privileges issued by corporations enabling the owners to subscribe to and purchase a specified number of shares of the corporation at a specified price during a specified period of time. The Global Bond Fund may invest in warrants on a limited basis (generally no more than 5% of the Fund's assets). The prices of warrants and rights do not necessarily correlate with the prices of the underlying shares. The purchase of warrants and rights involves the risk that a Fund could lose the purchase value of a warrant or right if the right to subscribe to additional shares is not exercised prior to the expiration. Also, the purchase of warrants and rights involves the risk that the effective price paid for the warrant or right added to the subscription price of the related security may exceed the value of the subscribed security's market price such as when there is no movement in the level of the underlying security.

Yankee Bonds. To the extent consistent with their respective investment policies, the Bond Funds, the Strategic Alternatives Fund and the Defensive Market Strategies Fund may invest in Yankee bonds. These are U.S. dollar-denominated bonds issued inside the United States by foreign entities. Investment in these securities involves certain risks that are not typically associated with investing in domestic securities. These risks are set forth in the section entitled "Foreign Securities and Obligations" in this SAI.

Zero Coupon, Pay-In-Kind and Capital Appreciation Securities. To the extent consistent with its investment policies, each Bond Fund may invest in zero coupon securities, capital appreciation and pay-in-kind ("PIK") securities. Zero coupon and capital appreciation securities are debt securities issued or sold at a discount from their face value ("original issue discount") and do not entitle the holder to any periodic payment of interest prior to maturity or a specified date. The original issue discount varies depending on the time remaining until maturity or cash payment date, prevailing interest rates, the liquidity of the security and the perceived credit quality of the issuer. These securities may also take the form of debt securities that have been stripped of their unmatured interest coupons, the coupons themselves or receipts or certificates representing interests in such stripped debt obligations or coupons. The market prices of zero coupon, capital appreciation and PIK securities generally are more volatile than the market prices of interest-bearing securities and are likely to respond to a greater degree to changes in interest rates than interest-bearing securities having similar maturities and credit quality.

PIK securities may be debt obligations or preferred shares that provide the issuer with the option of paying interest or dividends on such obligations in cash or in the form of additional securities rather than cash. Similar to zero coupon securities, PIK securities are designed to give an issuer flexibility in managing cash flow. PIK securities that are debt securities can either be senior or subordinated debt and generally trade flat (*i.e.*, without accrued interest). The trading price of PIK debt securities generally reflects the market value of the underlying debt plus an amount representing accrued interest since the last interest payment.

Zero coupon, capital appreciation and PIK securities involve the additional risk that, unlike securities that periodically pay interest to maturity, a Fund will realize no cash until a specified future payment date unless a portion of such securities is sold and, if the issuer of such securities defaults, a Fund may obtain no return at all on its investment. In addition, even though such securities do not provide for the payment of current interest in cash, a Fund is nonetheless required to accrue original issue discount and other non-cash income (such as additional securities paid as interest on PIK securities) on such investments for each taxable year and generally is required to distribute such accrued amounts (net of deductible expenses, if any) to avoid being subject to federal income tax. (For more information, see the section entitled "Taxation — Tax Treatment of Fund Investments" in this SAI.) Because no cash is generally received at the time of the accrual, a Fund may be required to liquidate other portfolio securities to obtain sufficient cash to satisfy these distribution requirements.

Investment Restrictions

No Fund may 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. These investment restrictions may only be changed by the vote of the majority of the outstanding shares of the Trust, and not an individual Fund. A "majority of the outstanding shares of the Trust" is defined as greater than 50% of the shares shown on the books of the Trust or its transfer agent as then issued and outstanding, voted in the aggregate, but does not include Shares which have been repurchased or redeemed by the Trust.

Fundamental Investment Restrictions. The following investment restrictions are applicable to each Fund and are considered fundamental, which means that they may only be changed by the vote of a majority of a Fund's outstanding shares, which as used herein and in the Prospectus, means the lesser of: (1) 67% of such Fund's outstanding shares present at a meeting, if the holders of more than 50% of the outstanding shares are present in person or by proxy, or (2) more than 50% of such Fund's outstanding shares. The Funds may not:

1. All Funds: Purchase securities which would cause 25% or more of the value of a Fund's total assets at the time of such purchase to be invested in the securities of one or more issuers conducting their principal activities in the same industry, except that this restriction does not apply to (1) securities issued or guaranteed by the U.S. government, its agencies or instrumentalities or to municipal securities, (2) the Money Market Fund securities issued by domestic banks or (3) the Global Real Estate Securities Fund, securities in the real estate industry.

   The Global Real Estate Securities Fund: The Global Real Estate Securities Fund concentrates its assets in the real estate industry by investing more than 25% of the value of the Fund's total assets at the time of such purchase in securities of issuers in the real estate industry.

2. Borrow money or issue senior securities as defined in the 1940 Act, provided that (a) a Fund may borrow money in an amount not exceeding one-third of the Fund's total assets (including the amount of the senior securities issued but reduced by any liabilities not constituting senior securities) at the time of such borrowings, (b) a Fund may borrow up to an additional 5% of its total assets (not including the amount borrowed) for temporary or emergency purposes and (c) a Fund may issue multiple classes of shares. The purchase or sale of futures contracts and related options shall not be considered to involve the borrowing of money or the issuance of shares of senior securities.

3. With respect to 75% of a Fund's total assets, purchase securities of any one issuer if, as a result, (a) more than 5% of the Fund's total assets would be invested in the securities of that issuer, or (b) the Fund would hold more than 10% of the outstanding voting securities of that issuer, except that up to 25% of the Fund's total assets may be invested without regard to this limitation, and except that this limitation does not apply to securities issued or guaranteed by the U.S. government, its agencies and instrumentalities or to securities issued by other investment companies. The Money Market Fund is further subject to the diversification requirements of Rule 2a-7 under the 1940 Act.

4. Make loans or lend securities, except through loans of portfolio securities or through repurchase agreements, provided that for purposes of this restriction: (1) the acquisition of bonds, debentures, other debt securities or instruments, or participations or other interests therein and investments in government obligations, commercial paper, certificates of deposit, bankers' acceptances or similar instruments will not be considered the making of a loan; and (2) the participation of each Fund in a credit facility whereby the Funds may directly lend to and

borrow money from each other for temporary purposes, provided that the loans are made in accordance with an order of exemption from the SEC and any conditions thereto, will not be considered the making of loans.

5. Purchase or sell real estate, except that investments in securities of issuers that invest in real estate and investments in mortgage-backed securities, mortgage participations or other instruments supported by interests in real estate are not subject to this limitation and except that a Fund may exercise rights under agreements relating to such securities, including the right to enforce security interests and to hold real estate acquired by reason of such enforcement until that real estate can be liquidated in an orderly manner.

6. Underwrite securities issued by any other person, except to the extent that a Fund might be considered an underwriter under the federal securities laws in connection with its disposition of portfolio securities.

7. Purchase or sell commodities, unless acquired as a result of owning securities or other instruments, but a Fund may purchase, sell or enter into financial options and futures, forward and spot currency contracts, swap transactions and other financial contracts or derivatives. This policy does not prohibit a Fund from purchasing shares of registered investment companies or exchange-traded pooled investment vehicles that have direct or indirect commodity investments.

Non-Fundamental Investment Restrictions. Each Fund's investment objective is a non-fundamental policy of the Fund. Additionally, the Funds have adopted the following non-fundamental restrictions. These non-fundamental restrictions may be changed without shareholder approval, in compliance with applicable law and regulatory policy. Unless otherwise indicated, these non-fundamental restrictions apply to all the Funds.

1. A Fund shall not invest in companies for purposes of exercising control or management.

2. A Fund shall not purchase securities on margin, except that a Fund may obtain short-term credits necessary for the clearance of transactions and may make margin deposits in accordance with Commodity Futures Trading Commission regulations in connection with its use of financial options and futures, forward and spot currency contracts, swap transactions and other financial contracts or derivative instruments.

3. A Fund shall not sell securities short, unless the Fund owns or has the absolute and immediate right to acquire securities equivalent in kind and in the amount equal to the securities sold short without additional cash consideration or, if additional cash consideration is required to exercise the right to obtain the securities, liquid assets in the amount of such cash consideration is segregated. Provided, however, that the Funds may maintain short positions in U.S. Treasury securities and in connection with their use of financial options and futures, forward and spot currency contracts, swap transactions and other financial contracts or derivative instruments.

4. A Fund shall not purchase any portfolio security while borrowings representing more than 15% of the Fund's total assets are outstanding (investment in repurchase agreements will not be considered to be loans for purposes of this restriction).

5. A Fund shall invest no more than 15% (5% with respect to the Money Market Fund) of the value of its net assets in illiquid securities, a term which means securities that cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment in the securities and includes, among other things, repurchase agreements maturing in more than seven days.

6. A Fund may invest in shares of investment companies only to the extent permitted by the 1940 Act and the rules thereunder and by exemptive orders granted by the SEC. If shares of a Fund are purchased by another registered open-end investment company or registered unit investment trust in reliance on Section 12(d)(1)(G) of the 1940 Act, for so long as shares of the Fund are held by such other investment company, the Fund will not purchase securities of registered open-end investment companies or registered unit investment trusts in reliance on Section 12(d)(1)(F) or Section 12(d)(1)(G) of the 1940 Act.

7. Each of the Bond Funds and each of the Equity Funds (other than the Defensive Market Strategies Fund) shall not change its policies regarding the investment of 80% of its assets consistent with its name without 60 days' prior notice to its shareholders.

8. The Money Market Fund shall invest at least 99.5% of its total assets in Government securities, cash and repurchase agreements collateralized fully by Government securities or cash. For purposes of this policy, "Government securities" means any securities issued or guaranteed as to principal or interest by the United States, or by any person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit of the foregoing. The Fund intends to operate as a "government money market fund," as such term is defined in or interpreted under Rule 2a-7 under the 1940 Act. This 99.5% policy shall not change without 60 days' prior notice to shareholders.

If a percentage restriction on the investment or use of assets set forth in the Prospectus or this SAI is adhered to at the time a transaction is effected, later changes in percentage resulting from changing asset values will not be considered a violation. However, notwithstanding the foregoing, borrowing for investment purposes made pursuant to Section 18(f)(1), if any, will comply with the percentage limitations imposed by that Section subsequent to the incurrence of the borrowings. As noted above, the Funds exclude "municipal securities" from their policies on industry concentration. Solely for purposes of this restriction, the Funds treat securities the interest on which is excludable from gross income for federal income tax purposes that are issued by a non-governmental issuer (such as conduit revenue bonds) as being part of the industry of which that issuer is a part, and thus subject to that restriction. It is the intention of the Funds, unless otherwise indicated, that with respect to their policies that are a result of application of law, they will take advantage of the flexibility provided by rules or interpretations of the SEC currently in existence or promulgated in the future or changes to such laws. None of these restrictions are intended to limit investments by the Target Date Funds and the Asset Allocation Funds in shares of the Select Funds.

Management of the Funds

The Board of Trustees. The primary responsibility of the Board of Trustees is to represent the interests of the shareholders of the Trust and to oversee the management of the Trust. The Board meets at least quarterly to review the investment performance of each Fund and other operational matters, including policies and procedures with respect to compliance with regulatory and other requirements. Only shareholders of the Trust, by a vote of a majority of the outstanding shares, may fill vacancies or otherwise elect a Trustee. The Board is comprised of nine individuals, two of whom are considered "interested" Trustees as defined by the 1940 Act due to their positions on the Board of Trustees of GuideStone Financial Resources. The remaining Trustees are deemed to be not "interested persons" of the Trust as defined by Section 2(a)(19) of the 1940 Act ("Independent Trustees").

Board Role in Risk Oversight. The Board's role with respect to the Trust is oversight. As is the case with virtually all investment companies (as distinguished from operating companies), service providers to the Trust, primarily the Adviser and its affiliates, have responsibility for the day-to-day management of the Funds, which includes responsibility for risk management. Examples of prominent risks include investment risk, liquidity risk, regulatory and compliance risks, operational risks, accounting risks, valuation risks, service provider risks and legal risks. As part of its oversight role, the Board, acting at its scheduled meetings, or the Chairman, acting between Board meetings, interacts with and receives reports from senior personnel of service providers, including the Adviser's Chief Investment Officer (or a senior representative of the Adviser) and portfolio management personnel. The Board receives periodic presentations and reports from senior personnel of the Adviser or its affiliates regarding risk management generally, as well as periodic presentations regarding specific operational, compliance or investment areas such as accounting, administration, anti-money laundering, personal trading, valuation, investment research and securities lending. The Board also receives reports from counsel to the Trust and the Board's own independent legal counsel regarding regulatory compliance and governance matters. The Board interacts with and receives reports from the Trust's Chief Compliance Officer, and in connection with each scheduled meeting, the Trust's Independent Trustees meet separately from the Adviser and Trust management, with the Trust's Chief Compliance Officer and independent legal counsel, on regulatory compliance matters. The Board's oversight role does not make the Board a guarantor of the Trust's investments or activities.

Board Leadership Structure. The Chairman of the Board of Trustees is an Independent Trustee and holds no management position with the Trust or its Adviser, Sub-Advisers or service providers. The Board has determined that its leadership structure, in which the Chairman of the Board is an Independent Trustee, along with the Board's majority of Independent Trustees, is appropriate in light of the services provided to the Trust and provides the best protection against conflict of interests with the Trust's Adviser and service providers.

Information About Each Trustee's Qualifications, Experience, Attributes or Skills. GuideStone Financial Resources primarily provides financial products and services to persons and organizations associated with the Southern Baptist Convention. In accordance with the Trust's organizational documents, all Trustees must be active members of a Baptist church in friendly cooperation with the Southern Baptist Convention as defined in the Southern Baptist Convention Constitution and interested Trustees must also be members of the Board of Trustees of GuideStone Financial Resources. All Trustees serve without compensation except for reimbursement of expenses in attending meetings. The Board believes that the significance of each Trustee's experience, qualifications, attributes or skills is an individual matter (meaning that experience that is important for one Trustee may not have the same value for another) and that these factors are best evaluated at the Board level, with no single Trustee, or particular factor, being indicative of Board effectiveness. However, the Board believes that Trustees need to have the ability to critically review, evaluate, question and discuss information provided to them, and to interact effectively with Trust management, service providers and counsel, in order to exercise effective business judgment in the performance of their duties. Experience relevant to having this ability may be achieved through a Trustee's educational background; business, professional training or practice (*e.g.*, accounting, banking, brokerage, finance or ministry); public service or academic positions; experience from service as a board member (including the Board of the Trust); senior level positions in Southern Baptist Convention member organizations such as churches or hospitals; or as an executive of investment funds, public companies or significant private or not-for-profit entities or other organizations, as well as other life experiences. In identifying and evaluating nominees for the Board, the Nominating Committee also considers how each nominee would affect the composition of the Board of Trustees. In seeking out and evaluating nominees, each candidate's background is considered in light of existing board membership. The ultimate goal is a board consisting of trustees with a diversity of relevant individualized expertise. In addition to providing for Board synergy, this diversity of expertise allows Trustees to provide insight and leadership within the Board's committee structure.

The Trustees and executive officers of the Trust, their dates of birth, business address and principal occupations and prior directorships during the past five years are set forth in the following table.

Name (Date of Birth), Address and Position(s) with Trust	Term of Office and Length of Time Served[1]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/ Directorships Held by Trustee During Past 5 Years
INDEPENDENT TRUSTEES				
William Craig George (1958) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2004	Senior Credit Officer, First National Bank of PA, 2014 – present.	24	None
Barry D. Hartis (1945) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2014	Certified Public Accountant, 1987 – present.	24	GuideStone Financial Resources – Board of Trustees Member, 2004 – 2012; GuideStone Funds – Board of Trustees, Interested Trustee, 2005 – 2012.

Name (Date of Birth), Address and Position(s) with Trust	Term of Office and Length of Time Served[1]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/ Directorships Held by Trustee During Past 5 Years
Grady R. Hazel (1947) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2011	Chief Financial Officer, The Dunham School, 2016 – present; Certified Public Accountant, 2015 – present; G400 Relations Manager, American Institute of Certified Public Accountants, 2012 – 2015.	24	Neighbors Federal Credit Union – Vice-Chairman of the Board; Stonetrust Commercial Insurance Company – Board of Directors Member and Chairman of Audit Committee; State Board of Certified Public Accountants of Louisiana – Board Member.
Joseph A. Mack (1939) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2002	Independent Consultant, 2010 – present; Director of Public Policy, North Greenville University, 2011 – 2016; Contractor, Interim Director of Public Policy, South Carolina Baptist Convention, 2017; Contractor, South Carolina Citizens for Life, 2014 – present.	24	None
David B. McMillan (1957) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2019	Chief Executive Officer and Founder, Peridot Energy LLC, 2008 – present; Chief Executive Officer, INEA International/ VHSC Cement, 2015 – 2017.	24	GuideStone Financial Resources – Board of Trustees Member, July 2010 – June 2018; GuideStone Financial Resources – Chairman of the Audit Committee, July 2013 – June 2018; GuideStone Capital Management, LLC, Board of Directors Member, July 2011 – June 2018; GuideStone Capital Management, LLC – Chairman of the Board of Directors, July 2013 – June 2018; GuideStone Investment Services – Chairman of the Board of Directors, May 2014 – June 2018; GuideStone Resource Management, Inc. – Chairman of the Board of Directors, May 2014 – June 2018.
Franklin R. Morgan (1943) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2005	Retired - Senior Vice President, Director of International Administration, Prudential Securities, Inc., 1960 – 2003.	24	None
Kyle L. Tucker (1981) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2013	Vice President and Financial Advisor - CAPTRUST Financial Advisors, 2006 – present.	24	Fellowship of Christian Athletes (NC) Triangle Board, 2012 – 2015; NC Values Coalition Board, 2015 – present; Institute for Faith and Family, 2015 – present; College Golf Fellowship, 2012 – present.
INTERESTED TRUSTEES[2]				
Randall T. Hahn, D.Min. (1965) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2018	Senior Pastor, The Heights Baptist Church, 2002 – present.	24	GuideStone Financial Resources – Board of Trustees Member, February 2016 – present.

Name (Date of Birth), Address and Position(s) with Trust	Term of Office and Length of Time Served[1]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/ Directorships Held by Trustee During Past 5 Years
John R. Morris (1938) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Trustee	Since 2017	Vice-President and Broker-in-Charge, Hound Ears Club, Inc., 2010 – present.	24	GuideStone Financial Resources – Board of Trustees Member, June 2012 – present; GuideStone Capital Management, LLC, Board of Directors Member, May 2014 – present; GuideStone Investment Services, Board of Directors Member, July 2012 – present; GuideStone Resource Management, Inc., Board of Directors Member, May 2014 – present.
OFFICERS WHO ARE NOT TRUSTEES[3]				
Ron W. Bass (1966) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Chief Compliance Officer and AML Officer	Since 2009	Director of Asset Management Compliance, GuideStone Financial Resources, June 2009 – present.	N/A	N/A
Melanie Childers (1971) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Vice President — Fund Operations	Since 2014	Managing Director, Fund Operations, GuideStone Financial Resources, 2014 – present; Director, Funds Administration and Operations, GuideStone Financial Resources, 2009 – 2014.	N/A	N/A
John R. Jones (1953) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 President	Since 2000	Executive Vice President and Chief Operating Officer, GuideStone Financial Resources, 1997 – present.	N/A	N/A
Patrick Pattison (1974) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Vice President and Treasurer	Since 2008	Chief Accounting Officer, GuideStone Financial Resources, 2015 – present; Director of Financial Reporting & Process Review, GuideStone Financial Resources, 2008 – 2015.	N/A	N/A
Matt L. Peden (1967) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Vice President and Investment Officer	Since 2001	Vice President and Chief Investment Officer, GuideStone Financial Resources, 2015 – present; Director of Portfolio Management, GuideStone Financial Resources, 2010 – 2015.	N/A	N/A
Matthew A. Wolfe (1982) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Chief Legal Officer and Secretary	Since 2017	Associate Counsel – Investment and Corporate Services, GuideStone Financial Resources, 2015 – present; Vice President and Assistant General Counsel, Goldman Sachs & Co., 2012 – 2015.	N/A	N/A
Erin Wynne (1981) 5005 Lyndon B. Johnson Freeway Suite 2200 Dallas, TX 75244-6152 Financial Officer	Since 2016	Director, Financial Reporting & Analysis, GuideStone Financial Resources, 2015 – present; Manager, Financial Reporting & Analysis, GuideStone Financial Resources, 2010 – 2015.	N/A	N/A

(1) Each Independent Trustee serves until his or her resignation, removal or mandatory retirement. Each Interested Trustee serves until his or her resignation, removal or mandatory retirement or until he or she ceases to be a member of the Board of Trustees of GuideStone Financial Resources. All Trustees must retire at the end of the calendar year in which they attain the age of 80 or after achieving 10 years of service, whichever occurs last. Officers serve at the pleasure of the Board of Trustees.

(2) Dr. Hahn and Mr. Morris are "interested persons" of the Trust as the term is defined in the 1940 Act due to their positions on the Board of Trustees of GuideStone Financial Resources.

(3) The officers of the Trust may be deemed to be affiliates of the Adviser due to their positions with the Adviser and/or GuideStone Financial Resources.

In addition to the information set forth in the trustees and officers table and other relevant qualification, experience, attributes or skills applicable to a particular Trustee, the following provides further information about the qualifications and experience of each Independent Trustee:

William Craig George. Mr. George has been the Chairman of the Board of Trustees of the Trust since January 2015 and a member of the Board of Trustees since September 2004. He has been employed with First National Bank of PA since 2014 and currently serves as the Senior Credit Officer. In his role with First National Bank of PA, Mr. George underwrites and approves loans. Additionally, he oversees bank loan policy and bank lending compliance. He was previously employed with SunTrust Bank as an Executive Vice President/Regional Credit Officer. He has served on the board of the Pregnancy Life Care Center of Raleigh and on the Allocations Committee of Triangle United Way. Mr. George holds a Bachelor of Science degree in Business Administration from the University of North Carolina at Chapel Hill.

Randall T. Hahn, D.Min. Dr. Hahn is the Senior Pastor at The Heights Baptist Church in Colonial Heights, Virginia, where he has served since 2002. He holds a Bachelor of Arts degree from Texas A&M University, a Master of Theology degree from Dallas Theological Seminary and a Doctor of Ministry degree from Southeastern Baptist Theological Seminary. Dr. Hahn currently serves on the Board of Trustees of GuideStone Financial Resources.

Barry D. Hartis. Mr. Hartis is currently self-employed as a CPA. Previously, he served as a CPA with Haynes Strand and Company, PLLC. Mr. Hartis was the Vice President, Eastern Region of the North Carolina Baptist Men's Association. He is a former member of the Board of Directors of the North Carolina Association of CPAs and a member of the American Institute of CPAs. Mr. Hartis has served as the Vice President for Business and Finance with Gardner-Webb University, the Vice President for Administrative Services with the College of the Albemarle and the Vice President for Business and Finance with Greensboro College. Mr. Hartis holds a Bachelor of Science degree in Accounting from the University of North Carolina at Charlotte and also holds a Certificate of Completion from the College Business Management Institute, the University of Kentucky.

Grady R. Hazel. Mr. Hazel serves as Chief Financial Officer at The Dunham School and is self-employed as a CPA. Previously, he served as a G400 Relations Manager for the American Institute of Certified Public Accountants, where he acted as a liaison to CPA firms that have 101 to 400 CPAs. He is currently Vice-Chairman of the Board of Directors of Neighbors Federal Credit Union. In addition, he serves on the board of Stonetrust Commercial Insurance Company, where he is also Chairman of the Audit Committee, and he is a board member for the State Board of Certified Public Accountants of Louisiana. Mr. Hazel is a CPA and a Chartered Global Management Accountant (CGMA). Mr. Hazel holds a Bachelor of Science degree and a Master of Business Administration degree both from Louisiana State University.

Joseph A. Mack. Mr. Mack served as the Chairman of the Board of Trustees of the Trust from June 2005 until January 2015 and has been a member of the Board of Trustees since March 2002. He currently serves as an independent consultant and is the former Director of Public Policy of the South Carolina Baptist Convention, where he served for 12 years. Additionally, he served as Director of Public Policy for North Greenville University from 2011 until 2016. Mr. Mack has also served on several foundations and committees. He received a Bachelor of Science in Business Administration from Florida State University.

David B. McMillan. Mr. McMillan is the Chief Executive Officer ("CEO") and Founder of Peridot Energy LLC, which today primarily provides senior management and consulting services to startup companies, since 2008. From 2015 to 2017, he was CEO of INEA International/VHSC Cement LLC, a private equity sponsored company with patented technology for converting fly ash into PozzoSlag, a replacement for Portland Cement in concrete. Mr. McMillan has previously served as a member of the Board of Trustees of GuideStone Financial Resources from 2010 to 2018, where he was Chairman of the Audit Committee from 2013 to 2018; member of the Board of Directors of GuideStone Capital Management, LLC from 2011 to 2018, where he served as Chairman from 2013 to 2018; Chairman of the Board of Directors of GuideStone Investment Services from 2014 to 2018; and Chairman of the Board of Directors of GuideStone Resource Management, Inc. from 2014 to 2018. He holds a Bachelor of Science degree in Chemical Engineering, cum laude, from Texas A&M University. In addition, Mr. McMillan is a member of the American Institute of Chemical Engineers.

Franklin R. Morgan. Mr. Morgan is a former Senior Vice President/Director with Prudential Securities. He served with Prudential Securities and predecessor firms for 41 years, and his final position with the firm was as Senior Vice President, Director of International Administration. Mr. Morgan's main responsibilities were high level administrative management of 27 branches and support functions in 20 different countries. He was also responsible for business quality-compliance for the firm. Mr. Morgan held numerous securities licenses and was an arbitrator with the NASD (FINRA) as well as a past panel member of the New York Stock Exchange Disciplinary Board.

John R. Morris. Mr. Morris is Vice President and Broker-in-Charge at Hound Ears Club, Inc., a captive real estate office. Mr. Morris holds a Bachelor of Arts degree from Wheaton College and graduate degrees from both the American Institute of Banking and Stonier Graduate School of Banking, Rutgers, The State University of New Jersey. Mr. Morris currently serves on the Board of Trustees of GuideStone Financial Resources, the Board of Directors of GuideStone Capital Management, LLC, the Board of Directors of GuideStone Investment Services and the Board of Directors of GuideStone Resource Management, Inc.

Kyle L. Tucker. Mr. Tucker currently serves as Vice President and Financial Advisor at CAPTRUST Financial Advisors. In this capacity, he provides advice to retirement plans and personal investment accounts such as designing and implementing customized financial plans, developing investment models and selecting and monitoring of mutual funds and investment managers. Mr. Tucker holds a Bachelor of Science degree in Business Management from North Carolina State University. In addition, he is a CERTIFIED FINANCIAL PLANNER™ (CFP®) and holds the Series 6, 7 and 66 securities registrations. Mr. Tucker currently serves on the boards of the NC Values Coalition and Institute for Faith and Family and serves with the College Golf Fellowship. He served on the board of Fellowship of Christian Athletes (NC) Triangle from 2012 until 2015.

The Board's Committees

Currently, the Board has an Audit Committee, Compliance and Risk Committee, Investment Management Committee and a Nominating Committee. The responsibilities of each committee and its members are described below.

Audit Committee. The Board has an Audit Committee comprised only of the Independent Trustees, Messrs. George, Hartis, Hazel, Mack, McMillan, Morgan and Tucker. Pursuant to its charter, the Audit Committee has the responsibility, among other things, to (1) appoint the Trust's independent auditors; (2) review and approve the scope of the independent auditors' audit activity; (3) review the financial statements, which are the subject of the independent auditors' certifications; and (4) review with such independent auditors the adequacy of the Trust's basic accounting system and the effectiveness of the Trust's internal accounting controls. During the fiscal year ended December 31, 2018, there were three meetings of the Audit Committee.

Compliance and Risk Committee. The Board has a Compliance and Risk Committee comprised of Messrs. Hahn, Hartis and Morgan, the majority of whom are Independent Trustees. Pursuant to its charter, the Compliance and Risk Committee has the responsibility, among other things, to (1) oversee generally the management of the Trust's operational, information security, compliance, regulatory, strategic, reputational and other risks; (2) oversee generally matters relating to the Trust's compliance controls and related policies and procedures; and (3) act as a liaison between the chief compliance officer of the Trust and the full Board when necessary and appropriate. The Compliance and Risk Committee was established in February 2015. During the fiscal year ended December 31, 2018, there were four meetings of the Compliance and Risk Committee.

Investment Management Committee. The Board has an Investment Management Committee comprised of only Independent Trustees, Messrs. George, Hazel and Tucker. Pursuant to its charter, the Investment Management Committee has the responsibility, among other things, to (1) review information in consideration of investment advisory and sub-advisory agreements; (2) make recommendations to the Board regarding the initial approval, reapproval or termination of investment advisory or sub-advisory agreements; (3) monitor sub-advisers to identify those that may require review by the Trust's management or further discussion or review by the Board; and (4) serve as a liaison between the Trust's management and the Board involving changes in Fund investment objectives and strategies, changes at the Adviser or Sub-Advisers and other material developments related to the investment management of the Funds that may warrant Board consideration. The Investment Management Committee was established in August 2011. During the fiscal year ended December 31, 2018, there were four meetings of the Investment Management Committee.

Nominating Committee. The Board has a Nominating Committee, comprised only of the Independent Trustees, Messrs. George, Hartis, Hazel, Mack, McMillan, Morgan and Tucker. Pursuant to its charter, the Nominating Committee is responsible for the nomination of candidates to serve as Trustees. The Trust's governing documents provide that only shareholders, by a vote of a majority of the outstanding shares, may fill vacancies in the Board or otherwise elect a Trustee. The Trust documents further provide that the selection and nomination of persons to fill vacancies on the Board to serve as Independent Trustees shall be committed to the discretion of the Independent Trustees then serving, provided that shareholders may also nominate and select persons to serve in these positions. During the fiscal year ended December 31, 2018, there were three meetings of the Nominating Committee.

Shareholders owning 50% or more of the outstanding voting securities of the Trust may submit nominations for Trustee candidates in writing to the attention of Matthew A. Wolfe, Chief Legal Officer and Secretary, GuideStone Funds, 5005 Lyndon B. Johnson Freeway, Suite 2200, Dallas, Texas 75244-6152.

Security and Other Interests. The following table sets forth the dollar range of equity securities beneficially owned by each Trustee in all of the Funds of the Trust (which for each Trustee comprise all registered investment companies within the Trust's family of investment companies overseen by him), as of December 31, 2018.

Name of Trustee	**Dollar Range of Equity Securities in each Series of the Trust**	**Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee within the Family of Investment Companies**
INTERESTED TRUSTEES		
Randall T. Hahn, D.Min	\$10,001-\$50,000 in the Low-Duration Bond Fund \$10,001-\$50,000 in the Medium-Duration Bond Fund \$10,001-\$50,000 in the Extended-Duration Bond Fund \$10,001-\$50,000 in the Global Bond Fund \$50,001-\$100,000 in the Defensive Market Strategies Fund \$1-\$10,000 in the Global Real Estate Securities Fund \$50,001-\$100,000 in the Value Equity Fund \$50,001-\$100,000 in the Growth Equity Fund \$10,001-\$50,000 in the Small Cap Equity Fund \$50,001-\$100,000 in the International Equity Fund \$10,001-\$50,000 in the Emerging Markets Equity Fund	Over \$100,000
John R. Morris	NONE	NONE
INDEPENDENT TRUSTEES		
William Craig George	NONE	NONE
Barry D. Hartis	NONE	NONE
Grady R. Hazel	NONE	NONE
Joseph A. Mack	\$50,001-\$100,000 in the Strategic Alternatives Fund \$50,001-\$100,000 in the Defensive Market Strategies Fund	Over \$100,000
David B. McMillan	\$10,001-\$50,000 in the Defensive Market Strategies Fund \$10,001-\$50,000 in the Equity Index Fund \$10,001-\$50,000 in the Growth Equity Fund	Over \$100,000

Name of Trustee	Dollar Range of Equity Securities in each Series of the Trust	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee within the Family of Investment Companies
Franklin R. Morgan	NONE	NONE
Kyle L. Tucker	$1-$10,000 in the Growth Allocation Fund $1-$10,000 in the Aggressive Allocation Fund	$1-$10,000

As a group, the Trustees and officers of the Trust owned less than 1% of each Class of a Fund, as of April 15, 2019.

As of December 31, 2018, the Independent Trustees or their respective immediate family members (spouse or dependent children) did not own beneficially or of record any securities of the Trust's Adviser, Sub-Advisers or Underwriter, or in any person directly or indirectly controlling, controlled by, or under common control with the Adviser, Sub-Advisers or Underwriter.

Dr. Hahn and Mr. Tucker's spouse are participants in the Southern Baptist Churches 403(b)(9) Retirement Plan established and maintained by GuideStone Financial Resources. Mr. Mack is a participant in the 403(b)(9) Retirement Plan for the South Carolina Baptist Convention established and maintained by GuideStone Financial Resources.

The Trust pays no compensation to the Trustees. The Trust reimburses the Trustees for any expenses incurred in attending meetings. The Trust does not compensate the officers for the services they provide to the Funds.

The Adviser. The Funds have employed GuideStone Capital Management, LLC, a Texas limited liability company, as the Adviser. GuideStone Financial Resources controls the Adviser. GuideStone Financial Resources was established in 1918 and exists to assist churches and other Southern Baptist entities by making available retirement plan services, life and health coverage, risk management programs and personal and institutional investment programs. GuideStone Financial Resources is a Texas non-profit corporation of which the Southern Baptist Convention, a Georgia non-profit corporation, is the sole member.

The Sub-Advisers. The Adviser and the Trust have entered into a Sub-Advisory Agreement with Parametric Portfolio Associates LLC ("Parametric") whereby Parametric is responsible for monitoring and investing cash balances of each Fund, except the Money Market Fund. The Adviser and the Sub-Adviser(s) for each Fund determine the amount of each Fund's cash balances. Under the agreement, Parametric may from time to time invest in long positions in U.S. Treasury securities and derivative instruments, such as futures contracts, within the Target Date Funds and Asset Allocation Funds in order to gain market exposure on cash balances or to reduce market exposure in anticipation of liquidity needs. Regarding the applicable Select Funds, Parametric may from time to time invest in long positions in U.S. Treasury securities and derivative instruments, such as exchange listed equity index futures contracts (*e.g.*, S&P 500® Index, MSCI EAFE Index, etc.), to gain market exposure on cash balances or to reduce market exposure in anticipation of liquidity needs. In addition, for the Strategic Alternatives Fund and Defensive Market Strategies Fund, Parametric may invest in long and short positions in exchange listed equity futures contracts (*e.g.*, S&P 500® Index) and U.S. Treasury futures contracts and exchange listed equity index futures contracts (*e.g.*, S&P 500® Index), respectively, to gain market exposure on cash balances, to reduce market exposure in anticipation of liquidity needs or to manage risk relative to the corresponding broad-based benchmark of the Fund.

In addition, the Adviser and the Trust have entered into Sub-Advisory Agreements with the Sub-Advisers to manage each Select Fund's investment securities. It is the responsibility of the Sub-Advisers, under the general supervision of the Adviser, to make day-to-day investment decisions for the Select Funds. The Sub-Advisers also place purchase and sell orders for portfolio transactions of the Select Funds in accordance with each Select Fund's investment objectives and policies. The Adviser allocates the portion of each Select Fund's assets for which a Sub-Adviser will make investment decisions. The Adviser may make reallocations at any time in its discretion.

Advisory Fees. Under the Advisory Agreement and Sub-Advisory Agreements, each Fund pays to the Adviser and its Sub-Advisers advisory fees, which are computed daily and paid monthly, based on annual rates of the Fund's average net assets. For Funds with more than one share class, the fee is allocated daily to each share class based on the proportionate net assets of each share class in relation to the net assets of the Fund as a whole.

For the past three fiscal years ended December 31, advisory fees paid to the Adviser and the aggregate advisory fees paid to the Sub-Advisers were as follows:

	2018		2017		2016	
Fund	**Paid to Adviser**	**Paid to Sub-Advisers**	**Paid to Adviser**	**Paid to Sub-Advisers**	**Paid to Adviser**	**Paid to Sub-Advisers**
MyDestination 2015	$ 635,273	$ 0	$ 586,015	$ 2,024	$ 509,301	$ 7,985
MyDestination 2025	1,150,409	0	986,548	3,784	777,736	13,152
MyDestination 2035	695,239	0	565,277	2,641	427,938	9,450
MyDestination 2045	529,019	0	422,133	1,951	311,934	6,941
MyDestination 2055	138,299	0	89,218	376	48,857	1,125
Conservative Allocation	515,118	0	488,459	2,037	371,924	5,384
Balanced Allocation	1,578,153	0	1,556,485	7,057	1,491,723	31,095
Growth Allocation	1,228,747	0	1,178,613	5,937	1,082,644	21,803
Aggressive Allocation	1,051,158	0	971,521	4,206	912,600	18,078
Money Market	824,387	518,781	891,444	645,764	896,088	704,665
Low-Duration Bond	1,023,745	1,778,205	1,028,798	1,767,518	973,596	1,689,097
Medium-Duration Bond	1,970,655	2,912,869	1,502,868	2,275,928	1,196,264	1,867,362
Extended-Duration Bond	580,636	528,929	602,647	542,432	683,602	636,330
Global Bond	1,359,670	1,251,484	1,191,039	1,167,317	1,015,756	1,014,180
Strategic Alternatives(1)	1,531,886	1,811,122	483,827	555,286	—	—
Defensive Market Strategies	3,413,559	2,986,573	2,991,173	2,649,518	2,258,682	2,124,862
Equity Index	968,332	115,313	686,017	102,335	524,639	109,192
Global Real Estate Securities	680,960	872,354	696,440	925,226	751,201	1,059,940
Value Equity	4,672,749	2,933,666	4,556,608	2,917,799	4,080,212	2,834,803
Growth Equity	5,767,732	6,026,519	5,130,742	5,613,366	4,442,920	5,272,344
Small Cap Equity	1,887,784	3,414,656	1,786,534	3,221,374	1,643,623	3,116,534
International Equity Index	299,004	44,396	157,147	27,020	119,705	58,139
International Equity	4,932,354	5,883,764	4,849,704	5,819,972	4,185,687	5,241,446
Emerging Markets Equity	1,565,001	2,886,607	1,380,181	2,921,584	1,084,531	2,409,309

(1) Inception date was June 30, 2017.

The Adviser has agreed to waive fees and/or reimburse expenses for certain Funds, which exceed, in the aggregate, a specified annual percentage rate of the average daily net assets of the Fund's Institutional Class and/or Investor Class, which are set forth in the Prospectus for the Fund. For each Target Date Fund, the contractual waiver and reimbursement, which will remain in place until April 30, 2020, applies to the operating expenses of each Fund, excluding extraordinary expenses. For the applicable Select Funds, as set forth in the Prospectus, the contractual waiver and reimbursement applies to direct Fund operating expenses only and does not include interest, taxes, brokerage commissions, extraordinary expenses, acquired fund fees and expenses and expenses incurred in connection with the short sales of securities and will remain in place until April 30, 2020.

For the fiscal years ended December 31, the Adviser waived fees and reimbursed expenses as follows:

	2018		2017		2016	
Fund	**Fees Waived**[(1)]	**Expenses Reimbursed**	**Fees Waived**[(1)]	**Expenses Reimbursed**	**Fees Waived**[(1)]	**Expenses Reimbursed**
MyDestination 2015	$129,495	$ —	$ 53,852	$ —	$234,596	$ —

	2018		2017		2016	
Fund	**Fees Waived(1)**	**Expenses Reimbursed**	**Fees Waived(1)**	**Expenses Reimbursed**	**Fees Waived(1)**	**Expenses Reimbursed**
MyDestination 2025	174,630	—	36,942	—	282,323	—
MyDestination 2035	53,379	—	45,219	—	220,516	—
MyDestination 2045	32,865	—	74,894	—	200,534	—
MyDestination 2055	117,152	—	141,738	—	146,729	—
Conservative Allocation	—	—	28,966	—	98,389	—
Balanced Allocation	—	—	97,975	—	229,910	—
Growth Allocation	—	—	56,113	—	90,247	—
Aggressive Allocation	—	—	1,981	—	240	—
Money Market	—	—	—	—	—	—
Low-Duration Bond	48,549	—	78,547	—	62,363	—
Medium-Duration Bond	174,019	—	177,676	—	91,563	—
Extended-Duration Bond	13,762	—	16,292	—	26,552	—
Global Bond	86,418	—	83,849	—	54,007	—
Strategic Alternatives(2)	41,229	—	19,136	—	—	—
Defensive Market Strategies	87,105	—	80,131	—	59,628	—
Equity Index	95,755	—	62,723	—	37,381	—
Global Real Estate Securities	10,443	—	10,005	—	62,548	—
Value Equity	82,469	—	104,828	—	87,710	—
Growth Equity	150,962	—	140,458	—	110,503	—
Small Cap Equity	52,846	—	56,645	—	72,379	—
International Equity Index	—	—	—	97,614	98,308	—
International Equity	176,471	—	145,961	—	115,386	—
Emerging Markets Equity	—	352,608	92,549	—	639,785	—

(1) Also includes Shareholder Service Fee waivers.
(2) Inception date was June 30, 2017.

Certain Funds have agreed to repay the Adviser the amount of any such waivers or reimbursement in the future, provided that the waivers or reimbursements are repaid within three years of the waivers or reimbursements being made and the amount of repayment does not cause the Fund to exceed its expense limitation at the time of the waiver or reimbursement or the Fund's expense limitation at the time of the repayment, whichever is lower. If the actual expense ratio is less than the expense limitation and the Adviser has recouped any eligible previous waivers or reimbursements made, the Fund will be charged such lower expenses. Waivers or reimbursements will increase returns and yield, and repayment of waivers or reimbursements will decrease returns and yield.

From time to time, the Adviser may enter into a Sub-Advisory Agreement with a Sub-Adviser that manages multiple Funds in the Trust's complex. In certain cases where the advisory fee schedule under the Sub-Advisory Agreement includes breakpoints that reduce the fee as assets increase, the net assets of the other Funds advised by the Sub-Adviser may be aggregated for purposes of calculating the fee payable under the Sub-Advisory Agreement.

From time to time, a Sub-Adviser may waive a portion of its fees and/or pay expenses of one or more of the Funds out of the Sub-Adviser's own assets.

The Select Funds have been granted an order by the SEC that permits the Adviser, subject to approval by the Board of Trustees, to hire Sub-Advisers without shareholder approval and to make material changes to the Sub-Advisory Agreements, provided that shareholders of the applicable Select Fund will be notified of such a change within 90 days. Changes in a Fund's sub-advisory arrangements may result in increased transaction costs due to restructuring of the Fund's portfolio, which may negatively affect the Fund's performance.

The Adviser reviews the Sub-Advisers' performance, allocates assets of each Select Fund among them and makes recommendations to the Board of Trustees regarding changes to the Sub-Advisers selected. To the extent that the Adviser re-allocates a Select Fund's assets to an existing Sub-Adviser that charges a higher sub-advisory fee, the Select Fund may be subject to increased sub-advisory fees and, therefore, a higher overall management fee.

The Adviser directs the Sub-Advisers to place security trades through designated brokers who have agreed to pay certain custody, transfer agency or other operating expenses on behalf of the Equity Funds. The amount of operating expenses paid through such brokerage service arrangements for the fiscal year ended December 31, 2018 were as follows:

Fund	**Expenses Paid Through Brokerage Service Arrangements**
Global Real Estate Securities	$17,236
Value Equity	44,891
Growth Equity	28,482
Small Cap Equity	30,540
Emerging Markets Equity	4,467

Securities Lending Activities. The Northern Trust Company serves as the securities lending agent for the Select Funds and in that role administers each Fund's securities lending program pursuant to the terms of a securities lending agency agreement entered into between the Trust and The Northern Trust Company.

During the last fiscal year, The Northern Trust Company selected securities to be loaned; located borrowers; monitored loan opportunities for each participating Fund; negotiated the terms of the loans with borrowers; monitored the value of the securities on loan and the value of the corresponding collateral; invested cash collateral in accordance with the Trust's instructions; maintained custody of non-cash collateral; communicated with borrowers regarding daily marking to market the collateral; arranged for the return of the loaned securities and collateral upon the termination of the loan; managed entitlements; posted earned revenue and expenses; and performed recordkeeping and accounting services.

The table below sets forth, for the fiscal year ended December 31, 2018, each Select Fund's gross income received from securities lending activities, the fees and/or other compensation paid by a Fund for securities lending activities and the net income earned by a Fund for securities lending activities. The table below also discloses any other fees or payments incurred by each Fund resulting from lending securities.

		Fees and/or Compensation*					
Fund	**Gross Income**	**Fees Paid to Securities Lending Agent from a Revenue Split**	**Fees Paid for Any Cash Collateral Management Service**	**Rebate (Paid to Borrower)**	**Other Fees Not Included in Revenue Split (Specify)**	**Aggregate Fees / Compensation**	**Net Income**
Money Market	—	—	—	—	—	—	—
Low-Duration Bond	$239,782	$19,719	—	$106,886	—	$126,605	$113,177
Medium-Duration Bond	211,882	23,324	—	55,331	—	78,655	133,227
Extended-Duration Bond	65,813	7,565	—	14,659	—	22,224	43,589
Global Bond	346,831	40,965	—	73,628	—	114,593	232,238
Strategic Alternatives	—	—	—	—	—	—	—
Defensive Market Strategies	638,993	66,724	—	189,008	—	255,732	383,261
Equity Index	113,278	13,134	—	25,617	—	38,751	74,527
Global Real Estate Securities	50,096	6,663	—	5,633	—	12,296	37,800
Value Equity	173,849	15,097	—	73,128	—	88,225	85,624
Growth Equity	323,918	40,988	—	50,570	—	91,558	232,360
Small Cap Equity	459,944	43,627	—	168,543	—	212,170	247,774
International Equity Index	125,173	16,886	—	12,550	—	29,436	95,737
International Equity	792,279	98,498	—	135,575	—	234,073	558,206
Emerging Markets Equity	74,654	10,544	—	4,302	—	14,846	59,808

* The Funds do not pay any administrative, indemnification or any other fees that are not included in the revenue split.

Control Persons of Sub-Advisers: The following is a description of parties who control the Sub-Advisers.

Money Market Fund:

BlackRock Advisors, LLC ("BA"), 100 Bellevue Parkway, Wilmington, Delaware 19809: BA is an indirect, wholly-owned subsidiary of BlackRock, Inc. ("BlackRock"), a premier provider of global investment management and risk management products with approximately $6.0 trillion in assets under management as of December 31, 2018. BlackRock is independent in ownership and governance, with no single majority stockholder and a majority of independent directors. Total economic ownership of BlackRock is, as of December 31, 2018: The PNC Financial Services Group ("PNC") owns approximately 22.0% and institutional investors, employees and the public own approximately 78.0%. The approximate breakdown for voting BlackRock common stock is: PNC owns 21.6% and institutional investors, employees and the public own 78.4%.

Low-Duration Bond Fund:

BlackRock Financial Management, Inc. ("BFM"), 55 East 52nd Street, New York, New York 10055: BFM is an indirect wholly-owned subsidiary of BlackRock, Inc. ("BlackRock"), a premier provider of global investment management and risk management products with approximately $6.0 trillion in assets under management as of December 31, 2018. BlackRock is independent in ownership and governance, with no single majority stockholder and a majority of independent directors. Total economic ownership of BlackRock is: The PNC Financial Services Group ("PNC") owns approximately 22.0% and institutional investors, employees and the public own approximately 78.0%. The approximate breakdown for voting BlackRock common stock is: PNC owns 21.6% and institutional investors, employees and the public own 78.4%.

Pacific Investment Management Company LLC ("PIMCO"), 650 Newport Center Drive, Newport Beach, California 92260: PIMCO, a Delaware limited liability company, is a majority owned subsidiary of Allianz Asset Management of America L.P. with minority interests held by certain of its current and former officers, by Allianz Asset Management of America LLC and by Allianz Asset Management U.S. Holding II LLC. Through various holding company structures, Allianz Asset Management of America L.P. is majority owned by Allianz SE.

Payden & Rygel, 333 South Grand Avenue, 32nd Floor, Los Angeles, California 90071: Payden & Rygel is a privately held California corporation with 21 individual shareholders, all of whom are active in the firm's business. Joan Payden, CFA®, President and Chief Executive Officer, owns more than 50% but less than 75% of the outstanding voting securities of Payden & Rygel. Brian Matthews, CFA®, James Sarni, CFA®, Mary Beth Syal, CFA® and Scott Weiner each own more than 5% but less than 10% of the outstanding voting securities of Payden & Rygel, and the remaining 16 shareholders each own less than 5% of the shares.

Medium-Duration Bond Fund:

Goldman Sachs Asset Management, L.P. ("GSAM"), 200 West Street, New York, New York 10282: GSAM has been a registered investment adviser since 1990. GSAM provides a wide range of discretionary and investment advisory services, actively managed and quantitatively driven, for the firm's clients. GSAM is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. and an affiliate of Goldman, Sachs & Co. LLC. Founded in 1869, The Goldman Sachs Group, Inc is a publicly-held financial holding company and a leading global investment banking, securities and investment management firm.

Pacific Investment Management Company LLC ("PIMCO"), 650 Newport Center Drive, Newport Beach, California 92260: PIMCO, a Delaware limited liability company, is a majority owned subsidiary of Allianz Asset Management of America L.P. with minority interests held by certain of its current and former officers, by Allianz Asset Management of America LLC and by Allianz Asset Management U.S. Holding II LLC. Through various holding company structures, Allianz Asset Management of America L.P. is majority owned by Allianz SE.

Western Asset Management Company ("WAMCO"), 385 East Colorado Boulevard, Pasadena, California 91101: WAMCO is owned by Legg Mason, Inc., a NYSE-listed, diversified financial services company based in Baltimore, Maryland.

Western Asset Management Company Limited ("WAMCL"), 10 Exchange Square, Primrose Street, London, EC 2A2EN, United Kingdom: WAMCL is a subsidiary of Legg Mason, Inc., a NYSE-listed, diversified financial services company based in Baltimore, Maryland. The firm is an affiliated company of WAMCO.

Extended-Duration Bond Fund:

Loomis, Sayles & Company, L.P., ("Loomis"), One Financial Center, 34th Floor, Boston, Massachusetts 02111: Loomis is a limited partnership whose general partner, Loomis, Sayles & Company, Incorporated, is a wholly-owned subsidiary of Natixis Investment Managers, L.P. ("Natixis LP"). Natixis LP is part of Natixis Investment Managers, an international asset management group based in Paris, France. Natixis Investment Managers is ultimately owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. The registered address of Natixis is 30, avenue Pierre Mendès France, 75013 Paris, France. The registered address of BPCE is 50, avenue Pierre Mendès France, 75013 Paris, France.

Schroder Investment Management North America Inc. ("SIMNA"), 7 Bryant Park, New York, New York 10018: SIMNA is an indirect wholly-owned subsidiary of Schroders plc, a London Stock Exchange-listed global asset management company with approximately $96.6 billion in assets under management as of December 31, 2018. As of December 31, 2018, members of the Schroder family beneficially held 47.9% of the Schroders plc. voting equity in various nominee accounts and personal holdings. Schroders plc has been in business since 1804.

Global Bond Fund:

Loomis, Sayles & Company, L.P., ("Loomis"), One Financial Center, 34th Floor, Boston, Massachusetts 02111: Loomis is a limited partnership whose general partner, Loomis, Sayles & Company, Incorporated, is a wholly-owned subsidiary of Natixis Investment Managers, L.P. ("Natixis LP"). Natixis LP is part of Natixis Investment Managers, an international asset management group based in Paris, France. Natixis Investment Managers is ultimately owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. The registered address of Natixis is 30, avenue Pierre Mendès France, 75013 Paris, France. The registered address of BPCE is 50, avenue Pierre Mendès France, 75013 Paris, France.

Western Asset Management Company ("WAMCO"), 385 East Colorado Boulevard, Pasadena, California 91101: WAMCO is owned by Legg Mason, Inc., a NYSE-listed, diversified financial services company based in Baltimore, Maryland.

Western Asset Management Company Limited ("WAMCL"), 10 Exchange Square, Primrose Street, London, EC 2A2EN, United Kingdom: WAMCL is a subsidiary of Legg Mason, Inc., a NYSE-listed, diversified financial services company based in Baltimore, Maryland. The firm is an affiliated company of WAMCO.

Strategic Alternatives Fund:

Allianz Global Investors U.S. LLC ("Allianz"), 1633 Broadway, New York, New York 10019: Allianz is a wholly-owned indirect subsidiary of Allianz Asset Management of America L.P. ("AAMA"). AAMA was organized as a limited partnership under Delaware law in 1987. AAMA's sole general partner is Allianz Asset Management of America LLC. Allianz Asset Management of America LLC has three members, Allianz of America, Inc. ("Allianz of America"), a Delaware corporation that owns a 99.8% non-managing interest, Allianz Asset Management GmbH, a German company that owns a 0.1% non-managing interest, and Allianz Asset Management of America Holdings Inc., a Delaware corporation that owns a 0.1% managing interest. Allianz of America is a wholly-owned indirect subsidiary of Allianz SE. Allianz Asset Management of America Holdings Inc. is a wholly-owned subsidiary of Allianz Asset Management GmbH, which is an indirect subsidiary of Allianz SE. Allianz SE indirectly holds a controlling interest in AAMA. Allianz SE is a European-based, multinational insurance and financial services holding company.

Goldman Sachs Asset Management, L.P. ("GSAM"), 200 West Street, New York, New York 10282: GSAM has been a registered investment adviser since 1990. GSAM provides a wide range of discretionary and investment advisory services, actively managed and quantitatively driven, for the firm's clients. GSAM is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. and an affiliate of Goldman, Sachs & Co. LLC. Founded in 1869, The Goldman Sachs Group, Inc is a publicly-held financial holding company and a leading global investment banking, securities and investment management firm.

Neuberger Berman Investment Advisers LLC ("Neuberger Berman"), 1290 Avenue of the Americas New York, New York 10104: Neuberger Berman is directly owned by Neuberger Berman Investment Advisers Holdings LLC and Neuberger Berman AA LLC, which are subsidiaries of Neuberger Berman Group LLC ("NBG"). NBG is a holding company the subsidiaries of which provide a broad range of global investment solutions to institutions and individuals. NBG's voting equity is wholly-owned by NBSH Acquisition, LLC.

Parametric Portfolio Associates LLC ("Parametric"), Minneapolis Investment Center, 3600 Minnesota Drive, Suite 325, Minneapolis, Minnesota 55435: Parametric is a registered investment adviser offering a variety of structured portfolio solutions. Eaton Vance Corp. ("EVC"), through its wholly-owned affiliates Eaton Vance Acquisitions and EVA Holdings LLC, maintains 100% voting control of Parametric, a current profit interest of 95.10%, and a current capital interest of 99.38%. Employees of Parametric, through ownership in Parametric Portfolio LP, currently hold a combined indirect profit interest of 4.90% and capital interest of 0.62%.

Perella Weinberg Partners Capital Management LP ("PWP"), 767 Fifth Avenue, New York, New York 10153: PWP is a limited partnership organized under the laws of the State of Delaware that was formed and registered with the SEC as an investment adviser in 2007. Perella Weinberg Partners Capital Management GP LLC serves as PWP's general partner. PWP and its general partner are controlled by Perella Weinberg Partners Group LP, a privately-owned financial services firm that provides corporate advisory and asset management services to clients around the world through its affiliates and subsidiaries.

Defensive Market Strategies Fund:

American Century Investment Management, Inc. ("American Century"), 4500 Main Street, Kansas City, Missouri 64111: American Century is a wholly-owned, privately held subsidiary of American Century Companies, Inc. ("ACC"). ACC is a holding company for American Century and the other companies in the American Century Investments Complex. The Stowers Institute for Medical Research ("SIMR") controls ACC by virtue of its beneficial ownership of more than 25% of the voting securities of ACC. SIMR is part of a not-for-profit biomedical research organization dedicated to finding the keys to the causes, treatments and prevention of disease.

AQR Capital Management, LLC ("AQR"), Two Greenwich Plaza, Greenwich, Connecticut 06830: AQR, a Delaware limited liability company founded in 1998, is a wholly-owned subsidiary of AQR Capital Management Holdings, LLC ("AQR Holdings"), which has no activities other than holding the interests of AQR. Clifford Asness, Ph.D., may be deemed to control AQR through his voting control of the Board of Members of AQR Holdings.

Parametric Portfolio Associates LLC ("Parametric"), Minneapolis Investment Center, 3600 Minnesota Drive, Suite 325, Minneapolis, Minnesota 55435: Parametric is a registered investment adviser offering a variety of structured portfolio solutions. Eaton Vance Corp. ("EVC"), through its wholly-owned affiliates Eaton Vance

Acquisitions and EVA Holdings LLC, maintains 100% voting control of Parametric, a current profit interest of 95.10%, and a current capital interest of 99.38%. Employees of Parametric, through ownership in Parametric Portfolio LP, currently hold a combined indirect profit interest of 4.90% and capital interest of 0.62%.

Shenkman Capital Management, Inc. ("Shenkman"), 461 Fifth Avenue, 22nd Floor, New York, New York 10017: Shenkman is a privately held corporation, 100% owned by Mark Shenkman and the Shenkman family, current and former team members and one outside director. Mark R. Shenkman, President and Co-Chief Investment Officer, is the controlling shareholder.

Equity Index Fund:

Legal & General Investment Management America, Inc. ("LGIMA"), 71 South Wacker Drive, Suite 800, Chicago, Illinois 60606: LGIMA, a Delaware corporation, is a wholly-owned subsidiary of Legal & General Investment Management United States (Holdings), Inc. and is registered under the Investment Advisors Act of 1940, as amended.

Global Real Estate Securities Fund:

DWS Alternatives Global Limited, ("DWS Global") Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom: DWS Global is an indirect subsidiary of DWS Group GmbH & Co. KGaA ("DWS KGaA"), a German partnership limited by shares. DWS KGaA is a separate publicly listed financial services firm but is an indirect majority-owned subsidiary of Deutsche Bank AG, a publicly listed banking corporation organized under the laws of Germany.

DWS Investments Australia Limited ("DIAL"), Deutsche Bank Place, Level 16, 126 Phillip Street, Sydney, NSW 2000, Australia: DIAL is an indirect subsidiary of DWS KGaA, a German partnership limited by shares. DWS KGaA is a separate publicly listed financial services firm but is an indirect majority-owned subsidiary of Deutsche Bank AG, a publicly listed banking corporation organized under the laws of Germany.

Heitman International Real Estate Securities GmbH ("HIRES GmbH"), Maximillianstrasse 35A, 80539, Munich, Germany: HIRES GmbH is an SEC-registered investment adviser that has been in business since 2007. The firm is a wholly-owned subsidiary of Heitman LLC, which is 100% owned indirectly by certain of the firm's senior officers through two Delaware limited liability companies, KE I LLC (99.5%) and KE 2 LLC (0.05%).

Heitman International Real Estate Securities HK Limited ("HIRES HK"), 10/F LHT Tower, 31 Queen's Road, Central, Hong Kong: HIRES HK is an SEC-registered investment adviser that has been in business since 2012. The firm is a wholly-owned subsidiary of Heitman LLC, which is 100% owned indirectly by certain of the firm's senior officers through two Delaware limited liability companies, KE I LLC (99.5%) and KE 2 LLC (0.05%).

Heitman Real Estate Securities LLC ("HRES"), 191 North Wacker Drive, Suite 2500, Chicago, Illinois 60606: HRES is an SEC-registered investment adviser that has been in business since 1989. The firm is a wholly-owned subsidiary of Heitman LLC, which is 100% owned indirectly by certain of the firm's senior officers through two Delaware limited liability companies, KE I LLC (99.5%) and KE 2 LLC (0.05%).

RREEF America L.L.C. ("RREEF"), DWS, 222 South Riverside Plaza, Floor 24, Chicago, Illinois 60606: RREEF is an indirect subsidiary of DWS KGaA, a German partnership limited by shares. DWS KGaA is a separate publicly listed financial services firm but is an indirect majority-owned subsidiary of Deutsche Bank AG, a publicly listed banking corporation organized under the laws of Germany.

Value Equity Fund:

AJO, LP ("AJO"), 230 Broad Street, 20th Floor, Philadelphia, Pennsylvania 19102: AJO is wholly-owned and operated by 19 active partners. Founder of the firm, Theodore R. Aronson, whose ownership in the firm is greater than 25%, is the only control person.

American Century Investment Management, Inc. ("American Century"), 4500 Main Street, Kansas City, Missouri 64111: American Century is a wholly-owned, privately held subsidiary of American Century Companies, Inc. ("ACC"). ACC is a holding company for American Century and the other companies in the American Century Investments Complex. The Stowers Institute for Medical Research ("SIMR") controls ACC by virtue of its beneficial ownership of more than 25% of the voting securities of ACC. SIMR is part of a not-for-profit biomedical research organization dedicated to finding the keys to the causes, treatments and prevention of disease.

Barrow, Hanley, Mewhinney & Strauss, LLC ("BHMS"), 2200 Ross Avenue, 31st Floor, Dallas, Texas 75201: BHMS is an affiliate of BrightSphere Investment Group plc, a NYSE listed company.

Legal & General Investment Management America, Inc. ("LGIMA"), 71 South Wacker Drive, Suite 800, Chicago, Illinois 60606: LGIMA, a Delaware corporation, is a wholly-owned subsidiary of Legal & General Investment Management United States (Holdings), Inc. and is registered under the Investment Advisors Act of 1940, as amended.

TCW Investment Management Company LLC ("TCW"), 1251 Avenue of the Americas, Suite 4700, New York, New York 10020: TCW is a wholly owned subsidiary of The TCW Group, Inc., a Nevada Corporation ("TCW Group"). In February 2013, TCW management and private investment funds affiliated with acquired The Carlyle Group, LP (together with such affiliated, "Carlyle"), a global alternative asset manager, acquired TCW Group. On December 27, 2017, Nippon Life Insurance Company acquired a 24.75% minority stake in TCW Group from Carlyle. As a result of the transaction, TCW management and employees increased their ownership in the firm to 44.07%, and Carlyle maintains a 31.18% interest in TCW Group.

Growth Equity Fund:

Brown Advisory, LLC ("Brown Advisory"), 901 South Bond Street, Suite 400, Baltimore, Maryland 21231: Brown Advisory is an independent, registered investment advisory firm. Brown Advisory is a wholly-owned subsidiary of Brown Advisory Management, LLC ("BAM"). Brown Advisory's controlling entity is Brown Advisory Incorporated ("BAI"), which is organized as a Maryland C corporation and serves as the firm's parent company. BAI is the managing member of BAM.

ClearBridge Investments, LLC ("ClearBridge"), 620 Eighth Avenue, New York, New York 10018: ClearBridge is a global active equity manager with a legacy of over 50 years in the asset management business. ClearBridge is a wholly-owned subsidiary of Legg Mason, Inc. ("Legg Mason"). Legg Mason is a global asset management company.

Loomis, Sayles & Company, L.P., ("Loomis"), One Financial Center, 34th Floor, Boston, Massachusetts 02111: Loomis is a limited partnership whose general partner, Loomis, Sayles & Company, Incorporated, is a wholly-owned subsidiary of Natixis Investment Managers, L.P. ("Natixis LP"). Natixis LP is part of Natixis Investment Managers, an international asset management group based in Paris, France. Natixis Investment Managers is ultimately owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. The registered address of Natixis is 30, avenue Pierre Mendès France, 75013 Paris, France. The registered address of BPCE is 50, avenue Pierre Mendès France, 75013 Paris, France.

Sands Capital Management, LLC ("Sands"), 1000 Wilson Boulevard, Suite 3000, Arlington, Virginia 22209: Sands is a registered investment adviser founded in 1992. Sands is an independently owned limited liability company headquartered in Arlington, Virginia.

Small Cap Equity Fund:

AJO, LP ("AJO"), 230 Broad Street, 20th Floor, Philadelphia, Pennsylvania 19102: AJO is wholly-owned and operated by 19 active partners. Founder of the firm, Theodore R. Aronson, whose ownership in the firm is greater than 25%, is the only control person.

Delaware Investments Fund Advisers ("DIFA"), One Commerce Square, 2005 Market Street, Philadelphia, Pennsylvania, 19103: DIFA is a series of Macquarie Investment Management Business Trust, which is a subsidiary of Macquarie Management Holdings, Inc. ("MMHI"). MMHI is a subsidiary, and subject to the ultimate control, of Macquarie Group Limited ("Macquarie"). Macquarie is a Sydney, Australia headquartered global provider of banking, financial, advisory, investment and funds management services. Macquarie Investment Management is the marketing name for certain companies comprising the asset management division of Macquarie and its subsidiaries and affiliates worldwide.

Jacobs Levy Equity Management, Inc. ("Jacobs Levy"), 100 Campus Drive, 2nd Floor West, Florham Park, New Jersey, 07932: Jacobs Levy is equally owned and controlled by Bruce I. Jacobs, Ph.D., and Kenneth N. Levy, CFA®.

TimesSquare Capital Management, LLC ("TSCM"), 7 Times Square, 42nd Floor, New York, New York 10036: TSCM is a registered investment advisory firm organized in November 2004 in strategic partnership with Affiliated Managers Group, Inc. TSCM was formed to succeed the growth equity investment advisory business of the firm's predecessor, TimesSquare Capital Management, Inc. TSCM is an investment management firm focused on meeting the needs of all clients.

International Equity Index Fund:

Legal & General Investment Management America, Inc. ("LGIMA"), 71 South Wacker Drive, Suite 800, Chicago, Illinois 60606: LGIMA, a Delaware corporation, is a wholly-owned subsidiary of Legal & General Investment Management United States (Holdings), Inc. and is registered under the Investment Advisors Act of 1940, as amended.

International Equity Fund:

AQR Capital Management, LLC ("AQR"), Two Greenwich Plaza, Greenwich, Connecticut 06830: AQR, a Delaware limited liability company founded in 1998, is a wholly-owned subsidiary of AQR Capital Management Holdings, LLC ("AQR Holdings"), which has no activities other than holding the interests of AQR. Clifford Asness, Ph.D., may be deemed to control AQR through his voting control of the Board of Members of AQR Holdings.

Harris Associates L.P. ("Harris"), 111 South Wacker Drive, Suite 4600, Chicago, Illinois 60606-4319: Harris is a limited partnership managed by its general partner, Harris Associates, Inc. ("HAI"), whose directors are Beverly Bearden, Anthony P. Coniaris, Kevin G. Grant, David Giunta, David G. Herro, Jean Raby and Kristi L. Rowsell. Ms. Rowsell is the president of HAI. HAI is a wholly-owned subsidiary of Natixis Investment Managers, L.P. ("Natixis Investment Managers"). Natixis Investment Managers is a limited partnership that owns investment management and distribution and service entities. Natixis Investment Managers is part of Natixis Investment Managers S.A., an international asset management group based in Paris, France, that is in turn owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. The registered address of Natixis is 30, avenue Pierre Mendès France, 75013 Paris, France. The registered address of BPCE is 50, avenue Pierre Mendès France, 75013 Paris, France.

MFS Institutional Advisors, Inc. ("MFSI"), 111 Huntington Avenue, Boston, Massachusetts 02199: MFSI is a U.S.-based investment adviser and subsidiary of Massachusetts Financial Services Company ("MFS"). MFS is the oldest U.S. mutual fund organization. MFS and the firm's predecessor organizations have managed money since 1924 and founded the first mutual fund. MFS is a subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc., which in turn is an indirect majority-owned subsidiary of Sun Life Financial Inc. (a diversified financial services company).

Mondrian Investment Partners Ltd. ("Mondrian"), 10 Gresham, London, EC2V 7JD, United Kingdom: Mondrian is 100% owned by approximately 80 of its senior employees, including the majority of investment professionals, senior client service officers and senior operations personnel through Atlantic Value Investment Partnership L.P.

WCM Investment Management, LLC ("WCM"), 281 Brooks Street, Laguna Beach, California 92651: WCM is 100% owned by its employees. Its two co-CEOs, Paul R. Black and Kurt R. Winrich, CFA®, each own more than 25% of WCM.

Emerging Markets Equity Fund:

AQR Capital Management, LLC ("AQR"), Two Greenwich Plaza, Greenwich, Connecticut 06830: AQR, a Delaware limited liability company founded in 1998, is a wholly-owned subsidiary of AQR Capital Management Holdings, LLC ("AQR Holdings"), which has no activities other than holding the interests of AQR. Clifford Asness, Ph.D., may be deemed to control AQR through his voting control of the Board of Members of AQR Holdings.

Goldman Sachs Asset Management, L.P. ("GSAM"), 200 West Street, New York, New York 10282: GSAM has been a registered investment adviser since 1990. GSAM provides a wide range of discretionary and investment advisory services, actively managed and quantitatively driven, for the firm's clients. GSAM is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. and an affiliate of Goldman, Sachs & Co. LLC. Founded in 1869, The Goldman Sachs Group, Inc is a publicly-held financial holding company and a leading global investment banking, securities and investment management firm.

Wellington Management Company LLP ("Wellington"), 280 Congress Street, Boston, Massachusetts 02210: Wellington is a registered investment adviser and owned by partners of Wellington Management Group LLP, a Massachusetts limited liability partnership.

All Funds (except Money Market Fund and Strategic Alternatives Fund) — Cash Overlay Program:

Parametric Portfolio Associates LLC ("Parametric"), Minneapolis Investment Center, 3600 Minnesota Drive, Suite 325, Minneapolis, Minnesota 55435: Parametric is a registered investment adviser offering a variety of structured portfolio solutions. Eaton Vance Corp. ("EVC"), through its wholly-owned affiliates Eaton Vance Acquisitions and EVA Holdings LLC, maintains 100% voting control of Parametric, a current profit interest of 95.10%, and a current capital interest of 99.38%. Employees of Parametric, through ownership in Parametric Portfolio LP, currently hold a combined indirect profit interest of 4.90% and capital interest of 0.62%.

Fund Expenses. Each Fund pays the expenses incurred in its operations, including its pro rata share of expenses of the Trust. These expenses include investment advisory and administrative fees; registration fees; interest charges; taxes; expenses connected with the execution, recording and settlement of security transactions; fees and expenses of the custodian for all services to the Fund, including safekeeping of funds and securities and maintaining required books and accounts; expenses of preparing and mailing reports to investors and to government offices and commissions; expenses of meetings of investors; fees and expenses of independent accountants and legal counsel; insurance premiums; and expenses of calculating the NAV of, and the net income on, shares. Each Target Date Fund and Asset Allocation Fund also bears its proportionate share of the operating expenses of the underlying mutual funds in which it holds shares. In addition, the Funds may allocate transfer agency and certain other expenses by Class.

Other Accounts Managed. The following table provides additional information about other accounts managed by portfolio managers and management team members jointly and primarily responsible for day-to-day management of the Funds for the fiscal year ended December 31, 2018.

	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		**Other Pooled Investment Vehicles**		**Other Accounts**		**Registered Investment Companies**		**Other Pooled Investment Vehicles**		**Other Accounts**	
Sub-Advisers Portfolio Managers	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**
*AJO, LP**	8	$ 887	17	$ 3,165	116	$ 15,344	2	$ 94	4	$ 476	65	$ 7,985
Theodore R. Aronson												
Stefani Cranston												
Gina Marie N. Moore												
Gregory J. Rogers												
Christopher J.W. Whitehead												
*Allianz Global Investors U.S. LLC**	1	$ 1,085	8	$ 4,825	3	$ 180	N/A	N/A	N/A	N/A	N/A	N/A
James Dudnick, CFA®												
Steven Gish, CFA®												
American Century Investment Management, Inc.												
Phillip N. Davidson, CFA®	20	$ 27,442	7	$ 3,429	5	$ 751	N/A	N/A	N/A	N/A	N/A	N/A
Michael Liss, CFA®, CPA	15	$ 24,726	6	$ 2,821	4	$ 750	N/A	N/A	N/A	N/A	N/A	N/A
Philip Sundell, CFA®	4	$ 3,990	2	$ 634	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kevin Toney, CFA®	15	$ 24,726	6	$ 2,821	4	$ 750	N/A	N/A	N/A	N/A	N/A	N/A
Brian Woglom, CFA®	20	$ 17,167	5	$ 1,846	3	$ 68	N/A	N/A	N/A	N/A	N/A	N/A

Sub-Advisers / Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)
AQR Capital Management, LLC												
Michele L. Aghassi, Ph.D.	17	$ 10,946	19	$ 10,294	14	$ 4,421	N/A	N/A	16	$ 7,924	4	$ 1,506
Clifford S. Asness, Ph.D.	27	$ 18,219	42	$ 22,806	67	$ 31,700	N/A	N/A	40	$ 20,981	25	$ 9,737
Andrea Frazzini, Ph.D.	33	$ 19,422	29	$ 16,366	35	$ 17,408	N/A	N/A	26	$ 13,996	9	$ 1,968
Jacques A. Friedman	43	$ 26,513	43	$ 20,737	107	$ 53,371	N/A	N/A	38	$ 18,267	34	$15,605
Michael Katz, Ph.D.	9	$ 6,440	23	$ 10,683	4	$ 1,510	N/A	N/A	22	$ 10,628	2	$ 497
Oktay Kurbanov	3	$ 742	12	$ 5,654	31	$ 18,839	N/A	N/A	11	$ 5,599	8	$ 4,895
John M. Liew, Ph.D.	17	$ 13,267	32	$ 16,958	31	$ 14,086	N/A	N/A	31	$ 15,436	10	$ 5,472
Barrow, Hanley, Mewhinney & Strauss, LLC												
Jeff G. Fahrenbruch, CFA®	2	$ 9,391	1	$ 99	25	$ 2,027	1	$9,199	N/A	N/A	1	$ 395
David W. Ganucheau, CFA®	2	$ 9,471	1	$ 261	19	$ 1,421	1	$9,199	N/A	N/A	N/A	N/A
BlackRock Financial Management, Inc.												
Scott MacLellan, CFA®	10	$ 15,580	12	$ 5,790	154	$ 48,900	N/A	N/A	N/A	N/A	2	$ 825
Thomas F. Musmanno, CFA®	12	$ 15,980	12	$ 5,800	151	$ 43,350	N/A	N/A	N/A	N/A	1	$ 540
Brown Advisory, LLC												
Kenneth M. Stuzin, CFA®	5	$ 6,301	2	$ 881	461	$ 4,144	N/A	N/A	N/A	N/A	3	$ 255
*ClearBridge Investments, LLC**	11	$ 12,702	5	$ 2,148	68,446	$ 19,429	N/A	N/A	N/A	N/A	N/A	N/A
Peter Bourbeau												
Margaret Vitrano												

Sub-Advisers Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)
Delaware Investments Fund Advisers												
Christopher S. Adams, CFA®	3	$ 4,891	1	$ 11	20	$ 1,049	N/A	N/A	N/A	N/A	N/A	N/A
Francis X. Morris	4	$ 5,155	1	$ 11	20	$ 1,049	N/A	N/A	N/A	N/A	N/A	N/A
Michael S. Morris, CFA®	3	$ 4,891	1	$ 11	20	$ 1,049	N/A	N/A	N/A	N/A	N/A	N/A
Donald G. Padilla, CFA®	3	$ 4,891	1	$ 11	20	$ 1,049	N/A	N/A	N/A	N/A	N/A	N/A
David E. Reidinger	3	$ 4,891	1	$ 11	20	$ 1,049	N/A	N/A	N/A	N/A	N/A	N/A
Goldman Sachs Asset Management, L.P.												
Hiren Dasani, CFA®	2	$ 1,366	4	$ 4,685	4	$ 359	N/A	N/A	N/A	N/A	N/A	N/A
Iain Lindsay, Ph.D., CFA®	61	$243,421	423	$251,570	4,129	$319,549	N/A	N/A	3	$ 1,667	48	$19,730
Jonathon Orr, CFA®	4	$ 2,065	54	$ 8,559	396	$ 11,021	N/A	N/A	3	$ 1,667	9	$ 4,409
Ashish Shah	61	$243,067	423	$251,570	4,129	$319,549	N/A	N/A	3	$ 1,667	48	$19,730
Michael Swell	61	$243,067	423	$251,570	4,129	$319,549	N/A	N/A	3	$ 1,667	48	$19,730
Basak Yavuz, CFA®	3	$ 1,407	5	$ 3,065	3	$ 159	N/A	N/A	N/A	N/A	N/A	N/A
*GuideStone Capital Management, LLC**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tim Bray, CFA®, CAIA												
Matt L. Peden, CFA®												
Brandon Pizzurro, CFP®												
Harris Associates L.P.												
David G. Herro, CFA®	14	$ 40,994	29	$ 9,272	46	$ 12,646	N/A	N/A	3	$ 509	1	$ 113
Michael L. Manelli, CFA®	10	$ 37,452	15	$ 4,060	26	$ 7,449	N/A	N/A	3	$ 509	1	$ 113

Sub-Advisers / Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)
Heitman Real Estate Securities LLC, Heitman International Real Estate Securities HK Limited and Heitman International Real Estate Securities GmbH												
Jerry Ehlinger, CFA®	4	$ 179	17	$ 2,768	21	$ 2,275	N/A	N/A	N/A	N/A	3	$ 184
Karena Fung	1	$ 0	10	$ 925	8	$ 591	N/A	N/A	N/A	N/A	1	$ 4
Jacques Perdrix	1	$ 0	11	$ 767	8	$ 398	N/A	N/A	N/A	N/A	1	$ 5
Andreas Welter	1	$ 0	11	$ 767	8	$ 398	N/A	N/A	N/A	N/A	1	$ 5
John White	1	$ 0	10	$ 925	8	$ 591	N/A	N/A	N/A	N/A	1	$ 4
*Jacobs Levy Equity Management, Inc.**	9	$ 1,205	17	$ 1,643	94	$ 4,508	N/A	N/A	N/A	N/A	6	$ 1,144
Bruce I. Jacobs, Ph.D.												
Kenneth N. Levy, CFA®												
*Legal & General Investment Management America, Inc.**	N/A	N/A	218	$ 15,864	14	$ 58,456	N/A	N/A	N/A	N/A	N/A	N/A
Brooke Adams												
Aodhagán Byrne, CFA®												
Joe LaPorta												
Drew Miyawaki												
Shaun Murphy, CFA®												
Michael O'Connor												
Taylor Williams												

Sub-Advisers / Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		**Other Pooled Investment Vehicles**		**Other Accounts**		**Registered Investment Companies**		**Other Pooled Investment Vehicles**		**Other Accounts**	
Sub-Advisers Portfolio Managers	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**
Loomis, Sayles & Company, L.P.												
Matthew J. Eagan, CFA®	17	$ 32,059	26	$ 11,192	136	$ 21,658	N/A	N/A	N/A	N/A	3	$ 612
Daniel J. Fuss, CFA®, CIC	13	$ 24,760	9	$ 1,993	115	$ 17,093	N/A	N/A	N/A	N/A	3	$ 612
Aziz Hamzaogullari	20	$ 20,346	15	$ 5,496	130	$ 18,499	N/A	N/A	1	$ 672	N/A	N/A
Brian P. Kennedy	11	$ 29,159	10	$ 5,789	66	$ 11,109	N/A	N/A	N/A	N/A	N/A	N/A
Elaine M. Stokes	13	$ 29,835	19	$ 8,073	140	$ 20,581	N/A	N/A	N/A	N/A	3	$ 612
*MFS Institutional Advisors, Inc.**	7	$ 14,028	5	$ 1,853	23	$ 5,840	N/A	N/A	N/A	N/A	N/A	N/A
Filipe Benzinho												
Daniel Ling												
Mondrian Investment Partners Ltd.												
Nigel Bliss	5	$ 3,432	4	$ 5,474	11	$ 5,225	N/A	N/A	N/A	N/A	N/A	N/A
Elizabeth Desmond, CFA®	5	$ 3,432	5	$ 5,079	18	$ 6,765	N/A	N/A	N/A	N/A	N/A	N/A
Steven Dutaut, CFA®	2	$ 1,544	2	$ 4,671	15	$ 8,693	N/A	N/A	N/A	N/A	N/A	N/A
Alex Simcox, CFA®	1	$ 1,199	3	$ 4,764	17	$ 4,693	N/A	N/A	N/A	N/A	N/A	N/A
Neuberger Berman Investment Advisers LLC												
Ugo Lancioni	2	$ 197	37	$ 2,030	24	$ 871	N/A	N/A	8	$ 722	13	$ 543
Thomas A. Sontag	7	$ 2,725	18	$ 5,824	328	$ 25,856	N/A	N/A	N/A	N/A	2	$ 69

Sub-Advisers Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)
Pacific Investment Management Company LLC												
Scott A. Mather	23	$105,456	20	$ 11,712	85	$ 29,834	N/A	N/A	N/A	N/A	4	$ 2,043
Jerome Schneider	23	$ 83,943	9	$ 12,153	39	$ 26,867	N/A	N/A	N/A	N/A	1	$ 1,509
Parametric Portfolio Associates LLC												
Richard Fong, CFA®	5	$ 199	N/A	N/A	82	$ 10,523	N/A	N/A	N/A	N/A	N/A	N/A
Justin Henne, CFA®	20	$ 821	N/A	N/A	401	$ 34,159	N/A	N/A	N/A	N/A	N/A	N/A
Tom Lee, CFA®	16	$ 430	5	$ 6,769	261	$ 28,379	N/A	N/A	N/A	N/A	6	$ 808
Perry Li, CFA®, FRM	4	$ 0	5	$ 6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A
Thomas Seto	50	$ 27,885	16	$ 3,228	35,066	$ 92,531	N/A	N/A	N/A	N/A	2	$ 0
Jay Strohmaier, CFA®	5	$ 376	5	$ 6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A
Michael Zaslavsky, CFA®	4	$ 0	5	$ 6,664	39	$ 4,767	N/A	N/A	N/A	N/A	N/A	N/A
Payden & Rygel												
Brian Matthews, CFA®	2	$ 422	8	$ 9,088	9	$ 1,808	N/A	N/A	N/A	N/A	N/A	N/A
Mary Beth Syal, CFA®	5	$ 2,361	14	$ 6,299	123	$ 36,423	N/A	N/A	N/A	N/A	N/A	N/A
Perella Weinberg Partners Capital Management LP												
David Baker	1	$ 254	N/A	N/A	3	$ 222	1	$ 254	N/A	N/A	2	$ 100

Sub-Advisers Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)
RREEF America L.L.C., DWS Investments Australia Limited and DWS Alternatives Global Limited												
John Hammond	5	$ 1,697	16	$ 1,898	14	$ 1,075	N/A	N/A	2	$ 122	N/A	N/A
Chris Robinson	5	$ 1,697	18	$ 2,139	10	$ 1,007	N/A	N/A	2	$ 122	N/A	N/A
Robert Thomas	9	$ 3,596	18	$ 2,339	11	$ 1,067	N/A	N/A	N/A	N/A	N/A	N/A
David W. Zonavetch, CPA	9	$ 3,596	18	$ 2,339	11	$ 1,067	N/A	N/A	N/A	N/A	N/A	N/A
Sands Capital Management, LLC												
Wesley Johnston, CFA®	3	$ 3,435	9	$ 969	344	$ 11,935	1	$1,557	N/A	N/A	8	$ 1,199
Frank M. Sands, CFA®	4	$ 3,481	10	$ 984	361	$ 12,329	1	$1,557	N/A	N/A	17	$ 1,284
A. Michael Sramek, CFA®	4	$ 3,481	10	$ 984	361	$ 12,329	1	$1,557	N/A	N/A	17	$ 1,284
Thomas H. Trentman, CFA®	3	$ 3,435	9	$ 969	348	$ 12,350	1	$1,557	N/A	N/A	9	$ 1,199
Schroder Investment Management North America Inc.												
Julio C. Bonilla, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204
Andrew B.J. Chorlton, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204
Lisa Hornby, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204
Richard A. Rezek Jr., CFA®	6	$ 627	8	$ 3,814	159	$ 17,585	N/A	N/A	N/A	N/A	4	$ 204
Neil G. Sutherland, CFA®	6	$ 627	5	$ 2,271	124	$ 13,145	N/A	N/A	N/A	N/A	4	$ 204

Sub-Advisers Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)	Number of Accounts	Total Assets ($mm)
Shenkman Capital Management, Inc.												
Jordan Barrow	2	$ 585	8	$ 895	59	$ 4	N/A	N/A	N/A	N/A	N/A	N/A
Raymond F. Condon	1	$ 113	5	$ 393	43	$ 369	N/A	N/A	N/A	N/A	N/A	N/A
Mark R. Shenkman	4	$ 1,487	16	$ 2,925	139	$ 16,061	N/A	N/A	12	$ 4,256	6	$ 258
Justin W. Slatky	4	$ 1,487	16	$ 2,925	139	$ 16,061	N/A	N/A	12	$ 4,256	6	$ 258
Thomas Whitley	1	$ 113	5	$ 393	43	$ 369	N/A	N/A	N/A	N/A	N/A	N/A
TCW Investment Management Company LLC												
Diane Jaffee, CFA®	4	$ 1,244	12	$ 1,154	55	$ 2,106	N/A	N/A	1	$ 140	N/A	N/A
TimesSquare Capital Management, LLC												
Grant Babyak	3	$ 2,562	2	$ 111	115	$ 8,985	N/A	N/A	N/A	N/A	4	$ 226
Kenneth Duca, CFA®	1	$ 880	N/A	N/A	33	$ 2,563	N/A	N/A	N/A	N/A	N/A	N/A
*WCM Investment Management, LLC**	21	$ 11,716	19	$ 3,118	591	$ 13,183	N/A	N/A	N/A	N/A	8	$ 1,383
Paul R. Black												
Peter J. Hunkel												
Michael B. Trigg												
Kurt R. Winrich, CFA®												
Wellington Management Company LLP												
Vera M. Trojan, CFA®	N/A	N/A	7	$ 1,436	5	$ 1,550	N/A	N/A	1	590	1	$ 690

Sub-Advisers Portfolio Managers	Total number of other accounts managed by Portfolio Manager(s) within each category below and the total assets in the accounts managed within each category below.						For other accounts managed by Portfolio Manager(s) within each category below, number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account.					
	Registered Investment Companies		**Other Pooled Investment Vehicles**		**Other Accounts**		**Registered Investment Companies**		**Other Pooled Investment Vehicles**		**Other Accounts**	
	Number of Accounts	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**	**Number of Accounts**	**Total Assets ($mm)**
Western Asset Management Company and Western Asset Management Company Limited												
John L. Bellows	18	$ 46,616	23	$ 14,097	N/A	N/A	N/A	N/A	167	$ 48,034	6	$ 3,499
Gordon S. Brown	5	$ 2	28	$ 5,468	1	$ 90	N/A	N/A	89	$ 28,733	8	$ 3,546
Michael C. Buchanan	33	$ 17	62	$ 19,768	3	$ 797	N/A	N/A	171	$ 63,994	11	$ 4,512
Ian R. Edmonds	3	$ 764	10	$ 1,916	1	$ 90	N/A	N/A	2	$ 182	1	$ 214
S. Kenneth Leech	108	$163,927	258	$ 76,229	7	$ 1,466	N/A	N/A	589	$188,092	29	$12,287
Chia-Liang Lian	15	$ 9	28	$ 4,864	1	$ 90	N/A	N/A	66	$ 6,665	4	$ 614
Mark S. Lindbloom	26	$ 55,591	20	$ 13,935	N/A	N/A	N/A	N/A	177	$ 50,259	8	$ 4,421
Frederick R. Marki	19	$ 48,522	24	$ 14,643	N/A	N/A	N/A	N/A	181	$ 57,086	9	$ 6,132
Annabel Rudebeck	6	$ 4,603	15	$ 3,340	1	$ 90	N/A	N/A	24	$ 5,119	3	$ 1,292
Julien A. Scholnick	19	$ 51,236	20	$ 13,935	N/A	N/A	N/A	N/A	160	$ 46,574	6	$ 3,499

* The Adviser or Sub-Adviser utilizes a team-based approach to portfolio management, and each of the portfolio managers listed are jointly and primarily responsible for the day-to-day management of a portion of the accounts listed in each category.

Material Conflicts of Interest. Material conflicts of interest that may arise in connection with the portfolio managers' management of the Select Funds' investments and the investments of the other accounts managed include conflicts between the investment strategy of a Select Fund and the investment strategy of other accounts managed by the portfolio manager and conflicts associated with the allocation of investment opportunities between a Select Fund and other accounts managed by the portfolio manager.

By implementing investment strategies of various accounts, a portfolio manager potentially could give favorable treatment to some accounts for a variety of reasons, including favoring larger accounts, accounts that pay higher fees, accounts that pay performance-based fees or accounts of affiliated companies. Such favorable treatment could lead to more favorable investment opportunities for some accounts. These accounts may include, among others, mutual funds, separate accounts (assets managed on behalf of institutions such as pension funds, colleges and universities, foundations and accounts managed on behalf of individuals) and commingled trust accounts.

Portfolio managers make investment decisions for each portfolio, including the Select Funds, based on the investment objectives, policies, practices and other relevant investment considerations that the portfolio managers believe are applicable to that portfolio. Consequently, portfolio managers may purchase (or sell) securities for one portfolio and not another portfolio or may take similar actions for different portfolios at different times. Consequently, the mix of securities purchased in one portfolio may perform better than the mix of securities purchased for another portfolio. Similarly, the sale of securities from one portfolio may cause that portfolio to perform better than others if the value of those securities decline.

Potential conflicts of interest may also arise when allocating and/or aggregating trades. Sub-Advisers often aggregate into a single trade order several individual contemporaneous client trade orders in a single security. When trades are aggregated on behalf of more than one account, such transactions should be allocated to all participating client accounts in a fair and equitable manner. With respect to IPOs and other syndicated or limited offerings, accounts with the same or similar investment objectives should receive an equitable opportunity to participate meaningfully and should not be unfairly disadvantaged.

Portfolio Manager Compensation:

Following is a description of the structure of and method used to determine the compensation received by the Funds' portfolio managers or management team members from the Funds, the Adviser or any other source with respect to managing the Funds and any other accounts for the fiscal year ended December 31, 2018.

AJO, LP ("AJO"). All AJO portfolio managers are compensated through a fixed salary and merit-based cash bonuses that are awarded entirely for contributions to the firm. Each calendar year-end, the managing principal of AJO, in consultation with the other partners, determines the bonus amount for each portfolio manager. Bonuses can be a significant portion of a portfolio manager's overall compensation. Bonus amounts are generally based on the net revenues and cash position of AJO and the overall contributions of the portfolio manager to the operations of AJO. Principals also share in the profits of the firm through equity-related distributions, and they may be awarded non-cash compensation in the form of increased ownership in the firm. Although many of the firm's fee arrangements are performance-based, no individual's compensation is directly tied to account performance or to the value of the assets held in particular funds or even to firm-wide assets.

Allianz Global Investors U.S. LLC ("Allianz"). Individual compensation is typically a function of individual, team and company performance and is also benchmarked against comparable market pay. The primary components of compensation are the base salary, which typically reflects the scope, responsibilities and experience required in a particular role, and an annual discretionary variable compensation payment. The variable compensation typically includes both an annual cash award that pays out immediately at the end of the performance year and a deferred component for all members of staff whose variable compensation exceeds a certain threshold.

The deferred component consists of a Long-Term Incentive Program Award ("LTIPA"), but for those members of staff whose variable compensation exceeds a certain threshold, the deferred component is split 50%/50% between the LTIPA and a Deferral into Funds program ("DIF"), which enables employees to invest in Allianz's investment strategies.

- The LTIPA element of the variable compensation, if applicable, cliff vests three years after each (typically annual) award. Its value is directly linked to the operating profit of Allianz.
- The DIF element of the variable compensation cliff vests three years after each (typically annual) award and enables qualifying members of staff to invest in a range of Allianz's funds. Investment professionals are encouraged to invest into their own funds or funds of a similar nature to those that they manage. The value of the DIF award is determined by the performance of the fund over the three-year period covering each award.

Deferral rates increase in line with the amount of variable compensation and can reach up to 50%. Awards, splits, components and deferral percentages are regularly reviewed to ensure they meet industry best practice and, where applicable, comply with regulatory standards.

Discretionary variable compensation is primarily designed to reflect the achievements of an individual against set goals over a certain time period. For an investment professional, these goals typically will be 70% quantitative and 30% qualitative. The quantitative element will reflect investment performance over a three-year rolling time period (calculated as one-year plus three-year results at 25% and 75% weightings, respectively). For portfolio managers, the performance metric is aligned with the benchmarks of the client portfolios they manage or, if there is no reference benchmark, with the client's stated investment outcome objective. The qualitative element reflects contributions to broader team goals, such as idea sharing, contributions made to client review meetings, product development or product refinement initiatives and the way behaviors reflect the firm's core values of excellence, passion, integrity and respect.

American Century Investment Management, Inc. ("American Century"). American Century's portfolio manager compensation is structured to align the interests of portfolio managers with those of the shareholders whose assets they manage. It includes the components described as follows, each of which is determined with reference to a number of factors such as overall performance, market competition and internal equity.

Base salary. Portfolio managers receive base pay in the form of a fixed annual salary.

Bonus. A significant portion of portfolio manager compensation takes the form of an annual incentive bonus tied to performance of mutual funds a portfolio manager manages. Bonus payments are determined by a combination of factors. One factor is mutual fund investment performance. For most American Century mutual funds, investment performance is measured by a combination of one-, three- and five-year pre-tax performance relative to various benchmarks (*e.g.*, Russell 3000® Value Index for the Defensive Market Strategies Fund and Russell 1000® Value Index for the Value Equity Fund) and/or internally-customized peer groups. The performance comparison periods may be adjusted based on a fund's inception date or a portfolio manager's tenure on the fund. Custom peer groups are constructed using all the funds in the indicated categories as a starting point. Funds are then eliminated from the peer group based on a standardized methodology designed to result in a final peer group that is both more stable over the long term (*i.e.,* has less peer turnover) and that more closely represents the fund's true peers based on internal investment mandates.

Portfolio managers may have responsibility for multiple American Century mutual funds. In such cases, the performance of each is assigned a percentage weight appropriate for the portfolio manager's relative levels of responsibility.

Portfolio managers also may have responsibility for portfolios that are managed in a fashion similar to that of other American Century mutual funds. This is the case for the Defensive Market Strategies Fund and the Value Equity Fund. If the performance of a similarly managed account is considered for purposes of compensation, it is measured in the same way as a comparable American Century mutual fund (*i.e.*, relative to the performance of a benchmark (*e.g.*, the Russell 3000® Value Index for the Defensive Market Strategies Fund and Russell 1000® Value Index for the Value Equity Fund) and/or peer group). Performance of the Defensive Market Strategies Fund and the Value Equity Fund is not separately considered in determining portfolio manager compensation.

A second factor in the bonus calculation relates to the performance of all American Century funds managed according to one of the following investment disciplines, such as global growth equity, global value equity, disciplined equity, global fixed income and multi-asset strategies. Performance is measured for each product individually, as described previously, and then combined to create an overall composite for the product group. These composites may measure one-year performance (equal weighted) or a combination of one-, three- and five-year performance (equal or asset weighted) depending on the portfolio manager's responsibilities and products managed, and the composite for certain portfolio managers may include multiple disciplines. This feature is designed to encourage effective teamwork among fund management teams in achieving long-term investment success for similarly styled portfolios. The American Century ETFs are not included in a product group composite.

A portion of some portfolio managers' bonuses may also be tied to management of ETFs, profitability or individual performance goals, such as research projects and the development of new products.

Restricted Stock Plans. Portfolio managers are eligible for grants of restricted stock of ACC. These grants are discretionary and eligibility and availability can vary from year to year. The size of an individual's grant is determined by individual and product performance as well as other product-specific considerations such as profitability. Grants can appreciate/depreciate in value based on the performance of ACC stock during the restriction period (generally three to four years).

Deferred Compensation Plans. Portfolio managers are eligible for grants of deferred compensation. These grants are used in limited situations, primarily for retention purposes. Grants are fixed and can appreciate/ depreciate in value based on the performance of the American Century mutual funds in which the portfolio manager chooses to invest them.

AQR Capital Management, LLC ("AQR"). The compensation for each of the portfolio managers that are a principal of AQR is in the form of distributions based on net income generated by AQR and each Principal's relative ownership in AQR. Net income distributions are a function of assets under management and performance of the funds and accounts managed by AQR. A Principal's relative ownership in AQR is based on cumulative research, leadership and other contributions to AQR. There is no direct linkage between assets under management, performance and compensation. However, there is an indirect linkage in that superior performance tends to attract assets and thus increase revenues. Each portfolio manager is also eligible to participate in AQR's 401(k) retirement plan which is offered to all employees of AQR.

Barrow, Hanley, Mewhinney & Strauss, LLC ("BHMS"). The compensation of BHMS' investment professionals is tied to their overall contribution to the success of BHMS. In addition to base salary, all portfolio managers and analysts are eligible to participate in a bonus pool. The amount of bonus compensation is based on quantitative and qualitative factors and may be substantially higher than an investment professional's base compensation. Portfolio managers and analysts are rated on their value added to the overall investment process and to performance, as well as their contributions in other areas, such as meetings with clients and consultants. Compensation is not tied to a published or private benchmark. Bonus compensation for analysts is directly tied to their investment recommendations, which are evaluated every six months versus the appropriate industry group/ sector benchmark based on trailing one- and three-year relative performance.

The final key component of compensation that is shared by most of the firm's key employees, including all portfolio managers and the majority of analysts, is economic ownership in BHMS through a limited partnership that owns a 24.9% equity interest in BHMS. Equity owners receive, on a quarterly basis, a share of the firm's profits, which are, to a great extent, related to the performance of the entire investment team.

BlackRock Financial Management, Inc. ("BFM"). BFM's financial arrangements with its portfolio managers, competitive compensation and career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock, Inc. ("BlackRock").

Base compensation. Generally, portfolio managers receive base compensation based on their position with the firm.

Discretionary Incentive Compensation. Discretionary incentive compensation is a function of several components: the performance of BlackRock, the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks and the individual's performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the funds or other accounts managed by the portfolio managers are measured. Among other things, BlackRock's chief investment officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/ or after-tax basis over various time periods including one-, three- and five-year periods, as applicable.

With respect to these portfolio managers, such benchmarks for the funds and other accounts include the following:

Portfolio Manager	Applicable Benchmarks
Scott MacLellan and Thomas Musmanno	A combination of market-based indexes (*e.g.*, Bank of America Merrill Lynch U.S. Corporate & Government Index, 1-3 Years), certain customized indexes and certain fund industry peer groups.

Distribution of Discretionary Incentive Compensation. Discretionary incentive compensation is distributed to portfolio managers in a combination of cash, deferred BlackRock stock awards, and/or deferred cash awards that notionally track the return of certain BlackRock investment products.

Portfolio managers receive their annual discretionary incentive compensation in the form of cash. Portfolio managers whose total compensation is above a specified threshold also receive deferred BlackRock stock awards annually as part of their discretionary incentive compensation. Paying a portion of discretionary incentive compensation in the form of deferred BlackRock stock puts compensation earned by a portfolio manager for a given year "at risk" based on BlackRock's ability to sustain and improve its performance over future periods. In some cases, additional deferred BlackRock stock may be granted to certain key employees as part of a long-term incentive award to aid in retention, align interests with long-term shareholders and motivate performance. Deferred BlackRock stock awards are generally granted in the form of BlackRock restricted stock units that vest pursuant to the terms of the applicable plan and, once vested, settle in BlackRock common stock. Messrs. MacLellan and Musmanno have deferred BlackRock stock awards.

For certain portfolio managers, a portion of the discretionary incentive compensation is also distributed in the form of deferred cash awards that notionally track the returns of select BlackRock investment products they manage, which provides direct alignment of portfolio manager discretionary incentive compensation with investment product results. Deferred cash awards vest ratably over a number of years and, once vested, settle in the form of cash. Only portfolio managers who manage specified products and whose total compensation is above a specified threshold are eligible to participate in the deferred cash award program.

Other Compensation Benefits. In addition to base salary and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

Incentive Savings Plans. BlackRock has created a variety of incentive savings plans in which BlackRock employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan ("RSP") and the BlackRock Employee Stock Purchase Plan ("ESPP"). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at $5,000 per year, and a company retirement contribution equal to 3% to 5% of eligible compensation up to the IRS limit ($275,000 for 2018). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into a target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of $25,000 based on its fair market value on the purchase date. All of the eligible portfolio managers are eligible to participate in these plans.

Potential Material Conflicts of Interest. BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, the firm's affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of the firm's affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or the firm's affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of the firm's affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that Messrs. MacLellan and Musmanno may be managing hedge fund and/or long only accounts, or may be part of a team managing hedge fund and/or long only accounts, subject to incentive fees. Messrs. MacLellan and Musmanno may therefore be entitled to receive a portion of any incentive fees earned on such accounts.

As a fiduciary, BlackRock owes a duty of loyalty to clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

Brown Advisory, LLC ("Brown Advisory"). In awarding compensation, Brown Advisory takes investment performance, teamwork and the overall profitability of the firm into consideration. The firm's compensation structure is designed to create a highly collaborative investment process. Brown Advisory compensates portfolio managers using three components: (i) fixed base salary, (ii) cash bonus, and (iii) firm equity.

The bonus portion of a portfolio manager's compensation takes into consideration a number of factors, including, but not limited to, performance, teamwork, the ability to grow and retain assets and the firm's profitability. When evaluating a portfolio manager's performance, Brown Advisory compares the pre-tax performance of a portfolio manager's accounts to the relevant market index (*e.g.*, Russell 1000® Growth Index) over trailing one-, three- and five-year time periods. Additionally, the firm takes into account the portfolio manager's peer rankings over trailing one-, three- and five-year time periods. Brown Advisory also believes equity is a vital part of the compensation mix and awards equity to portfolio managers in order to align the firm's interests with those of clients.

ClearBridge Investments, LLC ("ClearBridge"). ClearBridge's investment professionals participate in a competitive compensation program that is designed to attract and retain outstanding talent and closely align the interests of the firm's investment professionals with those of clients and overall firm results. The total compensation program includes a competitive base salary and a significant incentive component that rewards high performance standards, integrity and collaboration consistent with the firm's values. A portion of annual bonuses is deferred into compensation plans that vest over the course of several years after the grant date. Deferrals are tied to portfolio performance, ClearBridge equity products and Legg Mason stock.

Base salary compensation. Base salary is fixed and primarily determined based on market factors and the experience and responsibilities of the investment professional within the firm.

Discretionary compensation. In addition to base compensation, managers may receive discretionary compensation. Discretionary compensation can include:

- Cash Incentive Award
- ClearBridge's Deferred Incentive Plan ("CDIP") — A mandatory program that typically defers 15% of discretionary year-end compensation into ClearBridge managed products. For portfolio managers, one third of this deferral tracks the performance of their primary managed product, one-third tracks the performance of a composite portfolio of the firm's new products and one-third can be elected to track the performance of one or more of ClearBridge managed funds. Consequently, portfolio managers can have two-thirds of their CDIP award tracking the performance of their primary managed product. For centralized research analysts, two-thirds of their deferral is elected to track the performance of one or more ClearBridge managed funds, while one-third tracks the performance of the new product composite. ClearBridge then makes a company investment in the proprietary managed funds equal to the deferral amounts by fund. This investment is a company asset held on the balance sheet and paid out to the employees in shares subject to vesting requirements.
- Restricted Stock Deferral — A mandatory program that typically defers 5% of discretionary year-end compensation into Legg Mason restricted stock. The award is paid out to employees in shares subject to vesting requirements.
- ClearBridge Management Equity Plan — A discretionary program offered to certain employees that enables participants to share in the long-term growth of the enterprise value of the firm. Employees are awarded units subject to vesting requirements.

Several factors are considered by ClearBridge senior management when determining discretionary compensation for portfolio managers. These include but are not limited to:

- A portfolio manager's compensation is linked to the pre-tax investment performance of the fund/accounts managed by the portfolio manager. Investment performance is calculated for one-, three- and five-year periods measured against the applicable product benchmark (*e.g.*, Russell 1000® Growth Index) and relative to applicable industry peer groups. The greatest weight is generally placed on three- and five-year performance.
- Appropriate risk positioning that is consistent with ClearBridge's investment philosophy and the Investment Meeting/Co-Chief Investment Officer approach to generation of alpha.

- Overall firm profitability and performance.
- Amount and nature of assets managed by the portfolio manager.
- Contributions for asset retention, gathering and client satisfaction.
- Contribution to mentoring, coaching and/or supervising.
- Contribution and communication of investment ideas in ClearBridge's Investment Committee meetings and on a day to day basis.
- Market compensation survey research by independent third parties.

Delaware Investments Fund Advisers ("DIFA"). Each portfolio manager's compensation consists of a combination of base salary, an incentive profit-share tied to performance and long-term equity. Salaries are determined by a comparison to industry data prepared by third parties to ensure that portfolio manager salaries are in line with salaries paid at peer investment advisory firms.

Each named portfolio manager is eligible to receive an annual cash bonus. The bonus pool is determined by the revenues associated with the products a portfolio manager manages. Macquarie Investment Management keeps a percentage of the revenues and the remaining percentage of revenues (minus appropriate expenses associated with relevant product and the investment management team) creates the "bonus pool" for the product. Various members of the team have the ability to earn a percentage of the bonus pool with the most senior contributor generally having the largest share. The pool is allotted based on subjective factors (50%) and objective factors (50%). The primary objective factor is the one-, three- and five-year performance of the funds managed relative to the performance of the appropriate Broadridge Financial Solutions, Inc. (formerly, Lipper Inc.) ("Broadridge") peer groups and the performance of institutional composites relative to the appropriate indexes. Three- and five-year performance is weighted more heavily, and there is no objective award for a fund whose performance falls below the 50th percentile for a given period of time.

Individual allocations of the bonus pool are based on individual performance measurements, both objective and subjective, as determined by senior management.

Portfolio managers participate in retention programs, including the Macquarie Investment Management Notional Investment Plan and the Macquarie Group Employee Retained Equity Plan, for alignment of interest purposes.

- *Macquarie Investment Management Notional Investment Plan.* A portion of a portfolio manager's retained profit-share may be notionally exposed to the return of certain funds within Macquarie Investment Management pursuant to the terms of the Macquarie Investment Management Notional Investment Plan. The retained amount will vest in equal tranches over a period ranging from four to five years after the date of investment (depending on the level of the employee).
- *Macquarie Group Employee Retained Equity Plan ("MEREP").* A portion of a portfolio manager's retained profit-share may be invested in the MEREP, which is used to deliver remuneration in the form of Macquarie equity. The main type of award currently being offered under the MEREP is units comprising a beneficial interest in a Macquarie Group share held in a trust for the employee, subject to the vesting and forfeiture provisions of the MEREP. Subject to vesting conditions, vesting and release of the shares occurs in a period ranging from four to five years after the date of investment (depending on the level of the employee).

In addition, portfolio managers may also participate in benefit plans and programs available generally to all similarly situated employees.

Goldman Sachs Asset Management, L.P. ("GSAM"). Compensation for GSAM portfolio managers is comprised of a base salary and year-end discretionary variable compensation. The base salary is fixed from year to year. Year-end discretionary, variable compensation is primarily a function of each portfolio manager's individual performance and his or her contribution to overall team performance, including in consideration of certain qualitative factors such as risk management, judgment, compliance and conduct; the performance of GSAM and

Goldman, Sachs & Co.; the team's net revenues for the past year, which in part is derived from advisory fees and, for certain accounts, performance-based fees; and anticipated compensation levels among competitor firms.

Portfolio managers are compensated, in part, for their delivery of investment performance, measured on a pre- or post-tax basis, which is reasonably expected to meet or exceed the expectations of clients and fund shareholders in terms of excess return over an applicable benchmark, peer group ranking, risk management and factors specific to certain funds such as yield or regional focus. Performance is judged over one-, three- and five-year time horizons. The benchmark for the Medium-Duration Bond Fund is the Bloomberg Barclays US Aggregate Bond Index; the benchmark for the Strategic Alternatives Fund is the ICE BofAML U.S. 3-Month Treasury Bill Index; and the benchmark for the Emerging Markets Equity Fund is the MSCI Emerging Markets Index.

The discretionary variable compensation for portfolio managers is also significantly influenced by: (1) effective participation in team research discussions and process; and (2) management of risk in alignment with the targeted risk parameter and investment objective of the fund. Other factors may also be considered, including: (1) general client/shareholder orientation; and (2) teamwork and leadership. Portfolio managers may receive equity-based awards as part of their discretionary variable compensation.

Other Compensation. In addition to base salary and year-end discretionary variable compensation, GSAM has a number of additional benefits in place, including: (1) a 401(k) program that enables employees to direct a percentage of their salary and bonus income into a tax-qualified retirement plan; and (2) investment opportunity programs in which certain professionals may participate subject to certain eligibility requirements.

GuideStone Capital Management, LLC ("Adviser"). Portfolio managers of the Adviser are compensated for their services on behalf of the Adviser with a fixed base salary plus discretionary incentive compensation. With respect to portfolio management functions for the Funds and accounts managed or overseen by the Adviser, general consideration is given in the determination of incentive compensation to overall performance of these Funds and accounts in terms of both long-term and short-term performance results, with compensation primarily based on the Funds assigned to each individual portfolio manager. Factors included in the determination of base salary include the portfolio manager's seniority, experience and extent of management responsibility. The Adviser and its parent are nonprofit entities, and there are no stock option or profit sharing plans. The absolute amount of base salary, incentive compensation and related benefits received by portfolio managers may also be determined, in whole or in part, as a result of service as officers or employees of affiliates of the Adviser, including GuideStone Financial Resources, which is unrelated to their service as portfolio managers or officers of the Adviser.

Harris Associates L.P. ("Harris"). Compensation for each of the portfolio managers is based on Harris' assessment of the individual's long-term contribution to the investment success of the firm. Each portfolio manager receives a base salary and participates in a discretionary bonus pool. In addition, most of the portfolio managers also participate in a long-term compensation plan that provides current compensation to certain key employees of the firm and deferred compensation to both current and former key employees. The compensation plan consists of bonus units awarded to participants that vest and are paid out over a period of time. The determination of the amount of each portfolio manager's base salary and discretionary bonus pool participation and, where applicable, participation in the long-term compensation plan is based on a variety of qualitative and quantitative factors. The factor given the most significant weight is the subjective assessment of the individual's contribution to the overall investment results of Harris' domestic or international investment group, whether as a portfolio manager, a research analyst or both.

The quantitative factors considered in evaluating the contribution of a portfolio manager include the measure of portfolio performance compared to benchmarks, peer comparisons and assets under management. Performance is measured by portfolio and by strategy and is compared to one or more benchmarks (*e.g.,* MSCI World Index and MSCI World ex-U.S. Index) and the firm's approved lists of stocks. Performance is also measured over short- and long-term periods, including one-, three-, five- and 10-years and since a fund's inception or since the portfolio manager commenced management responsibility with respect to a portfolio.

If a portfolio manager also serves as a research analyst, then his or her compensation is also based on the contribution made to Harris in that role. The specific quantitative and qualitative factors considered in evaluating a research analyst's contributions include, among other things, new investment ideas, the performance of investment ideas covered by the analyst during the current year as well as over longer-term periods, the portfolio impact of the analyst's investment ideas, other contributions to the research process and an assessment of the quality of analytical work. If a portfolio manager also serves as a research analyst, then such manager may participate in a long-term compensation plan that may provide future compensation upon vesting after a multi-year period. The plan consists of an award, based on a quantitative evaluation of the performance of the investment ideas covered by the analyst over the same multi-year period. In addition, an individual's other contributions to Harris, such as a role in investment thought leadership and management of the firm, are taken into account in the overall compensation process.

Heitman Real Estate Securities LLC ("HRES"), Heitman International Real Estate Securities HK Limited ("HIRES HK") and Heitman International Real Estate Securities GmbH ("HIRES GmbH") (together, "Heitman"). Heitman's compensation program is designed to accomplish several objectives, one of which is retention of the firm's team. Forty senior employees hold 100% of the equity interest in the business. Heitman believes that equity ownership provides an incentive for retention of key personnel and, equally important, that the structure creates alignment of interest between Heitman's partners and the firm's clients. The total compensation of the firm's equity owners is tied directly to the performance of the investments under their collective management and the degree to which client objectives have been met. The incentive compensation is based on a combination of factors including company, business unit and individual performance.

Jacobs Levy Equity Management, Inc. ("Jacobs Levy"). Each portfolio manager receives a fixed salary and a percentage of the profits of Jacobs Levy, which is based upon the portfolio manager's ownership interest in the firm. Jacobs Levy's profits are derived from the fees the firm receives from managing client accounts. For most client accounts, the firm receives a fee based upon a percentage of assets under management (the "basic fee"). For some accounts, the firm receives a fee that is adjusted based upon the performance of the account compared to a benchmark. The type of performance adjusted fee, the measurement period for the fee and the benchmark vary by client. In some cases, the basic fee is adjusted based upon the trailing returns (*e.g.,* annualized trailing 12 quarter returns) of the account relative to an annualized benchmark return plus a specified number of basis points. In other cases, the firm receives the basic fee and a percentage of the profits in excess of a benchmark.

Legal & General Investment Management America, Inc. ("LGIMA"). LGIMA offers employees a compensation package through a competitive base salary, discretionary and structured bonuses and equity participation in L&G Group plc. LGIMA offers different compensation structures across the firm, customizing incentive structures appropriately for employees for their role within the organization. Across the investment professionals, bonus structure will vary according to the style and objective of the related strategy. Portfolio managers for index strategies are held to achieving the return and risk characteristics of the related index (*e.g.*, S&P 500® Index, Russell Top 200® Value Index, MSCI EAFE Index and MSCI World Commodity Producers Index), with additional consideration for client retention and expansion of product offering.

Index investment managers' bonuses are made up of a discretionary bonus and a structured "formulaic" bonus plan, the elements of which depend on the team's ability to manage to the risk and return characteristics of the indexes, as well as client retention, new business and the ongoing profitability of the business. Awards vary according to the individual's degree of contribution to this process and the team's success in meeting its targets. Performance parameters are applied to after-tax portfolio performance over one and three years (or since inception if less than three years), further ensuring that managers are focused on the long-term outperformance of the portfolio rather than just on short-term gain.

A significant proportion of the structured bonuses are deferred for three years. Key staff are also eligible for share bonus plans, which are deferred for three years in their entirety. For managers and key non-managers, deferred equity in L&G Group plc is also awarded. These awards are important to the firm's retention for key staff.

Loomis, Sayles & Company, L.P. ("Loomis"). Loomis believes that portfolio manager compensation should be driven primarily by the delivery of consistent and superior long-term performance for the firm's clients. Portfolio manager compensation is made up of three main components: base salary, variable compensation and a long-term incentive program. Although portfolio manager compensation is not directly tied to assets under management, a portfolio manager's base salary and/or variable compensation potential may reflect the amount of assets for which the portfolio manager is responsible relative to other portfolio managers. Loomis also offers a profit sharing plan.

Base salary is a fixed amount based on a combination of factors including industry experience, firm experience, job performance and market considerations.

Variable compensation is an incentive-based component and generally represents a significant multiple of base salary. It is based on four factors: investment performance (calculated pre-tax), profit growth of the firm, profit growth of the portfolio manager's business unit and personal conduct. Investment performance is the primary component and generally represents at least 60% of the total for fixed-income managers and 70% of the total for equity managers. The other three factors are used to determine the remainder of variable compensation, subject to the discretion of the Chief Investment Officer ("CIO") and senior management. The CIO and senior management evaluate these other factors annually.

Equity Managers. While mutual fund performance and asset size do not directly contribute to the compensation calculation, investment performance for equity managers is measured by comparing the performance of Loomis' institutional composites to the performance of the applicable Morningstar peer group and/or the Lipper universe. Generally speaking, the performance of the respective product's fund is compared against the applicable Morningstar peer group and/or the Lipper universe. To the extent the majority of assets managed in the fund strategy are for institutional separate accounts, the eVestment Alliance institutional peer group will also be used as an additional comparison. In situations where substantially all of the assets for the strategy are institutional, the institutional peer group will be used as the primary method of comparison. A manager's performance relative to the peer group for the one-, three- and five-year periods (three, five and 10 years for large cap growth, all cap growth and global growth), or since the start of the manager's tenure, if shorter, is used to calculate the amount of variable compensation payable due to performance. Longer-term performance is typically weighted more than shorter-term performance. In addition, the performance measurement for equity compensation usually incorporates a consistency metric using longer term rolling return compared to the peer group over a sustained measurement period, however the exact method may be adjusted to a product's particular style. If a manager is responsible for more than one product, the rankings of each product are weighted based on relative revenue of accounts represented in each product. An external benchmark is used as a secondary comparison. The external benchmark used for Loomis' assigned portion of the Growth Equity Fund is the Russell 1000® Growth Index.

Mr. Hamzaogullari also receives additional compensation based on revenue and performance hurdles for his strategies and performance fee based compensation as portfolio manager for a private investment fund.

In cases where the institutional peer groups are used, Loomis believes they represent the most competitive product universe while closely matching the investment styles offered by the Loomis fund.

Fixed Income Managers. While mutual fund performance and asset size do not directly contribute to the compensation calculation, investment performance for fixed-income managers is measured by comparing the performance of the firm's institutional composite (pre-tax and net of fees) in the manager's style to the performance of an external benchmark and a customized peer group. The benchmark used for Loomis' assigned portion of the Extended-Duration Bond Fund is the Bloomberg Barclays US Government/Credit Index; the benchmark used for Loomis' assigned portion of the Global Bond Fund is the Bloomberg Barclays Global Aggregate Bond Index. The customized peer group is created by the firm and is made up of institutional managers in the particular investment style. A portfolio manager's relative performance for the past five years, or seven years for some products, is used to calculate the amount of variable compensation payable due to performance. To ensure consistency, the firm analyzes the five- or seven-year performance on a rolling three-year basis. If a portfolio manager is responsible for more than one product, the rankings of each product are weighted based on relative revenue size of accounts represented in each product.

Loomis uses both an external benchmark and a customized peer group as a point of comparison for fixed-income manager performance because Loomis believes they represent an appropriate combination of the competitive fixed-income product universe and the investment styles offered by Loomis.

Mr. Fuss's compensation is also based on his overall contributions to Loomis Sayles in his various roles as Senior Portfolio Manager, Vice Chairman and Director. As a result of these factors, the contribution of investment performance to Mr. Fuss' total variable compensation may be significantly lower than the percentage reflected above.

In addition to the compensation described above, portfolio managers may receive additional compensation based on the overall growth of their strategies.

Most mutual funds do not directly contribute to a portfolio manager's overall compensation because Loomis Sayles uses the performance of the portfolio manager's institutional accounts compared to an institutional peer group. However, each fund managed by Loomis employs strategies endorsed by Loomis and fits into the product category for the relevant investment style. Loomis may adjust compensation if there is significant dispersion among the returns of the composite and accounts not included in the composite.

Loomis has developed and implemented two long-term incentive plans to attract and retain investment talent. These plans supplement existing compensation. The first plan has several important components distinguishing it from traditional equity ownership plans:

- the plan grants units that entitle participants to an annual payment based on a percentage of company earnings above an established threshold;
- upon retirement, a participant will receive a multi-year payout for his or her vested units; and
- participation is contingent upon signing an award agreement, which includes a non-compete covenant.

The second plan also is similarly constructed although the participants' annual participation in company earnings is deferred for two years from the time of the award and is only payable if the portfolio manager remains at Loomis. In this plan, there are no post-retirement payments or non-compete covenants.

Senior management expects that the variable compensation portion of overall compensation will continue to remain the largest source of income for those investment professionals included in the plan(s). The plan(s) was/were initially offered to portfolio managers and, over time, the scope of eligibility widened to include other key investment professionals. Management has full discretion over what units are issued and to whom.

Portfolio managers also participate in the Loomis profit sharing plan, in which Loomis makes a contribution to the retirement plan for each employee based on a percentage of base salary (up to a maximum amount). The portfolio managers may also participate in the Loomis defined benefit pension plan, which applies to all Loomis employees who joined the firm prior to May 3, 2003. The defined benefit is based on years of service and base compensation (up to a maximum amount).

MFS Institutional Advisors, Inc. ("MFS"). MFS' philosophy is to align portfolio manager compensation with the goal to provide shareholders with long-term value through a collaborative investment process. Therefore, MFS uses long-term investment performance as well as contribution to the overall investment process and collaborative culture as key factors in determining portfolio manager compensation. In addition, MFS seeks to maintain total compensation programs that are competitive in the asset management industry in each geographic market where the firm has employees. MFS uses competitive compensation data to ensure that compensation practices are aligned with the firm's goals of attracting, retaining and motivating the highest-quality professionals.

MFS reviews portfolio manager compensation annually. In determining portfolio manager compensation, MFS uses quantitative and qualitative means to help ensure a sustainable investment process. As of December 31, 2018, portfolio manager total cash compensation is a combination of base salary and performance bonus:

- *Base Salary* — Base salary generally represents a smaller percentage of portfolio manager total cash compensation than performance bonus.
- *Performance Bonus* — Generally, the performance bonus represents more than a majority of portfolio manager total cash compensation.

The performance bonus is based on a combination of quantitative and qualitative factors, generally with more weight given to the former and less weight given to the latter.

The quantitative portion is primarily based on the pre-tax performance of accounts managed by the portfolio manager over a range of fixed-length time periods, intended to provide the ability to assess performance over time periods consistent with a full market cycle and a strategy's investment horizon. The fixed-length time periods include the portfolio manager's full tenure on each fund and, when available, 10-, five- and three-year periods. For portfolio managers who have served for less than three years, shorter-term periods, including the one-year period, will also be considered, as will performance in previous roles, if any, held at the firm. Emphasis is generally placed on longer performance periods when multiple performance periods are available. Performance is evaluated across the full set of strategies and portfolios managed by a given portfolio manager, relative to appropriate peer group universes and/or representative indexes ("benchmarks"). As of December 31, 2018, the MSCI EAFE (Europe, Australasia, Far East) Growth Index (gross dividend) was used to measure the portfolio managers' performance for the fund. Benchmarks may include versions and components of indexes, custom indexes and linked indexes that combine performance of different indexes for different portions of the time period, where appropriate.

The qualitative portion is based on the results of an annual internal peer review process (where portfolio managers are evaluated by other portfolio managers, analysts and traders) and management's assessment of overall portfolio manager contribution to the MFS investment process and the client experience (distinct from fund and other account performance).

The performance bonus is generally a combination of cash and a deferred cash award. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the portfolio manager remains in the continuous employ of the firm or its affiliates. During the vesting period, the value of the unfunded deferred cash award will fluctuate as though the portfolio manager had invested the cash value of the award in an MFS Fund(s) selected by the portfolio manager.

- *MFS Equity Plan* – Portfolio managers also typically benefit from the opportunity to participate in the MFS Equity Plan. Equity interests are awarded by management, on a discretionary basis, taking into account tenure at MFS, contribution to the investment process, and other factors.

Finally, portfolio managers also participate in benefit plans (including a defined contribution plan and health and other insurance plans) and programs available generally to other employees of MFS. The percentage such benefits represent of any portfolio manager's compensation depends upon the length of the individual's tenure at MFS and salary level, as well as other factors.

Mondrian Investment Partners Ltd. ("Mondrian"). Mondrian has the following programs in place to retain key investment staff:

- *Competitive Salary* — All investment professionals are remunerated with a competitive base salary.
- *Profit Sharing Pool* — All Mondrian staff, including portfolio managers and senior officers, qualify for participation in an annual profit sharing pool determined by the company's profitability (approximately 30% of profits).

- *Equity Ownership* — Mondrian is employee owned. A high proportion of senior Mondrian staff (investment professionals and other support functions) are shareholders in the business. Equity value is built up over many years with long vesting periods and the value of any individual's equity is normally paid out in installments over a number of years post an agreed retirement from the firm. This is a long-term incentive plan directly tied to the long-term equity value of the firm.

Incentives (Bonus and Equity Programs) focus on the key areas of research quality, long-term and short-term performance, teamwork, client service and marketing. As an individual's ability to influence these factors depends on that individual's position and seniority within the firm, so the allocation of participation in these programs will reflect this.

At Mondrian, the investment management of particular portfolios is not "star manager" based but uses a team system. This means that Mondrian's investment professionals are primarily assessed on their contribution to the team's effort and results, though with an important element of their assessment being focused on the quality of their individual research contribution.

Remuneration Committee. In determining the amount of bonuses and equity awarded, Mondrian's Board of Directors consults with the firm's Remuneration Committee, who will make recommendations based on a number of factors, including investment research, investment performance contribution, organization management, team work, client servicing and marketing.

Defined Contribution Pension Plan. All portfolio managers are members of Mondrian's Defined Contribution Pension Plan (the "Plan") where Mondrian pays a regular monthly contribution and the member may pay additional voluntary contributions if they wish. The Plan is governed by trustees who have responsibility for the trust fund and payments of benefits to members. In addition, the Plan provides death benefits for death in service and a spouse's or dependent's pension may also be payable.

Mondrian Remuneration Philosophy. The guiding principle of the Mondrian's compensation programs is to enable the firm to retain and motivate a team of high quality employees with both attractive shorter term remuneration and long-term equity incentives that are appropriately competitive, well-structured and which help align the aspirations of individuals with those of the firm and its clients. Approximately 80 Mondrian employees are equity owners of the business, representing about 50% of the total staff. In determining whether an employee should become an owner, Mondrian has to date focused on senior management, investment professionals and senior client service and operations personnel. The equity owners represent those staff recognized as either a significant contributor currently or in the future and awards focus in particular on key investment professionals.

Neuberger Berman Investment Advisers LLC ("Neuberger Berman"). Neuberger Berman's compensation philosophy is one that focuses on rewarding performance and incentivizing employees. Neuberger Berman is also focused on creating a compensation process that the firm believes is fair, transparent, and competitive with the market.

Compensation for portfolio managers consists of fixed (salary) and variable (bonus) compensation but is more heavily weighted on the variable portion of total compensation and is paid from a team compensation pool made available to the portfolio management team with which a portfolio manager is associated. The size of the team compensation pool is determined based on a formula that takes into consideration a number of factors including the pre-tax revenue that is generated by that particular portfolio management team, less certain adjustments. The bonus portion of the compensation is discretionary and is determined on the basis of a variety of criteria, including investment performance (including the aggregate multi-year track record), utilization of central resources (including research, sales and operations/support), business building to further the longer term sustainable success of the investment team, effective team/people management and overall contribution to the success of Neuberger Berman. Certain portfolio managers may manage products other than mutual funds, such as high net worth separate accounts. For the management of these accounts, a portfolio manager may generally receive a percentage of pre-tax revenue determined on a monthly basis less certain deductions. The percentage of revenue a portfolio manager receives pursuant to this arrangement will vary based on certain revenue thresholds.

The terms of Neuberger Berman's long-term retention incentives are as follows:

Employee-Owned Equity. Certain employees (primarily senior leadership and investment professionals) participate in Neuberger Berman's equity ownership structure, which was designed to incentivize and retain key personnel. In addition, in prior years, certain employees may have elected to have a portion of their compensation delivered in the form of equity. Neuberger Berman also offers an equity acquisition program which allows employees a more direct opportunity to invest in Neuberger Berman.

Contingent Compensation. Certain employees may participate in the Neuberger Berman Group Contingent Compensation Plan (the "CCP") to serve as a means to further align the interests of employees with the success of the firm and the interests of clients and to reward continued employment. Under the CCP, up to 20% of a participant's annual total compensation in excess of $500,000 is contingent and subject to vesting. The contingent amounts are maintained in a notional account that is tied to the performance of a portfolio of Neuberger Berman investment strategies, as specified by the firm on an employee-by-employee basis. By having a participant's contingent compensation tied to Neuberger Berman investment strategies, each employee is given further incentive to operate as a prudent risk manager and to collaborate with colleagues to maximize performance across all business areas. In the case of members of investment teams, including Portfolio Managers, the CCP is currently structured so that such employees have exposure to the investment strategies of their respective teams as well as the broader Neuberger Berman portfolio.

Restrictive Covenants. Most investment professionals, including Portfolio Managers, are subject to notice periods and restrictive covenants which include employee and client non-solicit restrictions as well as restrictions on the use of confidential information. In addition, depending on participation levels, certain senior professionals who have received equity grants have also agreed to additional notice and transition periods and, in some cases, non-compete restrictions. For confidentiality and privacy reasons, Neuberger Berman cannot disclose individual restrictive covenant arrangements.

Pacific Investment Management Company LLC ("PIMCO"). PIMCO's approach to compensation seeks to provide professionals with a Total Compensation Plan and process that is driven by PIMCO's mission and values.

Key Principles on Compensation Philosophy include:

- PIMCO's pay practices are designed to attract and retain high performers;
- PIMCO's pay philosophy embraces a corporate culture of rewarding strong performance, a strong work ethic, and meritocracy; and
- PIMCO's goal is to ensure key professionals are aligned to PIMCO's long-term success through equity participation; and PIMCO's "Discern and Differentiate" discipline guides total compensation levels.

The Total Compensation Plan consists of three components. The compensation program for portfolio managers is designed to align with clients' interests, emphasizing each portfolio manager's ability to generate long-term investment success for PIMCO's clients. A portfolio manager's compensation is not based solely on the performance of any Fund or any other account managed by that portfolio manager:

Base Salary – Base salary is determined based on core job responsibilities, positions/levels and market factors. Base salary levels are reviewed annually, when there is a significant change in job responsibilities or positions or a significant change in market levels.

Performance Bonus – Performance bonuses are designed to reward risk-adjusted performance and contributions to PIMCO's broader investment process. The compensation process is not formulaic, and the following non-exhaustive list of qualitative and quantitative criteria are considered when determining the total compensation for portfolio managers:

- Performance measured over a variety of longer- and shorter-term periods, including five-year, four-year, three-year, two-year and one-year dollar-weighted and account-weighted, pre-tax total and risk-adjusted investment performance as judged against the applicable benchmarks (which may include internal investment performance-related benchmarks) for each account managed by a portfolio manager (including the Funds) and relative to applicable industry peer groups; greatest emphasis is placed on five-year and three-year performance, followed by one-year performance;
- Consistency of investment performance across portfolios of similar mandate and guidelines, rewarding low dispersion and consistency of outperformance;
- Appropriate risk positioning and risk management mindset which includes consistency with PIMCO's investment philosophy, the Investment Committee's positioning guidance, absence of defaults, and appropriate alignment with client objectives;
- Contributions to mentoring, coaching and/or supervising members of team;
- Collaboration, idea generation, and contribution of investment ideas in the context of PIMCO's investment process, Investment Committee meetings, and day-to-day management of portfolios; and
- With much lesser importance than the aforementioned factors: amount and nature of assets managed by the portfolio manager, contributions to asset retention, and client satisfaction.

PIMCO's partnership culture further rewards strong long term risk adjusted returns with promotion decisions almost entirely tied to long term contributions to the investment process. 10-year performance can also be considered, though not explicitly as part of the compensation process.

Deferred Compensation – Long Term Incentive Plan ("LTIP") and/or M Options which is awarded to key professionals. Employees who reach a total compensation threshold are delivered their annual compensation in a mix of cash and/or deferred compensation. PIMCO incorporates a progressive allocation of deferred compensation as a percentage of total compensation, which is in line with market practices.

- The LTIP provides participants with deferred cash awards that appreciate or depreciate based on PIMCO's operating earnings over a rolling three-year period. The plan provides a link between longer term company performance and participant pay, further motivating participants to make a long term commitment to PIMCO's success.
- The M Unit program provides mid-to-senior level employees with the potential to acquire an equity stake in PIMCO over their careers and to better align employee incentives with the Firm's long-term results. In the program, options are awarded and vest over a number of years and may convert into PIMCO equity which shares in the profit distributions of the Firm. M Units are non-voting common equity of PIMCO and provide a mechanism for individuals to build a significant equity stake in PIMCO over time.
- The Carried Interest Compensation Plan awards entitle eligible individuals who provide services to PIMCO's Alternative Funds a percentage ("points") of the carried interest otherwise payable to PIMCO in the event that the applicable performance measurements described in the Alternative Fund's partnership agreements are achieved. The awards are granted before any payments are made in respect of the awards and payout is contingent on long-term performance and are intended to align the interests of the employees with that of PIMCO and the investors in the Alternative Funds. While subject to forfeiture and vesting terms, payments to participants are generally made if and when the applicable carried interest payments are made to PIMCO.

Participation in LTIP, the M Unit Program and the Carried Interest Compensation Plan is contingent upon continued employment at PIMCO and all other applicable eligibility requirements.

Profit Sharing Plan. Portfolio managers who are Managing Directors of PIMCO receive compensation from a non-qualified profit sharing plan consisting of a portion of PIMCO's net profits. Portfolio managers who are Managing Directors receive an amount determined by the Compensation Committee, based upon an individual's overall contribution to the firm.

Parametric Portfolio Associates LLC ("Parametric"). Compensation of investment professionals at Parametric has three primary components: (i) a base salary; (ii) an annual cash bonus; and (iii) annual equity-based compensation for eligible employees. Parametric investment professionals also receive certain retirement, insurance and other benefits that are broadly available to Parametric employees. Compensation of Parametric professionals is reviewed on an annual basis. Stock-based compensation awards and adjustments in base salary and bonuses are typically paid and/or put into effect at or shortly after, the firm's fiscal year-end, October 31.

The firm also maintains the following arrangements: (i) employment contracts for key investment professionals and senior leadership; (ii) eligible employees receive Eaton Vance equity grants that vest over a five-year period from grant date - 10% in year one, 15% in year two, 20% in year three, 25% in year four, and 30% in year five; (iii) participation in Parametric equity plans for key employees, reflective of their individual contribution to the firm's success and tenure at the firm; and (iv) profit sharing that vests over a five-year period from employee's start date. The vesting schedule for the profit sharing is 20% per year from the employee's start date.

Parametric seeks to compensate investment professionals commensurate with responsibilities and performance while remaining competitive with other firms within the investment management industry.

Salaries, bonuses and stock-based compensation are also influenced by the operating performance of Parametric and its parent company, Eaton Vance Corp. While the salaries of investment professionals are comparatively fixed, cash bonuses and stock-based compensation may fluctuate from year-to-year, based on changes in financial performance and other factors. Parametric also offers opportunities to move within the organization, as well as incentives to grow within the organization by promotion.

Additionally, Parametric participates in compensation surveys that benchmark salaries against other firms in the industry. This data is reviewed, along with a number of other factors, so that compensation remains competitive with other firms in the industry.

Payden & Rygel. Portfolio managers and other investment personnel are paid competitive salaries by Payden & Rygel. An employee's base salary is contingent on many factors, such as (but not limited to) educational background and previous work experience. In addition, they may receive bonuses based on the overall profit of the firm and their contribution to the investment team(s) on which they participate. The relative mix of compensation represented by salary and bonus will vary depending on the individual's contribution to the investment team(s), contributions to the firm overall and other factors.

Perella Weinberg Partners Capital Management LP ("PWP"). PWP staff members are compensated by a salary and discretionary bonus. For investment team members, compensation is primarily paid from the net revenues they generate for their respective investment portfolios. Each team member, at all levels, is incentivized to ensure clients' portfolios are meeting their investment objectives and receiving the best possible service in support of this. Performance reviews are conducted formally on an annual basis and using a 360 degree approach — employees are both reviewed and they have the opportunity to review their superiors, as well as their co-workers. In addition to cash compensation, two senior members of the investment team are partners in the firm and, as such, own equity in the firm.

RREEF America L.L.C. ("RREEF"), DWS Investments Australia Limited ("DIAL") and DWS Alternatives Global Limited ("DWS Global") (together, "RREEF"). Deutsche Bank (the "Bank") recognizes that its compensation system plays a vital role in supporting its strategic objectives. Thus, the compensation practices and systems of the Bank are carefully constructed to support the achievement of strategic and business objectives in a sustainable manner within a sound risk framework. The Bank also recognizes that its people are a key differentiating factor that drives performance and that, as such, attracting and retaining the right employees is fundamental to ensuring current and future business success. On the basis of appropriate benchmarking, the Bank utilizes market aligned compensation practices and systems in order to remain competitive. In this context, the Bank operates a total compensation approach to remuneration, with primary components of Fixed Pay and variable compensation (“VC”).

Fixed pay is used to compensate employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. Fixed pay can include base salary, an additional fixed pay supplement, regional allowances and, where applicable, other non-salary elements or allowances. Fixed Pay is contractual and, in many legal jurisdictions, nonrevocable. It is generally reviewed on an annual basis as part of the year-end process and in the context of total compensation.

VC is used as a tool to incentivize and reward strong performance and the Bank continues to ensure that the governance around and the structure of VC allocations meet regulatory requirements. Most full and part-time employees of Deutsche Bank Group (the “Group”) may be eligible for an annual VC award. Within the total compensation structure, the VC element is determined in the Bank’s sole discretion based upon, among other factors, the overall Group performance, the divisional performance and an individual’s overall contribution during the year under review. VC may be comprised of a cash bonus and/or deferred awards. The split between cash and deferred awards is determined according to a matrix applicable to all employees; as a general principle, as the amount of total VC increases, so too does the percentage of the VC which is comprised of deferred awards. Additionally, all employees identified as material risk takers are required to have 50% of what would have otherwise been their cash bonus delivered in the form of equity or equity linked instruments (the “Equity Upfront Award”). All deferred awards, including any Equity Upfront Awards, are deferred over a defined period of time and subject to various provisions of the applicable plan rules including, but not limited to, forfeiture provisions.

Sands Capital Management, LLC (“Sands”). Investment professionals benefit from a salary competitive in the industry, an annual qualitative bonus based on subjective review of the employee’s overall contribution and a standard profit sharing plan and 401(k) plan. Additional incentives include equity participation. The investment professionals also participate in an investment results bonus. The investment results bonus is calculated from the pre-tax performance variance of the Sands Capital composite returns and their respective benchmarks over one-, three- and five-year periods, weighted towards the three- and five-year results.

Schroder Investment Management North America Inc. (“SIMNA”). The portfolio managers assigned to the Extended-Duration Bond Fund portfolio account receive remuneration in accordance with SIMNA’s compensation policy. SIMNA’s methodology for measuring and rewarding the contribution made by portfolio managers combines quantitative and qualitative measures. Portfolio managers are compensated for their services to accounts they manage in a combination of base salary and annual discretionary bonus, as well as the standard retirement, health and welfare benefits available to all SIMNA’s employees. Certain fund managers may also receive awards under a long-term incentive program.

Base salary is determined by reference to the level of responsibility inherent in the role and the experience of the incumbent, and is benchmarked annually against market data to ensure competitive pay. SIMNA reviews base salaries annually, targeting increases at employees whose roles have increased in scope materially during the year and those whose salary is behind market rates. At more senior levels, base salaries tend to be adjusted less frequently as the emphasis is increasingly on the discretionary bonus.

Bonuses for fund managers may be composed of an agreed contractual floor, a revenue component, and/or a discretionary component. Any discretionary bonus is determined by a number of factors. At a macro level the total amount available to spend is a function of the compensation to revenue ratio of the firm globally. SIMNA then assesses the performance of the division and of the team to determine the share of the aggregate bonus pool that is spent in each area. This focus on “team” maintains consistency and minimizes internal competition that may be detrimental to the interests of SIMNA’s clients. For each team, SIMNA assesses the performance of their funds and accounts relative to competitors and to relevant benchmarks (which may be internally-and/or externally-based and are considered over a range of performance periods, including over one and/or three year periods), the level of funds under management and the level of performance fees generated, if any. Schroders also reviews "softer" factors, such as leadership, contribution to other parts of the business, and an assessment of the employee's behavior and the extent to which it is in line with the firm's corporate values of excellence, integrity, teamwork, passion and innovation.

For those employees receiving significant bonuses, a part may be deferred in the form of Schroders plc stock and fund-based awards of notional cash investments in a range of Schroders Funds. These deferrals vest over a period of three years or more and seek to ensure that the interests of the employees are aligned with those of clients and shareholders of Schroders plc.

Shenkman Capital Management, Inc. ("Shenkman"). Shenkman offers a highly competitive total compensation package. All team members receive a complete benefits package, base salary and an annual bonus predicated on individual and firm performance. The percentage of compensation from salary and bonus varies by a team member's merit. Typically, a bonus is a larger percentage of annual compensation for team members that have made contributions to the firm and achieved a long tenure with the firm.

Portfolio managers represent the majority of the firm's senior management. Their compensation is not formally tied to a specific list of criteria. Portfolio managers are compensated based on their ability to implement the firm's investment strategy, their ability to effectively perform their respective managerial functions, the overall investment performance of the firm as well as Shenkman's growth and profitability. All senior portfolio managers are owners of the firm. Portfolio managers' compensation is not based on the performance of the Funds or the value of assets held in their portfolios.

TCW Investment Management Company LLC ("TCW"). The overall objective of the firm's compensation program for portfolio managers is to attract experienced and expert investment professionals and to retain them over the long-term. Compensation is comprised of several components which, in the aggregate, are designed to achieve these objectives and to reward the portfolio managers for their contributions to the successful performance of the accounts they manage. Portfolio managers are compensated through a combination of base salary, fee sharing based compensation ("fee sharing"), bonus and equity incentive participation in TCW's parent company ("equity incentives"). Fee sharing and equity incentives generally represent most of the portfolio managers' compensation. In some cases, portfolio managers are eligible for discretionary bonuses.

Salary. Salary is agreed to with the portfolio managers at time of employment and is reviewed from time to time. It does not change significantly and often does not constitute a significant part of the portfolio manager's compensation.

Fee Sharing. Fee sharing for investment professionals is based on revenues generated by accounts in the investment strategy area for which the investment professionals are responsible. In most cases, revenues are allocated to a pool and fee sharing compensation is allocated among members of the investment team after the deduction of certain expenses (including compensation over a threshold level) related to the strategy group. The allocations are based on the investment professionals' contributions to TCW and its clients, including qualitative and quantitative contributions.

In general, the same fee sharing percentage is used to compensate investment professionals for investment services related to the Value Equity Fund as that which is used to compensate investment professionals for other client accounts in the same strategy managed by the TCW or one of the other TCW-affiliated advisers (together, "the TCW Group"). In some cases, the fee sharing pool includes revenues related to more than one product, in which case each participant in the pool is entitled to fee sharing derived from his or her contributions to all the included products.

Investment professionals are not directly compensated for generating performance fees. In some cases, the fee sharing pool is subject to fluctuation based on the relative pre-tax performance of the investment strategy composite returns, net of fees and expenses, to that of the benchmark. The measurement of performance relative to the benchmark can be based on single year or multiple year metrics, or a combination thereof. The benchmark used is the one associated with the Value Equity Fund managed by the portfolio manager as disclosed in the prospectus. Benchmarks vary from strategy to strategy but, within a given strategy, the same benchmark applies to all accounts, including the Value Equity Fund.

Discretionary Bonus/Guaranteed Minimums. Discretionary bonuses may be paid out of an investment team's fee sharing pool, as determined by the supervisor(s) in the department. In other cases where portfolio managers do not receive fee sharing or where the firm has determined the combination of salary and fee sharing does not adequately compensate the portfolio manager, discretionary bonuses may be paid by the TCW Group. Also, pursuant to contractual arrangements, some portfolio managers received minimum bonuses.

Equity Incentives. Management believes that equity ownership aligns the interest of portfolio managers with the interests of the firm and its clients. Accordingly, TCW's key investment professionals participate in equity incentives through ownership or participation in restricted unit plans that vest over time or unit appreciation plans of TCW's parent company. The plans include the Fixed Income Retention Plan, Restricted Unit Plan and 2013 Equity Unit Incentive Plan.

Under the Fixed Income Retention Plan, certain portfolio managers in the fixed income area were awarded cash and/or partnership units in TCW's parent company, either on a contractually-determined basis or on a discretionary basis. Awards under this plan were made in or after 2010 vested over a period of time.

Under the Restricted Unit Plan, certain portfolio managers in the fixed income and equity areas were awarded partnership units in TCW's parent company. Awards under this plan have vested over time subject to satisfaction of performance criteria.

Under the 2013 Equity Unit Incentive Plan, key portfolio managers in the fixed income and equity areas are awarded options to acquire partnership units in TCW's parent company with a strike price equal to the fair market value of the option at the date of grant. The options granted under the plan are subject to vesting and performance conditions.

Other Plans and Compensation Vehicles. Portfolio managers may also elect to participate in the TCW Group's 401(k) plan, to which they may contribute a portion of their pre- and post-tax compensation to the plan for investment on a tax-advantaged basis.

TimesSquare Capital Management, LLC ("TSCM"). TSCM's compensation program rewards top performing portfolio managers and investment analysts, promotes retention of key personnel and provides senior leaders with an equity-based stake in the firm. The program is tied exclusively to client's investment performance and financial results of the firm and TSCM's investment business. Moreover, the program is based on a series of clear metrics with investment performance, relative to the appropriate comparative universe and benchmark, carrying the greatest weighting for portfolio managers. Investment professionals' compensation is comprised of the following three components: base salaries, an annual bonus plan and significant equity in the firm.

Base Salaries. Base salaries for investment professionals are targeted at the upper end of relevant peer groups of other institutional investment managers. TSCM adjusts base salaries when performance, market data, career path progression or position scope warrant an increase to encourage retention and development of top performers. For key investment decision-makers, variable performance-driven elements, such as the annual bonus and equity in the firm, comprise the substantial majority of total compensation.

Annual Bonus Plan. Bonuses for portfolio managers and investment analysts are determined primarily by investment performance using both manager-relative and benchmark-relative measures over the one-year time period. Performance is calculated by comparing pre-tax total returns.

Equity Ownership. Senior investment professionals receive significant equity ownership in the firm, subject to a five-year vesting period. Once vested, certain components with vested value are not immediately accessible to further encourage retention. Through this stake in TSCM's business, portfolio managers should benefit from client retention and business growth.

WCM Investment Management, LLC ("WCM"). WCM's compensation practices employ a multi-pronged approach and play an important role in rewarding and retaining key professionals. To be clear, compensation arrangements are not determined on the basis of the number of accounts managed or the performance of specific funds.

For investment (research) professionals, compensation breakdown includes:

- *Base Salaries.* All investment professionals receive competitive base salaries reflective of their role and contribution to the investment (research) team.
- *Bonuses.* Additional compensation comes in the form of periodic (nominally semi-annual) bonuses. WCM employs a qualitative, discretionary bonus system to incentivize and reward team members based primarily on their performance in contributing to team results. This springs from the firm's belief (supported by various academic studies) that small, cohesive, collaborative teams can and do provide better results than "star systems" or "armies of analysts". Even though WCM subscribes to that old aphorism, "the whole can be greater than the sum of the parts," individual performance is not ignored – it simply plays a subordinate role to team success. These evaluations are made on a regular basis by the investment (research) team leaders, utilizing a review system that begins with a "return-on-time" assessment for each investment (research) team member and is then supplemented, reviewed and approved by the firm's Leadership Team.
- *Profit-Sharing.* WCM does not utilize a cash profit-sharing plan, but the firm does include a profit-sharing component in the Employee Benefit Plan (see below).
- *Employee Benefit Plan.* All employees are eligible to participate in the WCM Employee Savings Plan ("401(k)") after six full months of employment. Besides the normal employee pre-tax deferral, the 401(k) has two possible employer components: (i) discretionary employer match; and (ii) discretionary employer profit-sharing contribution. Currently, the only employer component being utilized is the profit-sharing component, which is determined annually and contributes a substantial amount to each employee's retirement account. There is no vesting period for employer contributions.
- *Equity Ownership.* All employees, upon completing three years of full-time employment, are eligible to be offered (and purchase) ownership. Further, WCM groups its partners into two categories: Principal Partners (owners of more than 1% of outstanding interest) and Regular Partners (owners of less than 1% outstanding interest).

Wellington Management Company LLP ("Wellington"). Wellington's compensation structure is designed to attract and retain high-caliber investment professionals necessary to deliver high quality investment management services to clients. Wellington's compensation of each fund's manager listed in the prospectus who is primarily responsible for the day-to-day management of the fund ("investment professional") includes a base salary and incentive components. The base salary for each investment professional who is a partner (a "Partner") of Wellington is generally a fixed amount that is determined by the managing partners of Wellington Management Group LLP. Each investment professional is eligible to receive an incentive payment based on the revenues earned by Wellington from the fund managed by the investment professional and generally each other account managed by such investment professional. The investment professional's incentive payment relating to the relevant fund is linked to the gross pre-tax performance of the portion of the fund managed by the investment professional compared to the MSCI Emerging Markets Index (Net) over one-, three- and five-year periods, with an emphasis on five-year results. Wellington applies similar incentive compensation structures (although the benchmarks or peer groups, time periods and rates may differ) to other accounts managed by an investment professional, including accounts with performance fees.

Portfolio-based incentives across all accounts managed by an investment professional represent a significant portion of an investment professional's overall compensation; incentive compensation varies significantly by individual and can vary significantly from year to year. The investment professional may also be eligible for bonus payments based on his/her overall contribution to Wellington's business operations. Senior management at Wellington may reward individuals as it deems appropriate based on other factors. Each Partner is eligible to participate in a Partner-funded tax qualified retirement plan, the contributions to which are made pursuant to an actuarial formula. Ms. Trojan is a Partner.

Western Asset Management Company ("Western"). At Western, one compensation methodology covers all employees, including investment professionals. Standard compensation includes competitive base salaries, generous employee benefits, incentive bonus and a retirement plan which includes an employer match and discretionary profit sharing. Incentive bonuses are usually distributed in May. The firm's compensation philosophy is to manage fixed costs by paying competitive base salaries, but reward performance through the incentive bonus. A total compensation range for each position within Western is derived from annual market surveys and other relevant compensation-related data that benchmark each role to their job function and peer universe. This method is designed to base the reward for employees with total compensation reflective of the external market value of their skills, experience and ability to produce desired results.

The incentive bonus makes up the variable component of total compensation. Each employee participates in the annual review process in which a formal performance review is conducted at the end of the year and also a mid-year review is conducted halfway through the fiscal year. The incentive bonus is based on one's individual contributions to the success of one's team performance and the firm. The overall success of the firm will determine the amount of funds available to distribute for all incentive bonuses. Incentive compensation is the primary focus of management decisions when determining total compensation, as base salaries are purely targeting to pay a competitive rate for the role. Western offers long-term incentives (in the form of deferred cash or Legg Mason restricted stock) as part of the discretionary bonus for eligible employees. The eligibility requirements are discretionary and the plan participants include all investment professionals, sales and relationship management professionals and senior managers. The purpose of the plan is to retain key employees by allowing them to participate in the plans where the awards are denominated in the form of Legg Mason restricted stock or are invested into a variety of Western and Legg Mason funds. These contributions plus the investment gains are paid to the employee if he or she remains employed and in good standing with Western until the discretionary contributions become vested. Discretionary contributions made to the plan will be placed in a special trust that restricts management's use of and access to the money. Under limited circumstances, employees may be paid additional incentives in recognition of outstanding performance or as a retention tool. These incentives may include Legg Mason stock options.

For portfolio managers, the formal review process also includes the use of a balanced scorecard to measure performance. The balanced scorecard includes one-, three- and five-year investment performance, monitoring of risk, (portfolio dispersion and tracking error), client support activities, adherence to client portfolio objectives and guidelines and certain financial measures (assets under management and revenue trends). In reviewing investment performance, one-, three- and five-year annualized returns are measured against appropriate market peer groups and to each fund's benchmark index. These are structured to reward sector specialists for contributions to the firm as well as relative performance of their specific portfolios/product and are determined by the professional's job function and performance as measured by the review process.

Western Asset Management Company Limited ("WAMCL"). As a Banks, Building Societies and Investment Firms and Investment Firms ("BIPRU") firm, WAMCL complies with the BIPRU Remuneration Code set out in the SYSC19c Sourcebook in the Financial Conduct Authority (FCA) Handbook. WAMCL has adopted a proportioned approach to the firm's remuneration policy. As a result WAMCL provides code staff variable remuneration in appropriate non-cash form, defers a proportion of code staff variable remuneration and reduces deferred variable remuneration to reflect performance.

One compensation methodology covers all employees, including investment professionals, and therefore, principles applied at the Western level are applied to the Western group as a whole. Standard compensation includes competitive base salaries, generous employee benefits, incentive bonus and a retirement plan which includes an employer match and discretionary profit sharing. Incentive bonuses are usually distributed in May.

The firm's compensation philosophy is to manage fixed costs by paying competitive base salaries, but reward performance through the incentive bonus. A total compensation range for each position within the Western group is derived from annual market surveys and other relevant compensation-related data that benchmark each role to their job function and peer universe. This method is designed to base the reward for employees with total compensation reflective of the external market value of their skills, experience and ability to produce desired results.

The incentive bonus makes up the variable component of total compensation. Each employee participates in the annual review process in which a formal performance review is conducted at the end of the year and also a mid-year review is conducted halfway through the fiscal year. The incentive bonus is based on one's individual contributions to the success of one's team performance and the firm. The overall success of the firm will determine the amount of funds available to distribute for all incentive bonuses. Incentive compensation is the primary focus of management decisions when determining total compensation, as base salaries are purely targeting to pay a competitive rate for the role. WAMCL offers long-term incentives (in the form of deferred cash or Legg Mason restricted stock) as part of the discretionary bonus for eligible employees. The eligibility requirements are discretionary and the plan participants include all investment professionals, sales and relationship management professionals and senior managers. The purpose of the plan is to retain key employees by allowing them to participate in the plans where the awards are denominated in the form of Legg Mason restricted stock or are invested into a variety of Western and Legg Mason funds. These contributions plus the investment gains are paid to the employee if he or she remains employed and in good standing with WAMCL until the discretionary contributions become vested. Discretionary contributions made to the plan will be placed in a special trust that restricts management's use of and access to the money. Under limited circumstances, employees may be paid additional incentives in recognition of outstanding performance or as a retention tool. These incentives may include Legg Mason stock options.

For portfolio managers, the formal review process also includes the use of a balanced scorecard to measure performance. The balanced scorecard includes one-, three- and five-year investment performance, monitoring of risk (portfolio dispersion and tracking error), client support activities, adherence to client portfolio objectives and guidelines and certain financial measures (assets under management and revenue trends). In reviewing investment performance, one-, three- and five-year annualized returns are measured against appropriate market peer groups and to each fund's benchmark index. These are structured to reward sector specialists for contributions to the firm as well as relative performance of their specific portfolios/product and are determined by the professional's job function and performance as measured by the review process.

As cited herein, Russell Investment Group is the source and owner of trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Securities Ownership. Portfolio managers of the Sub-Advisers do not beneficially own any shares of the Funds. The following table sets forth the dollar range of equity securities beneficially owned by each portfolio manager of the Adviser in each of the Funds as of December 31, 2018.

Name of Portfolio Manager	Dollar Range of Equity Securities in each Series of the Trust
Tim Bray, CFA®, CAIA	$10,001-$50,000 in the MyDestination 2035 Fund $50,001-$100,000 in the Strategic Alternatives Fund $50,001-$100,000 in the Defensive Market Strategies Fund $10,001-$50,000 in the Value Equity Fund $10,001-$50,000 in the Growth Equity Fund $10,001-$50,000 in the Small Cap Equity Fund $50,001-$100,000 in the International Equity Fund $10,001-$50,000 in the Emerging Markets Equity Fund

Name of Portfolio Manager	Dollar Range of Equity Securities in each Series of the Trust
Matt L. Peden, CFA®	$500,001-$1,000,000 in the Low-Duration Bond Fund $100,001-$500,000 in the Defensive Market Strategies Fund
Brandon Pizzurro, CFP®	$1-$10,000 in the MyDestination 2055 Fund $1-$10,000 in the Strategic Alternatives Fund $1-$10,000 in the Defensive Market Strategies Fund $1-$10,000 in the Global Real Estate Securities Fund $1-$10,000 in the Value Equity Fund $1-$10,000 in the Growth Equity Fund $1-$10,000 in the Small Cap Equity Fund $1-$10,000 in the International Equity Fund $1-$10,000 in the Emerging Markets Equity Fund

Fund Brokerage. The Adviser and Sub-Advisers, in effecting the purchases and sales of portfolio securities for the account of the Funds, will seek execution of trades either (1) at the most favorable and competitive rate of commission charged by any broker, dealer or member of an exchange, or (2) at a higher rate of commission charged, if reasonable in relation to brokerage and research services provided to the Trust or the Adviser or Sub-Adviser by such member, broker or dealer. Such services may include, but are not limited to, information as to the availability of securities for purchase or sale and statistical or factual information or opinions pertaining to investments. The Adviser or Sub-Advisers may use research and services provided to it by brokers and dealers in servicing all its clients.

The Adviser or Sub-Adviser may, from time to time, receive services and products which serve both research and non-research functions. In such event, the Adviser or Sub-Adviser makes a good faith determination of the anticipated research and non-research use of the product or service and allocates brokerage only with respect to the research component.

Subject to its obligation to seek best execution, the Adviser may direct the Sub-Advisers to place trades through designated brokers who have agreed to pay certain transfer agency, custody or other operating expenses that the Funds would otherwise be obligated to pay. Fund orders may be placed with an affiliated broker-dealer. Portfolio orders will be placed with an affiliated broker-dealer only where the price being charged and the services being provided compare favorably with those charged to the Funds by non-affiliated broker-dealers. Over-the-counter transactions are usually placed with a principal market-maker unless a better net security price is obtainable elsewhere.

If the Adviser or Sub-Adviser provides investment advisory services to individuals and other institutional clients, there may be occasions on which these investment advisory clients may also invest in the same securities as the Fund. When these clients buy or sell the same securities at substantially the same time, the Adviser or Sub-Adviser may average the transactions as to price and allocate the amount of available investments in a manner which the Adviser or Sub-Adviser believes to be equitable to each client, including the Fund. On the other hand, to the extent permitted by law, the Adviser or Sub-Adviser may aggregate the securities to be sold or purchased for the Fund with those to be sold or purchased for other clients managed by it in order to obtain lower brokerage commissions, if any.

The Select Funds have obtained an order from the SEC that allows, subject to certain conditions, each Sub-Adviser that provides investment advice to a Select Fund or a portion thereof to, with respect to the assets under its control: (A) engage in certain principal and brokerage transactions that would otherwise be proscribed by the 1940 Act with a broker-dealer that is either (i) a Sub-Adviser to another portion of the same Select Fund or to another Select Fund, or (ii) an affiliated person of a Sub-Adviser to another portion of the same Select Fund; and (B) acquire securities of a Sub-Adviser, or its affiliate, to another portion of the same Select Fund. The Adviser believes that allowing a Select Fund or a portion thereof advised by one Sub-Adviser to purchase securities from another Sub-Adviser or its affiliates will expand the Select Funds' investment options without exposing the Select Funds to the potential abuses of self-dealing.

For the fiscal years ended December 31, the aggregate dollar amount of brokerage commissions paid by each Fund are shown in the following table. Brokerage commissions paid in 2017 and 2018 are higher than in 2016 for the Target Date Funds due to glide path and asset allocation changes within the Funds. Brokerage commissions paid in 2017 are higher for the Asset Allocation Funds as a result of revisions to the asset allocations. Brokerage commissions paid in 2018 are higher for the Medium-Duration Bond Fund as a result of allocation changes in the Fund. The aggregate dollar amount of brokerage commissions paid by the Global Bond Fund are lower in 2018 as a result of lighter trading activity and renegotiated brokerage commission rates. The Strategic Alternatives Fund's inception date is June 30, 2017; therefore, the aggregate dollar amount of brokerage commissions paid by the Fund in 2017 represents only a partial year. Brokerage commissions paid in 2018 are lower for the Global Real Estate Securities Fund as a result of the implementation of the Markets in Financial Instruments Directive (MiFID II) which requires banks and brokers to explicitly reimburse their expenses for research, which up to this point, have been included in trading costs. The aggregate dollar amount of brokerage commissions paid by the Growth Equity Fund are lower in 2018 as a result of sub-adviser changes to the Fund in previous years. Brokerage commissions paid in 2018 are higher for the Equity Index Fund and International Equity Index Fund due to allocation changes to the Target Date Funds that resulted in rebalancing the underlying Funds they hold. Brokerage commissions paid in 2018 are higher for the International Equity Fund and Emerging Markets Equity Fund as a result of Sub-Adviser changes in the Funds.

For the fiscal years ended December 31, the aggregate dollar amount of brokerage commissions paid by each Fund are shown in the following table.

	Aggregate Dollar Amount of Brokerage Commissions Paid		
Fund	**2018**	**2017**	**2016**
MyDestination 2015	$ 2,242	$ 3,629	$ 1,874
MyDestination 2025	3,890	5,280	2,786
MyDestination 2035	3,131	2,809	1,981
MyDestination 2045	2,707	2,200	1,716
MyDestination 2055	973	474	290
Conservative Allocation	1,590	2,846	1,430
Balanced Allocation	5,272	10,046	5,883
Growth Allocation	5,028	5,757	5,188
Aggressive Allocation	4,985	4,653	4,198
Money Market	—	—	—
Low-Duration Bond	65,781	50,118	45,466
Medium-Duration Bond	289,314	202,624	186,176
Extended-Duration Bond	—	—	—
Global Bond	7,381	16,408	17,314
Strategic Alternatives(1)	297,970	135,057	—
Defensive Market Strategies	133,061	100,599	143,758
Equity Index	101,565	30,653	18,220
Global Real Estate Securities	347,150	700,448	596,115
Value Equity	476,574	430,756	448,326
Growth Equity	252,300	357,565	342,603
Small Cap Equity	657,241	577,933	661,043
International Equity Index	109,186	14,049	9,751
International Equity	707,362	599,129	364,530
Emerging Markets Equity	793,926	321,571	139,392

(1) Inception date was June 30, 2017.

During the fiscal years ended December 2018, 2017 and 2016 certain portfolio transactions for the Medium-Duration Bond Fund and Emerging Markets Equity Fund were executed through broker-dealers affiliated with the respective Fund's Sub-Adviser or Adviser directing applicable transactions as specified below.

			Aggregate Dollar Amount of Brokerage Commissions Paid		
Fund	**Broker-Dealer**	**Affiliate**	**2018**	**2017**	**2016**
Medium-Duration Bond	Goldman, Sachs & Co.	Goldman Sachs Asset Management, L.P.	$34,044	$12,805	$7,391
Emerging Markets Equity	Goldman, Sachs & Co.	Goldman Sachs Asset Management, L.P.	$ 115	—	—

As of the close of the fiscal period ended December 31, 2018, the Funds' aggregate holdings of securities of their regular broker-dealers or their parent company were as follows:

	Dollar Value of Securities Owned (000's Omitted)
Low-Duration Bond Fund	
Goldman Sachs & Co.	$ 4,216
Credit Suisse (USA) Inc.	2,070
JPMorgan Chase & Co.	17,813
Morgan Stanley	11,191
Barclays Capital, Inc.	3,519
Bank of America LLC	8,756
BNP Paribas Securities	1,501
Deutsche Bank	
Medium-Duration Bond Fund	
Bank of America LLC	18,369
Morgan Stanley	8,834
Credit Suisse Securities (USA) LLC	17,069
Goldman Sachs & Co.	11,545
JPMorgan Chase & Co.	25,753
Barclays Capital, Inc.	12,638
TD Securities	372
Wachovia Bank	507
Extended-Duration Bond Fund	
Barclays Capital, Inc.	823
Bank of America LLC	3,441
JPMorgan Chase & Co.	7,371
Global Bond Fund	
Bank of America, N.A.	3,686
Jefferies & Company Inc	2,766
JPMorgan Chase & Co.	2,748
BNP Paribas Securities	286
Barclays Bank PLC	2,064
Goldman Sachs & Co.	1,200
Credit Suisse Securities	2,279
Strategic Alternatives Fund	
Bank of America	519
Morgan Stanley	776

	Dollar Value of Securities Owned (000's Omitted)
Defensive Market Strategies Fund	
Bank of America LLC	8,505
Goldman Sachs & Co.	3,023
Wells Fargo Investments LLC	12,556
Jefferies & Company Inc	10
Morgan Stanley & Co.	2,457
Credit Suisse	3,873
Equity Index Fund	
Bank of America LLC	16,562
Goldman Sachs & Co.	4,565
Morgan Stanley & Co.	4,153
Value Equity Fund	
Goldman Sachs & Co.	1,315
Bank of America	13,426
Morgan Stanley & Co.	1,043
Small Cap Equity Fund	
Cowen and Company, LLC	389
Jefferies & Company Inc	367
Stifel Nicolaus & Co Inc	1,065
International Equity Index Fund	
Credit Suisse Securities (USA) LLC	1,165
Deutsche Bank	652
Macquarie Group	1,021
International Equity Fund	
Credit Suisse Securities (USA) LLC	6,632
Deutsche Bank	(802)
Jardine Fleming Securities H.K.	4,074
UBS AG	5,552

During the fiscal period ended December 31, 2018, the following Funds through an agreement or understanding with a broker, or through an internal allocation policy, directed brokerage transactions to the brokers specified below because of research services provided, as follows:

Name of Broker	Aggregate Dollar Amount of Transactions Directed	Aggregate Dollar Amount of Related Brokerage Commissions Paid
Global Real Estate Securities Fund		
Russell Investments	$ 35,502,625	$34,738
Value Equity Fund		
Cowen and Company, LLC	42,713,055	29,804
Russell Investments	150,544,309	53,639
Growth Equity Fund		
Russell Investments	161,247,276	34,763
Small Cap Equity Fund		
Cowen and Company, LLC	14,699,036	25,026
Russell Investments	17,580,680	21,739

Name of Broker	Aggregate Dollar Amount of Transactions Directed	Aggregate Dollar Amount of Related Brokerage Commissions Paid
Emerging Markets Equity Fund		
Russell Investments	5,299,492	5,693

Codes of Ethics. The Trust, the Adviser, each of the Sub-Advisers and the Underwriter (as defined below) have adopted codes of ethics addressing personal securities transactions and other conduct by investment personnel and access persons who may have access to information about the Funds' securities transactions. The codes are intended to address potential conflicts of interest that can arise in connection with personal trading activities of such persons. Persons subject to the codes are generally permitted to engage in personal securities transactions, including investing in securities eligible for investment by the Funds, subject to certain prohibitions, which may include pre-clearance requirements, blackout periods, annual and quarterly reporting of personal securities holdings and limitations on personal trading of initial public offerings. Violations of the codes are subject to review by the Board of Trustees and could result in penalties.

Proxy Voting

The Trust endeavors to ensure that proxies relating to its portfolio securities are voted in the best interests of the Trust's shareholders, and in a manner that is not in conflict with the moral and ethical posture of GuideStone Financial Resources.

The Adviser is responsible for the selection and ongoing monitoring of Sub-Advisers who provide the day-to-day portfolio management for each sub-advised Fund ("Sub-Advised Fund") (*i.e.*, a Select Fund) or allocated portion thereof. The Trust has delegated the responsibility of voting proxies with respect to the portfolio securities purchased and/or held by each Fund to the Adviser. With respect to each Sub-Advised Fund, the Adviser views proxy voting as a function that is incidental and integral to portfolio management, and it has in turn delegated the proxy voting responsibility with respect to each Sub-Advised Fund to the applicable Sub-Adviser. The primary focus of the Trust's proxy voting program as it relates to each Sub-Advised Fund, therefore, is to seek to ensure that the Sub-Advisers have adequate proxy voting policies and procedures in place and to monitor each Sub-Adviser's proxy voting. The proxy voting policies and procedures adopted by the Adviser and each of the Sub-Advisers may be amended from time to time based on experience as well as changing environments, especially as new and/or differing laws and regulations are promulgated, and need not be identical.

The Adviser provides the day-to-day portfolio management services to the Target Date Funds and the Asset Allocation Funds, each of which seeks to achieve its investment objective by investing in the Select Funds, unaffiliated mutual funds or ETFs ("Underlying Unaffiliated Funds") ("Funds-of-Funds"). The Adviser is responsible for proxy voting for the Funds-of-Funds and has a fiduciary duty to vote proxies on behalf of a Fund-of-Funds in the best interest of the Fund-of-Funds and its shareholders.

The Adviser will pass through the vote of the Funds-of-Funds' shares in the Select Funds to the shareholders of record of the Funds-of-Funds, and such shareholders of record will exercise the vote with respect to any proposal regarding the Select Funds. With respect to voting proxies of Underlying Unaffiliated Funds, the following guidelines generally will apply:

(1) the decision on how to vote a proxy will be made by the Adviser based on what it determines to be in the best interest of the relevant Fund-of-Funds and its shareholders and in accordance with these procedures;

(2) the Adviser may enlist the services of an independent proxy voting service to assist with the analysis of voting issues, provide voting recommendations and/or to carry out the actual voting process;

(3) in general, the Adviser's policy is to vote rather than abstain from voting on proxies. However, the Adviser may abstain from voting proxies when it determines that the time and costs associated with the mechanics of

voting proxies with respect to certain types of proposals or issuers may not be in the Fund-of-Fund's best interest. The Adviser will vote against ballot issues where the Adviser has not received sufficient information to make an informed decision;

(4) any potential material conflicts of interest associated with voting proxies will be disclosed and reviewed by the Trust's Chief Compliance Officer ("CCO") or other member of the Adviser's Compliance Department; and

(5) the Adviser will cast votes in a manner consistent with any applicable rule or regulation of the SEC.

Please refer to Appendix B of this SAI for a description of the policies and procedures adopted by the Adviser and each of the Sub-Advisers.

Information regarding how the Funds voted proxies relating to portfolio securities for the most recent 12-month period ended June 30 is available, without charge, upon request by calling 1-888-GS-FUNDS (1-888-473-8637), by visiting the Trust's website at *GuideStoneFunds.com* or by visiting the SEC's website at *http://www.sec.gov*.

Other Service Providers

Underwriter. Foreside Funds Distributors LLC, 400 Berwyn Park, 899 Cassatt Road, Suite 110, Berwyn, PA 19312, serves as the Underwriter of each Fund's shares pursuant to a Distribution Agreement (the "Agreement"). The Agreement was for an initial two year term and is renewable annually thereafter. The Agreement is terminable without penalty on 60 days' written notice by the Board of Trustees, by vote of a majority of the outstanding voting securities of the Fund or by the Underwriter. The Agreement will also terminate automatically in the event of its assignment. The Funds do not pay any fees to the Underwriter in its capacity as underwriter. The Underwriter may enter into agreements with affiliates of the Adviser in connection with distribution. The Underwriter has agreed to use efforts deemed appropriate by it to facilitate the distribution of the Funds' shares, which are offered on a continuous basis.

Transfer Agency Services. BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon"), which has its principal business address at 760 Moore Road, King of Prussia, PA 19406, provides transfer agency and dividend disbursing agent services for the Funds. As part of these services, BNY Mellon maintains records pertaining to the sale, redemption and transfer of Fund shares and distributes each Fund's cash distributions to shareholders.

Administrative and Accounting Services. Effective April 1, 2017, The Northern Trust Company, 50 South LaSalle Street, Chicago, IL 60603, provides administrative and accounting services to the Funds. The services include certain accounting, clerical and bookkeeping services; assistance in the preparation of reports to shareholders; preparation for signature by an officer of the Trust of documents required to be filed for compliance by the Trust with applicable laws and regulations including those of the SEC and the securities laws of various states; arranging for the computation of data, including daily computation of NAV; and arranging for the maintenance of books and records of the Trust and providing, at its own expense, office facilities, equipment and personnel necessary to carry out its duties. The Trust's administrator does not have any responsibility or authority for the management of the Funds or the determination of investment policy. In consideration of the services provided pursuant to the Administration and Accounting Services Agreement, The Northern Trust Company receives from each Fund a fee computed daily and paid monthly. For the fiscal year ended December 31, 2018, and for the period of April 2017 through December 2017, The Northern Trust Company received $3,207,919 and $2,199,797, respectively, after waivers from the Trust for its administrative and accounting services.

Custodian. The Northern Trust Company serves as custodian for the Funds pursuant to a Custodian Agreement. As custodian, The Northern Trust Company holds or arranges for the holding of all portfolio securities and other assets of the Funds in connection with the Custodian Agreement. It is located at 50 South LaSalle Street, Chicago, IL 60603.

Securities Lending Agent. The Northern Trust Company serves as securities lending agent for the Select Funds, except the Money Market Fund, and in that role administers the Trust's securities lending program pursuant to the securities lending agreement entered into between the Trust, on behalf of the Funds, and The Northern Trust Company ("Securities Lending Agreement").

Independent Registered Public Accounting Firm. PricewaterhouseCoopers LLP, One North Wacker Drive, Chicago, IL 60606, serves as the independent registered public accounting firm to the Trust.

Legal Counsel. The law firm of Stradley Ronon Stevens & Young, LLP, 1250 Connecticut Avenue, N.W., Suite 500, Washington, DC 20036, serves as counsel to the Trust.

Counsel to Independent Trustees. The law firm of Eversheds Sutherland (US) LLP, 700 Sixth Street, N.W., Suite 700, Washington, DC 20001-3980, serves as counsel to the Independent Trustees.

Shares of Beneficial Interest

The Trust's trust instrument authorizes the issuance of an unlimited number of shares for each of the Funds and their Classes, and each share has a par value of $0.001 per share. There are no conversions or preemptive rights in connection with any shares. All issued shares will be fully paid and non-assessable and will be redeemable at NAV per share. Certificates certifying the ownership of shares will not be issued.

In accordance with the Trust's trust instrument, GuideStone Financial Resources will, at all times, directly or indirectly control the vote of at least 60% of the outstanding shares of the Trust. The Funds will refuse to accept any investment that would result in a change of such control. This means that GuideStone Financial Resources will control the vote on any matter that requires the approval of the outstanding shares of the Trust.

The assets belonging to a Fund shall be held and accounted for separately from other assets of the Trust. Each share of a Fund represents an equal beneficial interest in the net assets of such Fund. Each Class of a Fund represents interests in the assets of that Fund and has identical voting, dividend, liquidation and other rights, except that expenses allocated to a Class will be borne by such Class. Expenses of the Trust which are not readily identifiable as belonging to a particular Fund or Class are allocated among all the Funds in a manner the Trustees believe to be fair and equitable.

The Board of Trustees has authority, without necessity of a shareholder vote, to create any number of new funds or classes and to issue an unlimited number of shares of beneficial interest of the Trust. The Trustees have established 24 Funds and two Classes of shares to be issued currently. The Trust offers the Institutional Class and Investor Class shares. Expenses borne by each Class differ because of the allocation of class-specific expenses. For example, shareholder service and distribution fees may vary from class to class. The relative impact of ongoing annual expenses will depend on the length of time a share is held.

Each share is entitled to one vote and each fractional share is entitled to a proportionate fractional vote. There shall be no cumulative voting in the election of Trustees. Shares will generally be voted by shareholders of the individual Fund or Class, except in the case of election or removal of Trustees, the amendment of the Trust's trust instrument, when required by the 1940 Act or when the Trustees have determined that the matter affects the interests of more than one Fund or Class.

The Trust is not required to and does not currently intend to hold annual meetings of shareholders. Special meetings of shareholders may be called by the Board of Trustees or upon the written request of shareholders owning a majority of the outstanding shares of the Trust. Amendments and supplements to the Trust's trust instrument may be made only by majority of the outstanding shares of the Trust. The Trust shall have perpetual existence. Only a majority of the outstanding shares of the Trust, and not an individual Fund, may approve the dissolution of a Fund or the Trust.

Shareholder Servicing Arrangements

The Board of Trustees adopted a Shareholder Service Plan for the Investor Class ("Service Plan"). Under its Service Plan, the Investor Class is authorized to pay service fees of 0.25% of average daily net assets. Service fees are paid to parties that provide service for and maintain shareholder accounts.

Pursuant to the Service Plan, each Fund may pay GuideStone Financial Resources and GuideStone Resource Management, Inc. ("GSRM") for service activities and recordkeeping activities. Service activities include, but are not limited to, such services as answering shareholder inquiries and providing such other related personal services as the shareholder may request. Recordkeeping activities include, but are not limited to, such services as establishing and maintaining shareholder accounts and records, integrating periodic statements with other shareholder transactions and aggregating and processing purchase and redemption orders. Any "service fee" paid by a Fund, as that term is defined in subparagraph (b)(9) of Rule 2830 of the Conduct Rules of FINRA, shall not exceed 0.25% of the Fund's average annual net assets.

The Funds may pay up to the entire amount of the shareholder service fee to GuideStone Financial Resources and GSRM or to unaffiliated service providers who provide these services to the Funds.

Taxation

General

The following discussion of certain federal income tax matters concerning the Funds and the purchase, ownership and disposition of Fund shares is not complete and may not deal with all aspects of federal income taxation that may be relevant to you in light of your particular circumstances. This discussion is based on the Code, the regulations promulgated thereunder and judicial and administrative interpretations thereof, all as of the date hereof; all these authorities are subject to change, which may be applied retroactively. If you invest in Fund shares through a tax-advantaged account (such as a retirement plan account, including a 403(b)(7) or 401(k) account, or an IRA (a "Tax-Advantaged Account")), special tax rules apply. You should consult your own tax adviser(s) with regard to the federal tax consequences to you of the purchase, ownership and disposition of Fund shares, as well as the tax consequences to you arising under the laws of any state, locality, foreign country or other taxing jurisdiction.

Tax Character of Distributions. As described in the Prospectus, unless your investment is held in a Tax-Advantaged Account, (1) dividends from net investment income and distributions from the excess of net short-term capital gain over net long-term capital loss ("net short-term capital gain") and net gains from certain foreign currency transactions, if any (collectively, "dividends"), generally are taxable to you as ordinary income (except that a Fund's dividends attributable to its "qualified dividend income" ("QDI") generally are subject to federal income tax for individual and certain other non-corporate shareholders (each, a "non-corporate shareholder") who satisfy certain restrictions with respect to their Fund shares at a maximum rate of 15% (20% for a single shareholder with taxable income exceeding $434,550 or $488,850 for married persons filing jointly, which amounts apply for 2019 and will be adjusted for inflation annually thereafter), and (2) distributions of net capital gain (the excess of net long-term capital gain over net short-term capital loss) ("capital gain distributions") are taxable to you as long-term capital gains, at those rates for non-corporate shareholders, whether received in cash or reinvested in additional Fund shares.

A portion of a Fund's dividends also may be eligible for the dividends-received deduction allowed to corporations ("DRD").

The eligible portion of any Fund dividend for purposes of the QDI rates may not exceed the aggregate dividends it receives from most domestic corporations and certain foreign corporations, whereas only dividends a Fund receives from domestic corporations are eligible for purposes of the DRD. Accordingly, a Fund's distributions of interest income, net short-term capital gain and net foreign currency gains do not qualify for the reduced QDI tax rates or the DRD. The Funds will inform you of the amount of your dividends and capital gain distributions, if any, when they are paid and will advise you of their tax status for federal income tax purposes shortly after the close of each calendar year.

Under the recently enacted Tax Cuts and Jobs Act ("Act"), "qualified REIT dividends" (*i.e.,* ordinary REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income) are treated as eligible for a 20% deduction by noncorporate taxpayers. Proposed regulations issued by the IRS, which can be relied on currently, enable a Fund to pass through the special character of "qualified REIT dividends" to a shareholder, provided both the Fund and shareholder meet certain holding period requirements with respect to their shares.

You should be aware that if you purchase Fund shares shortly before the record date for a dividend or capital gain distribution, you will pay full price for the shares and receive some portion of the price back as a taxable distribution. At any time, a Fund may distribute to you, as ordinary income or capital gain, an amount that exceeds your proportionate share of the actual amount of such income or gain earned or realized during the period of your investment in the Fund.

Redemption and Exchange of Fund Shares. As discussed in the Prospectus, unless your investment is held in a Tax-Advantaged Account, redemptions (including those pursuant to exchanges) of Fund shares are taxable transactions. If you hold your shares as capital assets, the gain or loss that you realize will be capital gain or loss and will be long-term if you held your redeemed shares for more than one year. Any capital gain a non-corporate shareholder recognizes on a redemption of his or her Fund shares held for more than one year will qualify for the maximum tax rates referred to above. Any loss you realize on the redemption of shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gain distributions you received on those shares.

All or a portion of any loss that you realize on the redemption of your Fund shares will be disallowed to the extent that you buy other shares in the same Fund (through reinvestment of dividends or capital gain distributions or otherwise) within 30 days before or after the redemption. Any loss disallowed under these rules will be added to your tax basis in the new shares you buy.

A shareholder's basis in shares of a Fund that he or she acquired or acquires on or after January 1, 2012 ("Covered Shares"), will be determined in accordance with the Fund's default method, which is average basis, unless the shareholder affirmatively elects in writing (which may be electronic) to use a different acceptable basis determination method, such as a specific identification method. The basis determination method a Fund shareholder elects (or the default method) may not be changed with respect to a redemption of Covered Shares after the settlement date of the redemption.

In addition to the requirement to report the gross proceeds from redemptions of shares, each Fund (or its administrative agent) must report to the Internal Revenue Service ("IRS") and furnish to its shareholders the basis information for Covered Shares and indicate whether they had a short-term (one year or less) or long-term (more than one year) holding period. You should consult with your tax adviser(s) to determine the best IRS-accepted basis determination method for your tax situation and to obtain more information about how the basis reporting law applies to you.

Treatment as a Regulated Investment Company. Each Fund has elected to be a "regulated investment company" under Subchapter M of Chapter 1 of Subtitle A of the Code ("RIC") and intends to continue to qualify for treatment as a RIC for its current taxable year. As a RIC that so qualifies, a Fund will pay no federal income tax on its net income and net realized gains it distributes to you. The Board of Trustees reserves the right not to maintain a Fund's qualification for treatment as a RIC if the Board determines that course of action to be beneficial to its shareholders. In such a case, or if a Fund otherwise fails to maintain that qualification for any taxable year — either (1) by failing to satisfy the distribution requirement applicable to RICs ("Distribution

Requirement”), even if it satisfied the source-of-income and diversification requirements applicable thereto (“Income Requirement” and “Diversification Requirements,” respectively), or (2) by failing to satisfy the Income Requirement and/or either Diversification Requirement and was unable to, or determined not to, avail itself of Code provisions that enable a RIC to cure a failure to satisfy any of the Income and Diversification Requirements as long as the failure “is due to reasonable cause and not due to willful neglect” and the RIC pays a deductible tax calculated in accordance with those provisions and meets certain other requirements — then for federal tax purposes the Fund would be taxed as an ordinary corporation on the full amount of its taxable income for that year without being able to deduct the distributions it makes to its shareholders. In addition, for those purposes the shareholders would treat all those distributions, including capital gain distributions, as dividends to the extent of the Fund’s earnings and profits, taxable as ordinary income (except that, for non-corporate shareholders those dividends would be QDI subject to federal income tax at the 15% and 20% maximum rates described above), and those dividends would be eligible for the DRD. Furthermore, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest and make substantial distributions before requalifying for RIC treatment.

Excise Tax. To avoid a nondeductible 4% federal excise tax (“Excise Tax”), a Fund must distribute to its shareholders by December 31 of each year at least the sum of the following amounts: 98% of its ordinary income earned during the calendar year, 98.2% of its capital gain net income earned during the twelve-month period ending October 31 in that year, plus 100% of any undistributed amounts from the prior year. Each Fund intends to declare and pay at least that sum through periodic distributions during each year and any balance in December (or to pay the balance in January under a rule that treats such distributions as received by you in December) to avoid the Excise Tax, but the Funds can give no assurance that their distributions will be sufficient to eliminate all Excise Tax.

Backup Withholding. Each Fund must withhold and remit to the U.S. Treasury 24% of all dividends and (except in the case of the Money Market Fund) capital gain distributions and redemption proceeds (regardless of the extent to which a gain or loss may be realized) otherwise payable to you (“backup withholding”) if (1) you are a noncorporate shareholder and (2) you fail to furnish the Fund with your correct social security or other taxpayer identification number. Withholding at that rate also is required from a Fund’s dividends and (except for the Money Market Fund) capital gain distributions otherwise payable to you if you are such a shareholder and (a) the IRS notifies you or the Funds that you have failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect or (b) when required to do so, you fail to certify that you are not subject to backup withholding. Any amounts withheld may be credited against your federal income tax liability.

If more than 50% of the value of a Fund’s total assets at the end of a taxable year is invested in securities of foreign corporations, the Fund may elect to pass-through to you your *pro rata* share of withholding or other taxes imposed by foreign countries or U.S. possessions (collectively, “foreign taxes”). If a Fund makes this election, the year-end statement you receive will show more taxable dividends than it actually distributed to you, because you will be required to include in gross income, and treat as paid by you, your proportionate share of those foreign taxes (the amount of which will be included on your statement with other dividends, if any, the Fund paid). However, you will be entitled to either deduct your share of those taxes in computing your taxable income or (subject to limitations) claim a foreign tax credit for that share against your federal income tax. (The exception, again, is a Tax-Advantaged Account.) You will be provided with the information necessary to complete your individual income tax return if a Fund makes this election.

Other Taxation. Distributions may be subject to state, local and foreign taxes, depending on your particular situation.

Tax Treatment of Fund Investments

Securities transactions are accounted for on a trade date basis. Net realized gains or losses from sales of securities are determined by comparing the identified cost of the securities lot sold with the net proceeds pursuant to applicable federal income tax rules.

Each Target Date Fund and Asset Allocation Fund (each, a "Fund-of-Funds") invests primarily in shares of the Select Funds. Accordingly, a Fund-of-Fund's income will consist of distributions from Select Funds and net gains realized from the disposition of Select Fund shares. If a Select Fund continues to qualify for treatment as a RIC — as noted above, each Fund, including the Select Funds, intends to continue to do so for its current taxable year — (1) dividends paid to a Fund-of-Funds from the Select Fund's "investment company taxable income" will be taxable to the Fund-of-Funds as ordinary income to the extent of the Select Fund's earnings and profits and (2) distributions paid to a Fund-of-Funds from the Select Fund's net capital gain will be taxable to the Fund-of-Funds as long-term capital gains, regardless of how long the Fund-of-Funds has held the Select Fund's shares. (As noted above, a Fund-of-Funds will be able to avoid having to pay entity-level federal income tax on those distributions by distributing the amount thereof to its shareholders.) If a Fund-of-Funds purchases shares of a Select Fund within 30 days before or after redeeming other shares of that Select Fund at a loss (whether pursuant to a rebalancing of the Fund-of-Fund's portfolio or otherwise), all or a part of the loss will not be deductible by the Fund-of-Funds and instead will increase its basis in the newly purchased shares.

Market Discount. If a Fund purchases a debt security in the secondary market at a price lower than its stated redemption price, the difference is "market discount." If the amount of market discount is more than *de minimis*, a Fund must include in its gross income a portion of the market discount as ordinary income (not capital gain) in each taxable year in which the Fund receives a principal payment on the security. In general, the amount of market discount that must be included is equal to the lesser of (1) the amount of market discount accrued during the taxable year (plus any accrued market discount for prior taxable years not previously included in gross income) or (2) the amount of the principal payment(s) received during the taxable year. Generally, market discount accrues on a daily basis for each day a Fund holds a debt security at a constant rate over the time remaining to the security's maturity or, at the Fund's election, at a constant yield to maturity that takes into account the semi-annual compounding of interest. Gain realized on the disposition of a market discount obligation must be recognized as interest income (not capital gain) to the extent of the accrued market discount.

Original Issue Discount and PIK Securities. Certain debt securities a Fund acquires may be originally issued at a discount. Very generally, "original issue discount" is defined as the difference between the price at which a security was issued and its stated redemption price at maturity. Although a Fund currently receives no cash on account of the original issue discount that accrues on a debt security in a given taxable year, that discount generally is treated for federal income tax purposes as interest that is includable in gross income in that year and, therefore, is subject to the Distribution Requirement. Similar treatment is required for "interest" on PIK securities paid in the form of additional securities rather than cash. A Fund may purchase some debt securities at a discount that exceeds the original issue discount on them, if any. This additional discount represents market discount for federal income tax purposes (see above).

Foreign Investments. Most foreign exchange gains and losses realized on the sale of debt securities generally are treated as ordinary income and loss by the Funds. These gains, when distributed, will be taxable to you as ordinary dividends (unless your investment is held in a Tax-Advantaged Account), and any such losses will reduce the Fund's ordinary income otherwise available for distribution to you. This treatment could increase or reduce ordinary income distributions to you and may cause some or all of a Fund's previously distributed income to be classified as a return of capital.

The Funds may be subject to foreign taxes on income from, and gains realized on, certain foreign securities. Tax treaties between certain countries and the United States may reduce or eliminate foreign taxes, however, and many foreign countries do not impose taxes on capital gains with respect to investments by foreign investors.

Passive Foreign Investment Companies. Each Select Fund may invest in shares of foreign corporations that are "passive foreign investment companies" ("PFICs"). A PFIC is any foreign corporation (with certain exceptions) that, in general, meets either of the following tests for the taxable year: (1) at least 75% of its gross income is passive or (2) an average of at least 50% of its assets produce, or are held for the production of, passive income. Under certain circumstances, a Fund will be subject to federal income tax on a portion of any "excess distribution" it receives on the stock of a PFIC and of any gain on its disposition of that stock (collectively, "PFIC income"), plus interest thereon, even if the Fund distributes the PFIC income as a dividend to its shareholders. The balance of the PFIC income will be included in the Fund's investment company taxable income and, accordingly, will not be taxable to it to the extent it distributes that income to its shareholders. Fund distributions thereof will not be eligible for the maximum federal income tax rates on non-corporate shareholders' QDI.

If a Fund invests in a PFIC and elects to treat the PFIC as a "qualified electing fund" ("QEF"), then in lieu of the foregoing tax and interest obligation, the Fund would be required to include in income each taxable year its *pro rata* share of the QEF's annual ordinary earnings and net capital gain — which the Fund likely would have to distribute to satisfy the Distribution Requirement and avoid imposition of the Excise Tax — even if the Fund did not receive those earnings and gain from the QEF. In most instances, it will be very difficult, if not impossible, to make this election because of certain requirements thereof.

A Fund may elect to "mark-to-market" its stock in any PFIC. "Marking-to-market," in this context, means including in gross income each taxable year (and treating as ordinary income) the excess, if any, of the fair market value of the stock over a Fund's adjusted basis therein as of the end of that year. Pursuant to the election, a Fund also would be allowed to deduct (as an ordinary, not a capital, loss) the excess, if any, of its adjusted basis in PFIC stock over the fair market value thereof as of the taxable year-end, but only to the extent of any net mark-to-market gains with respect to that stock the Fund included in income for prior taxable years under the election. A Fund's adjusted basis in each PFIC's stock subject to the election would be adjusted to reflect the amounts of income included and deductions taken thereunder.

You should be aware that determining whether a foreign corporation is a PFIC is a fact-intensive determination that is based on various facts and circumstances and thus is subject to change, and the principles and methodology used therein are subject to interpretation. As a result, a Fund may not be able, at the time it acquires a foreign corporation's shares, to ascertain whether the corporation is a PFIC, and a foreign corporation may become a PFIC after a Fund acquires shares therein. While each Fund generally will seek to minimize its investments in PFIC shares, and to make appropriate elections when they are available, to lessen the adverse tax consequences detailed above, there are no guarantees that it will be able to do so and it reserves the right to make such investments as a matter of its investment policy.

Hedging Strategies. The use of hedging strategies, such as writing (selling) and purchasing options and futures contracts and entering into forward contracts, involves complex rules that will determine for income tax purposes the amount, character, and timing of recognition of the gains and losses a Fund realizes in connection therewith. Gain from the disposition of foreign currencies (except certain gains that may be excluded by future regulations), and gains from options, futures contracts and forward contracts a Fund derives with respect to its business of investing in securities or foreign currencies, will be treated as "qualifying income" under the Income Requirement.

Some futures contracts, "nonequity" options (*i.e.*, certain listed options, such as those on a "broad-based" securities index) and foreign currency options and forward contracts — except any "securities futures contract" that is not a "dealer securities futures contract" (both as defined in the Code) and any interest rate swap, currency swap, basis swap, interest rate cap, interest rate floor, commodity swap, equity swap, equity index swap, credit default swap or similar agreement — in which a Fund invests may be subject to Code section 1256 (collectively, "section 1256 contracts"). Any section 1256 contracts a Fund holds at the end of its taxable year generally must be "marked-to-market" (that is, treated as having been sold at that time for their fair market value) for federal income tax purposes, with the result that unrealized gains or losses will be treated as though they were realized. Sixty percent of any net gain or loss recognized on these deemed sales, and 60% of any net realized gain or loss from any actual sales of section 1256 contracts, will be treated as long-term capital gain or loss, and the balance will be treated as short-term capital gain or loss. Section 1256 contracts may also be marked-to-market for purposes of the Excise Tax. These rules may operate to increase the amount that a Fund must distribute to satisfy the Distribution Requirement (*i.e.*, with respect to the portion treated as short-term capital gain), which will be taxable to its shareholders as ordinary income when distributed to them, and to increase the net capital gain a Fund recognizes, without in either case increasing the cash available to the Fund.

Offsetting positions a Fund enters into or holds in any actively traded security, option, futures contract or forward contract may constitute a "straddle" for federal income tax purposes. Straddles are subject to certain rules that may affect the amount, character and timing of recognition of a Fund's gains and losses with respect to positions of the straddle by requiring, among other things, that (1) loss realized on disposition of one position of a straddle be deferred to the extent of any unrealized gain in an offsetting position until the latter position is disposed of, (2) the Fund's holding period in certain straddle positions not begin until the straddle is terminated (possibly resulting in gain being treated as short-term rather than long-term capital gain), and (3) losses recognized with respect to certain straddle positions that otherwise would constitute short-term capital losses be treated as long-term capital losses. Applicable regulations also provide certain "wash sale" rules, which apply to transactions where a position is sold at a loss and a new offsetting position is acquired within a prescribed period, and "short sale" rules applicable to straddles. Different elections are available to the Funds, which may mitigate the effects of the straddle rules, particularly with respect to "mixed straddles" (*i.e.*, a straddle of which at least one, but not all, positions are section 1256 contracts).

If an option written (sold) by a Fund expires, it will realize a short-term capital gain equal to the amount of the premium it received for writing the option. If a Fund terminates its obligations under an option by entering into a closing transaction, it will realize a short-term capital gain (or loss), depending on whether the cost of the closing transaction is less (or more) than the premium it received when it wrote the option. If a covered call option written by a Fund is exercised, it will be treated as having sold the underlying security, producing long-term or short-term capital gain or loss, depending on the holding period of the underlying security and whether the sum of the option price received on the exercise plus the premium it received when it wrote the option is more or less than the underlying security's basis.

If a Fund has an "appreciated financial position" — generally, an interest (including an interest through an option, futures or forward contract or short sale) with respect to any stock, debt instrument (other than "straight debt"), or partnership interest the fair market value of which exceeds its adjusted basis — and enters into a "constructive sale" of the position, the Fund will be treated as having made an actual sale thereof, with the result that it will recognize gain at that time. A constructive sale generally consists of a short sale, an offsetting notional principal contract or a futures or forward contract a Fund or a related person enters into with respect to the same or substantially identical property. In addition, if the appreciated financial position is itself a short sale or such a contract, acquisition of the underlying property or substantially identical property will be deemed a constructive sale. The foregoing will not apply, however, to any transaction by a Fund during any taxable year that otherwise would be treated as a constructive sale if the transaction is closed within 30 days after the end of that year and the Fund holds the appreciated financial position unhedged for 60 days after that closing (*i.e.*, at no time during that 60-day period is the Fund's risk of loss regarding that position reduced by reason of certain specified transactions with respect to substantially identical or related property, such as having an option to sell, being contractually obligated to sell, making a short sale or granting an option to buy substantially identical stock or securities).

Investments in REITs. Certain Funds may invest in REITs that (1) hold residual interests in REMICs (*i.e.*, "real estate mortgage investment conduits") or (2) engage in mortgage securitization transactions that cause the REITs to be taxable mortgage pools ("TMPs") or have a qualified REIT subsidiary that is a TMP. A part of the net income allocable to REMIC residual interest holders may be an "excess inclusion." The Code authorizes the issuance of regulations dealing with the taxation and reporting of excess inclusion income of REITs and RICs that hold residual REMIC interests and of REITs, or qualified REIT subsidiaries, that are TMPs. Although those regulations have not yet been issued, the U.S. Treasury and the IRS issued a notice in 2006 ("Notice") announcing that, pending the issuance of further guidance (which has not yet been issued), the IRS would apply the principles in the following paragraphs to all excess inclusion income, whether from REMIC residual interests or TMPs.

The Notice provides that a REIT must (1) determine whether it or its qualified REIT subsidiary (or a part of either) is a TMP and, if so, calculate the TMP's excess inclusion income under a "reasonable method," (2) allocate its excess inclusion income to its shareholders generally in proportion to dividends paid, (3) inform shareholders that are not "disqualified organizations" (*i.e.*, governmental units and tax-exempt entities that are not subject to tax on their "unrelated business taxable income" ("UBTI")) of the amount and character of the excess inclusion income allocated thereto, (4) pay tax (at the corporate income tax rate) on the excess inclusion income allocable to its shareholders that are disqualified organizations, and (5) apply the withholding tax provisions with respect to the excess inclusion part of dividends paid to foreign persons without regard to any treaty exception or reduction in tax rate. Excess inclusion income allocated to certain tax-exempt entities (including qualified retirement plans, IRAs, and public charities) constitutes UBTI to them.

A RIC with excess inclusion income is subject to rules identical to those in clauses (2) through (5) above (substituting "that are nominees" for "that are not 'disqualified organizations'" in clause (3) and inserting "record" after "its" in clause (4)). The Notice further provides that a RIC is not required to report the amount and character of the excess inclusion income allocated to its shareholders who are not nominees, except that (1) a RIC with excess inclusion income from all sources that exceeds 1% of its gross income must do so and (2) any other RIC must do so by taking into account only excess inclusion income allocated to the RIC from REITs the excess inclusion income of which exceeded 3% of its dividends. A Fund will not invest directly in REMIC residual interests and does not intend to invest in REITs that, to its knowledge, invest in those interests or are TMPs or have a qualified REIT subsidiary that is a TMP.

After calendar year-end, REITs can and often do change the category (*e.g.*, ordinary income dividend, capital gain distribution, or return of capital) of one or more of the distributions they made during that year. If a Fund invests in a REIT that does so, the Fund also would have to re-categorize some of the distributions it made to its shareholders. Those changes would be reflected in your annual Form 1099, together with other tax information. Although those forms generally will be distributed to you in February of each year, a Fund may, in one or more years, request from the IRS an extension of time to distribute those forms until mid-March to enable it to receive the latest information it can from the REITs in which it invests and thereby accurately report that information to you on a single form (rather than having to send you an amended form).

A Fund may invest in the equity securities of corporations or other entities that invest in U.S. real property, including REITs. The sale of a U.S. real property interest by a REIT or "United States real property holding corporation" in which a Fund invests may trigger special tax consequences to the Fund's foreign shareholders, who are urged to consult their tax advisers regarding those consequences.

Non-U.S. Investors

Fund shares generally are not sold outside the United States. However, non-U.S. investors (shareholders who, as to the United States, are nonresident alien individuals, foreign trusts or estates, foreign corporations or foreign partnerships) may be subject to U.S. withholding and estate tax and are subject to special U.S. tax certification requirements. Non-U.S. investors should consult their tax advisors about the applicability of U.S. tax withholding and the use of the appropriate forms to certify their status.

In General. Non-U.S. investors may be subject to U.S. withholding tax at a 30% or lower treaty rate and U.S. estate tax and are subject to special U.S. tax certification requirements to avoid backup withholding and claim any treaty benefits. Exemptions from U.S. withholding tax are provided for certain capital gain dividends paid by a Fund from net long-term capital gains, interest-related dividends and short-term capital gain dividends, if such amounts are reported by a Fund. However, notwithstanding such exemptions from U.S. withholding at the source, any such dividends and distributions of income and capital gains will be subject to backup withholding at a rate of 24% if you fail to properly certify that you are not a U.S. person.

Foreign Account Tax Compliance Act ("FATCA"). Under FATCA, a Fund will be required to withhold a 30% tax on income dividends made by the Fund to certain foreign entities, referred to as foreign financial institutions or nonfinancial foreign entities, that fail to comply (or be deemed compliant) with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. After December 31, 2018, FATCA withholding also would have applied to certain capital gain distributions, return of capital distributions and the proceeds arising from the sale of Fund shares; however, based on proposed regulations recently issued by the IRS, which can be relied upon currently, such withholding is no longer required unless final regulations provide otherwise (which is not expected). A Fund may disclose the information that it receives from its shareholders to the IRS, non-U.S. taxing authorities or other parties as necessary to comply with FATCA or similar laws. Withholding also may be required if a foreign entity that is a shareholder of a Fund fails to provide the Fund with appropriate certifications or other documentation concerning its status under FATCA.

Tax-Advantaged Accounts

Traditional IRAs. Certain shareholders may obtain tax advantages by establishing an IRA. Specifically, except as noted below, if neither you nor your spouse is an active participant in a qualified employer or government retirement plan or if either you or your spouse is an active participant in such a plan and your adjusted gross income does not exceed a certain level, each of you may deduct cash contributions made to an IRA in an amount for each taxable year not exceeding the lesser of your earned income or $6,000 (increased by a "catch-up contribution" of $1,000 if you attain age 50 before the end of the year ("Catch-up Contribution")). Notwithstanding the foregoing, a married shareholder who is not an active participant in such a plan and files a joint income tax return with his or her spouse (and their combined "modified adjusted gross income" does not exceed $193,000 for 2019) is not affected by the spouse's active participant status. In addition, if your spouse is not employed and you file a joint return, you may also establish a separate IRA for your spouse and contribute up to a total of $12,000 to the two IRAs, provided that neither contribution exceeds $6,000 (in each case, if applicable, increased by a Catch-up Contribution of $1,000). If your employer's plan qualifies as a SIMPLE, permits voluntary contributions and meets certain requirements, you may make voluntary contributions to that plan that are treated as deductible IRA contributions.

Even if you are not in one of the categories described in the preceding paragraph, you may find it advantageous to invest in Fund shares through nondeductible IRA contributions, up to certain limits, because all dividends and other distributions on your shares are then not immediately taxable to you or the IRA; they become taxable only when distributed to you. To avoid penalties, your interest in an IRA must be distributed, or start to be distributed, to you not later than April 1 following the calendar year in which you attain age $70^1/_2$. Distributions made before age $59^1/_2$, in addition to being taxable, generally are subject to a penalty equal to 10% of the distribution, except in the case of death or disability or where the distribution is rolled over into another qualified plan or certain other situations.

Roth IRAs. A shareholder whose adjusted gross income (or combined adjusted gross income with his or her spouse) does not exceed certain levels may establish and contribute up to $6,000 per taxable year (increased by a Catch-up Contribution of $1,000) to a Roth IRA (or to any combination of Roth and traditional IRAs). Certain distributions from traditional IRAs may be rolled over to a Roth IRA, and any of a shareholder's traditional IRAs may be converted to a Roth IRA; these rollover distributions and conversions are, however, subject to federal income tax.

Contributions to a Roth IRA are not deductible; however, earnings accumulate tax-free in a Roth IRA, and withdrawals of earnings are not subject to federal income tax if the account has been held for at least five years (or in the case of earnings attributable to rollover contributions from or conversions of a traditional IRA, the rollover or conversion occurred more than five years before the withdrawal) and the account holder has reached age 59 $^1/_2$ (or certain other conditions apply).

Section 403(b)(7) Arrangements. Eligible investors in individual Section 403(b)(7) custodial accounts may purchase Investor Class shares of the Funds. GuideStone Trust Services, an affiliate of GuideStone Financial

Resources and an affiliate of the Adviser, serves as non-bank custodian of those accounts. To participate in a Section 403(b)(7) custodial account, your employer must have a service agreement with GuideStone Financial Resources.

Withholding. Withholding at the rate of 20% is required for federal income tax purposes on certain distributions (excluding, for example, certain periodic payments) from the foregoing retirement plans (except IRAs), unless the recipient transfers the distribution directly to an “eligible retirement plan” (including an IRA and other qualified plan) that accepts those distributions. Other distributions generally are subject to regular wage withholding or withholding at the rate of 10% (depending on the type and amount of the distribution), unless the recipient elects not to have any withholding apply. You should consult your plan administrator or tax adviser for further information.

Third-Party Line of Credit

The Trust, on behalf of the Funds, participates in a line of credit arrangement with The Northern Trust Company for a $50,000,000 unsecured, committed revolving line of credit (“LOC”). The proceeds of the loans under the LOC are to be used solely for short-term liquidity to support redemptions of investors in a borrowing Fund and settlement of trades. The Trust’s ability to borrow under the LOC is also subject to its organization documents, the limitations of the 1940 Act and various conditions precedent that must be satisfied before a Fund can borrow. Additionally, inter-fund lending is permitted under the LOC; however, a Fund may not be a lender of an inter-fund loan at any time during which such Fund has a loan under the LOC outstanding. Loans under the LOC are charged an interest rate on the outstanding principal amount at a rate per annum equal to the greater of (i) the federal funds rate plus 1.00% and (ii) 1.50%. If any amount of a loan is not paid when due, all amounts due shall bear interest at a rate equal to the rate otherwise applicable and 2.0% per annum for each day until all past due amounts and any interest thereon are paid in full. The LOC also requires each Fund to pay its pro rata share of a facility fee based on the amount of the LOC. As of the date of this SAI, there were no outstanding loans.

Valuation of Shares

Each Fund’s shares are bought or sold at a price that is the Fund’s NAV per share. The NAV for each Fund is calculated by subtracting total liabilities from total assets (the market value of the securities the Fund holds plus cash and other assets). Each Fund’s per share NAV is calculated by dividing its NAV by the number of Fund shares outstanding. Because each Target Date Fund and Asset Allocation Fund invests in shares of the Select Funds and other investments, which may include other non-affiliated investment companies, the price of a share of a Target Date Fund or Asset Allocation Fund is based upon the NAVs of the shares of those underlying investments. In turn, the NAV per share of each underlying investment is based upon the values of the obligations, stocks and other investments held by the underlying fund. Therefore, the price of a share of a Target Date Fund or Asset Allocation Fund will fluctuate in relation to its asset allocation among the underlying investments and the value of the portfolio investments of the underlying investments.

The Funds value their portfolio securities and compute their NAVs per share as of the close of regular trading on the NYSE, which is generally 4:00 p.m. Eastern Time on each day that the NYSE is open for trading, in accordance with the procedures discussed in the Prospectus. This section provides a more detailed description of the Funds’ methods for valuing their portfolio securities. As of the date of this SAI, the NYSE is open for trading every weekday except for the following holidays: New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the NYSE will be closed on the preceding Friday or subsequent Monday in observance of the holiday.

The Funds (except the Money Market Fund) each value portfolio securities listed on an exchange at current market value on the basis of the last sale price or official closing price prior to the time the valuation is made.

Securities traded primarily on the Nasdaq Stock Market are normally valued by the Fund at the Nasdaq Official Closing Price ("NOCP") provided by Nasdaq each business day. The NOCP is the most recently reported price as of 4:00 p.m., Eastern Time, unless that price is outside the range of the "inside" bid and asked prices (*i.e.*, the bid and asked prices that dealers quote to each other when trading for their own accounts); in that case, Nasdaq will adjust the price to equal the inside bid or asked price, whichever is closer. Because of delays in reporting trades, the NOCP may not be based on the price of the last trade to occur before the market closes. If there has been no sale since the immediately previous valuation, then the official close price is used. Quotations are taken from the exchange where the security is primarily traded.

Portfolio securities which are primarily traded on foreign exchanges are generally valued at the preceding closing values of such securities on their respective exchanges. The Funds translate prices for investments quoted in foreign currencies into U.S. dollars at current exchange rates. As a result, changes in the value of those currencies in relation to the U.S. dollar may affect a Fund's NAVs. Because foreign markets may be open at different times than the NYSE, the value of Fund shares, particularly shares of the Global Real Estate Securities Fund, the International Equity Index Fund, the International Equity Fund, the Emerging Markets Equity Fund and the Bond Funds, may change on days when shareholders will not be able to buy or redeem Fund shares. When an occurrence subsequent to the time that a foreign security is valued is likely to have changed such value, then such foreign security will be valued at its fair value, as determined through procedures established by, or under the direction of, the Board of Trustees. In addition, foreign equity securities will be valued at fair values provided by Interactive Data Corporation on certain days determined upon movements in a broad-based index in relation to the close of a foreign market. To the extent available, valuations of portfolio securities (except those valued using amortized cost) will be provided by reliable independent pricing services.

Notwithstanding the above, bonds and other fixed-income securities are valued by using market quotations and may be valued on the basis of evaluated prices provided by a pricing service approved by the Board of Trustees. Portfolio securities not currently quoted as indicated above will be valued through procedures established by, or under the direction of, the Board of Trustees.

If official closing prices, market quotations or the estimates of value provided by an independent pricing service are insufficient or not readily available on a Business Day; (2) it is determined by the Funds' Valuation Committee or a Fund's applicable Sub-Adviser that the available prices or values do not represent the fair value of the security; or (3) the security is determined to be illiquid in accordance with guidelines approved by the Board, then the Fund will value the security based on a method that the Board of Trustees believes accurately reflects fair value. The fair value ascertained for a security is an estimate and there is no assurance, given the limited information available at the time of fair valuation, that a security's fair value will be the same as or close to the subsequent opening market price for that security.

The Money Market Fund uses the amortized cost method to determine the value of its portfolio securities pursuant to Rule 2a-7 under the 1940 Act. The amortized cost method involves valuing a security at its cost and amortizing any discount or premium over the period until maturity regardless of the impact of fluctuating interest rates on the market value of the security. While this method provides certainty in valuation, it may result in periods during which the value, as determined by amortized cost, is higher or lower than the price which the Fund would receive if the security were sold. During these periods, the yield to a shareholder may differ somewhat from that which could be obtained from a similar fund which utilizes a method of valuation based upon market prices. Thus, during periods of declining interest rates, if the use of the amortized cost method resulted in a lower value of the Fund's portfolio on a particular day, a prospective investor in the Fund would be able to obtain a somewhat higher yield than would result from an investment in a fund utilizing solely market values and existing Fund shareholders would receive correspondingly less income. The converse would apply during periods of rising interest rates.

Rule 2a-7 provides that in order to value its portfolio using the amortized cost method, the Money Market Fund must maintain a dollar-weighted average portfolio maturity of 60 calendar days or less and a dollar-weighted average life portfolio maturity of 120 calendar days or less, purchase securities having remaining maturities of

397 days or less and invest in U.S. dollar-denominated securities that at the time of acquisition are Eligible Securities (as defined in Rule 2a-7). U.S. Treasury and U.S. government securities and securities of government money market funds are Eligible Securities, as are securities that the Money Market Fund's Sub-Adviser has determined present minimal credit risks based on an analysis of the issuer's or guarantor's capacity to meet its financial obligations.

Pursuant to Rule 2a-7, the Board of Trustees is also required to establish procedures designed to stabilize the price per share of the Money Market Fund, as computed for the purpose of sales and redemptions, at $1.00. Such procedures include review of the Fund's portfolio holdings by the Board of Trustees, at such intervals as it may deem appropriate, to determine whether the NAV of the Fund calculated by using available market quotations deviates from $1.00 per share based on amortized cost. The extent of any deviation will be examined by the Board of Trustees. If such deviation exceeds 1/2 of 1%, the Board of Trustees will promptly consider what action, if any, will be initiated. In the event the Board of Trustees determines that a deviation exists which may result in material dilution or other unfair results to investors or existing shareholders, the Board of Trustees will take such corrective action as it regards as necessary and appropriate, which may include, for example, redeeming shares in kind, selling portfolio instruments prior to maturity to realize capital gains or losses or to shorten average portfolio maturity, withholding dividends or establishing a NAV per share by using available market quotations. The Money Market Fund does not currently intend to impose liquidity fees or redemption gates on Fund redemptions. The Board reserves the ability to impose liquidity fees or redemption gates in the future, after providing prior notice to shareholders and in accordance with Rule 2a-7 under the 1940 Act.

Portfolio Holdings Information

It is the Trust's policy to protect the confidentiality of the Funds' current portfolio holdings information and to prevent the selective disclosure and misuse of such information. The Trust maintains portfolio holdings disclosure policies that govern the timing and circumstances of disclosure to shareholders and third parties of information regarding the portfolio investments held by the Funds. These portfolio holdings disclosure policies have been approved by the Board of Trustees. It is prohibited for the Trust, GuideStone Capital Management, LLC (the "Adviser"), the Adviser's affiliates or any other person to receive compensation in connection with their disclosure of the Funds' portfolio holdings information.

Each Fund will publicly disclose its portfolio holdings in accordance with regulatory requirements, such as periodic portfolio disclosure in filings with the SEC. The Funds also may disclose portfolio holdings information as required by law or in response to requests from regulators. In accordance with SEC regulatory requirements, each Fund (except the Money Market Fund) files a complete schedule of its portfolio holdings with the SEC for each semi-annual and annual period of its fiscal year on Form N-CSR and for the third month of each quarter of each fiscal year on Form N-PORT. In addition, the Money Market Fund files a complete schedule of its portfolio holdings with the SEC on a monthly basis on Form N-MFP. Each Fund (except for the Money Market Fund) also includes a schedule of its portfolio holdings in its annual and semi-annual reports to shareholders.

These reports (1) are available on the EDGAR database on the SEC's website at *http://www.sec.gov*; and (2) copies may be requested (you will be charged a duplicating fee) via electronic request by emailing *publicinfo@sec.gov*. The Trust's annual and semi-annual reports to shareholders are available without charge on the Trust's website (*GuideStoneFunds.com*). A Fund's portfolio holdings information is publicly available at the time such information is filed with the SEC.

Each Fund, other than the Money Market Fund, may post on the Trust's website a detailed list of the Fund's portfolio holdings as of the end of each calendar quarter 15 calendar days after the end of the quarter. The Money Market Fund publishes its complete schedule of portfolio holdings on a monthly basis on the Trust's website. Fund holdings information that is posted to the Trust's website will remain available on the website at least until the date on which the Fund files a Form N-CSR or Form N-PORT for the period that includes the date as of which the website information is current. A Fund may publish on the website complete portfolio holdings information more frequently if it has a legitimate business purpose for doing so. Each Fund may also distribute analytical or portfolio characteristics data that is based on its quarter-end portfolio holdings provided that (1) at least 15 calendar days have elapsed since the quarter-end to which the information relates and (2) the information has been made publicly available via the Trust's website or otherwise (but not earlier than the 15 calendar day restriction).

Each Fund may disclose current, non-public portfolio holdings information as frequently as daily as part of the legitimate business purposes of each Fund to service providers that have contracted to provide services to the Trust and to other organizations. The entities to which each Fund provides non-public holdings information are subject to a duty of confidentiality either by explicit agreement or by virtue of their respective duties to each Fund, and include:

a) the Adviser;

b) Sub-Adviser(s) to the Funds, including newly hired Sub-Advisers prior to the commencement of duties;

c) Administrator to the Funds;

d) Fund Accountant;

e) Auditors of the Funds;

f) Legal counsel to the Funds and the independent Trustees;

g) Custodian or sub-custodian to the Funds;

h) Companies that provide research and analytical services to the Funds, the Adviser or a Sub-Adviser;

i) Pricing services employed by the Funds;

j) Proxy voting services employed by the Funds;

k) Broker-dealers who provide execution or research services for the Funds (including identifying potential buyers and sellers for securities that are held by the Funds, and including transition management services);

l) Broker-dealers who provide quotations that are used in pricing when a pricing service is unable to provide a price or the price is determined to be unreliable;

m) Financial printer employed by the Funds;

n) Securities lending agent employed by the Funds;

o) Index providers to the Funds; and

p) Companies that provide other services that are deemed to be beneficial to the Funds.

The Funds may distribute (or authorize a service provider to distribute) complete or partial lists of portfolio holdings to ratings and ranking agencies or organizations (such as Morningstar, Inc.) for a legitimate business purpose (which shall not include the receipt of compensation as consideration for the disclosure). The information is provided no earlier than 5 business days following the completion of the most recent quarter.

On a case-by-case basis, the Trust's President (Principal Executive Officer) or Treasurer (Chief Financial Officer), subject to the approval of the Trust's Chief Compliance Officer ("CCO"), may approve the disclosure of additional portfolio holdings information if such disclosure is determined to be in the best interests of Fund shareholders. The approval of the release of non-public portfolio holdings information by the Trust's CCO must be based on a determination that such disclosure is in the best interests of the Funds and their shareholders, that there is a legitimate business purpose for such disclosure and that the party receiving the information is subject to a duty to treat the information confidentially and a duty not to trade on such information.

The Trust's CCO monitors and reviews any potential conflicts between the interests of the Funds' shareholders and those of the Adviser, the Funds' principal underwriter, or any affiliated persons of the Funds, the Adviser or the Funds' principal underwriter, that may arise from the potential release of the Funds' non-public portfolio holdings information. Such potential conflicts of interest will be addressed by the CCO based on the best interests of the Funds' shareholders.

The Board receives reports from the Trust's CCO relating to material violations of, or waivers granted pursuant to, the Funds' portfolio holdings disclosure policies, and receives reports concerning any potential conflicts of interest and the resolution of such matters. The policies of a Fund's sub-adviser are monitored by the sub-adviser's compliance staff. Material violations of the sub-adviser's policy will be reported to the Funds' CCO.

Telephone Instructions

Neither the Funds nor any of their service providers will be liable for any loss or expense in acting upon telephone instructions that are reasonably believed to be genuine. In attempting to confirm that telephone instructions are genuine, they will use procedures that are considered reasonable. Shareholders assume the risk to the full extent of their accounts that telephone requests may be unauthorized. To the extent that the Funds or their service providers fail to use reasonable procedures to verify the genuineness of telephone instructions, the Funds or their service providers may be liable for any such instructions that prove to be fraudulent or unauthorized. All telephone conversations with the Funds, GuideStone Financial Resources and BNY Mellon may be recorded.

Control Persons and Principal Holders of Securities

As of April 15, 2019, the following persons owned of record or were known by the Funds to own beneficially 5% or more of a Class of shares of a Fund. Persons are deemed to control a Fund when they own beneficially over 25% of the Fund's outstanding shares. Principal holders are persons that own beneficially 5% or more of any Class of a Fund's outstanding shares.

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
MyDestination 2015 Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	57%
MyDestination 2015 Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	16%
MyDestination 2015 Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	16%
MyDestination 2025 Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	61%
MyDestination 2025 Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	18%
MyDestination 2025 Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	14%
MyDestination 2035 Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	61%
MyDestination 2035 Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	19%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
MyDestination 2035 Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	15%
MyDestination 2045 Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	61%
MyDestination 2045 Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	19%
MyDestination 2045 Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	16%
MyDestination 2055 Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	56%
MyDestination 2055 Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	22%
MyDestination 2055 Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	17%
Conservative Allocation Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	50%
Conservative Allocation Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	25%
Conservative Allocation Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	8%
Balanced Allocation Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	62%
Balanced Allocation Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	25%
Growth Allocation Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	61%
Growth Allocation Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	27%
Growth Allocation Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	7%
Aggressive Allocation Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	71%
Aggressive Allocation Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	22%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Money Market Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	55%
Money Market Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	20%
Money Market Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	6%
Money Market Fund Investor Class	GuideStone Financial Resources Fixed Benefit Plan PO Box 819109 Dallas TX 75381-9109	6%
Low-Duration Bond Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	50%
Low-Duration Bond Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	27%
Low-Duration Bond Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	6%
Medium-Duration Bond Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	49%
Medium-Duration Bond Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	26%
Extended-Duration Bond Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	58%
Extended-Duration Bond Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	26%
Global Bond Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	44%
Global Bond Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	23%
Global Bond Fund Investor Class	National Financial Services LLC For the Exclusive Benefit of Our Customers Attn: Mutual Funds Department 4th Floor 499 Washington Blvd Jersey City NJ 07310-2010	8%
Strategic Alternatives Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	43%
Strategic Alternatives Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	35%
Strategic Alternatives Fund Investor Class	GuideStone Financial Resources Unfunded Deferred Comp Plan (UDC) PO Box 819109 Dallas TX 75381-9109	8%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Defensive Market Strategies Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	38%
Defensive Market Strategies Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	21%
Defensive Market Strategies Fund Investor Class	National Financial Services LLC For the Exclusive Benefit of Our Customers Attn: Mutual Funds Department 4th Floor 499 Washington Blvd Jersey City NJ 07310-2010	12%
Equity Index Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	52%
Equity Index Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	27%
Equity Index Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	7%
Global Real Estate Securities Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	55%
Global Real Estate Securities Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	25%
Global Real Estate Securities Fund Investor Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	5%
Value Equity Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	59%
Value Equity Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	26%
Growth Equity Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	63%
Growth Equity Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	25%
Small Cap Equity Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	63%
Small Cap Equity Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	25%
International Equity Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	56%
International Equity Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	25%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Emerging Markets Equity Fund Investor Class	GuideStone Church Retirement Plan PO Box 819109 Dallas TX 75381-9109	46%
Emerging Markets Equity Fund Investor Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	24%
Emerging Markets Equity Fund Investor Class	LPL Financial FBO Customer Accounts Attn: Mutual Fund Operations PO Box 509046 San Diego CA 92150-9046	8%
Emerging Markets Equity Fund Investor Class	National Financial Services LLC For the Exclusive Benefit of Our Customers Attn: Mutual Funds Department 4th Floor 499 Washington Blvd Jersey City NJ 07310-2010	6%
MyDestination 2015 Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	82%
MyDestination 2015 Fund Institutional Class	GuideStone Financial Resources ER 403(b) Retirement Plan PO Box 819109 Dallas TX 75381-9109	7%
MyDestination 2015 Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	7%
MyDestination 2025 Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	79%
MyDestination 2025 Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	6%
MyDestination 2035 Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	81%
MyDestination 2035 Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	7%
MyDestination 2045 Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	82%
MyDestination 2045 Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	8%
MyDestination 2055 Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	81%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
MyDestination 2055 Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	6%
Conservative Allocation Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	79%
Conservative Allocation Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	10%
Balanced Allocation Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	73%
Balanced Allocation Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	16%
Growth Allocation Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	89%
Growth Allocation Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	8%
Aggressive Allocation Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	78%
Aggressive Allocation Fund Institutional Class	TIAA FSB CUST TTEE (FBO) Retirement Plans For Which TIAA Acts as Record Keeper Attn: Trust Operations 211 North Broadway Suite 1000 St Louis MO 63102-2733	10%
Aggressive Allocation Fund Institutional Class	GuideStone Financial Resources Variable Benefit Plan PO Box 819109 Dallas TX 75381-9109	9%
Money Market Fund Institutional Class	GuideStone Financial Resources Money Market Liquidity Medium-Duration Bond Fund PO Box 2190 Dallas TX 75221-2190	12%
Money Market Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	8%
Money Market Fund Institutional Class	GuideStone Financial Resources Money Market Equity Index Fund PO Box 2190 Dallas TX 75221-2190	7%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Money Market Fund Institutional Class	GuideStone Financial Resources Money Market Liquidity Defensive Market Strategies Fund PO Box 2190 Dallas TX 75221-2190	7%
Money Market Fund Institutional Class	GuideStone Financial Resources Money Market Liq Growth Equity Fund PO Box 2190 Dallas TX 75221-2190	6%
Money Market Fund Institutional Class	Word of God Fellowship Inc DBA Daystar Television Network Attn Arnold Torres 3901 Highway 121 Bedford TX 76021-3009	5%
Low-Duration Bond Fund Institutional Class	GuideStone Financial Resources Conservative Allocation Fund PO Box 819109 Dallas TX 75381-9109	35%
Low-Duration Bond Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	14%
Low-Duration Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2015 Fund PO Box 819109 Dallas TX 75381-9109	14%
Low-Duration Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	8%
Low-Duration Bond Fund Institutional Class	GuideStone Financial Resources Restricted Insurance Reserves PO Box 819109 Dallas TX 75381-9109	5%
Medium-Duration Bond Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	27%
Medium-Duration Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	24%
Medium-Duration Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2015 Fund PO Box 819109 Dallas TX 75381-9109	12%
Medium-Duration Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	10%
Medium-Duration Bond Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	9%
Extended-Duration Bond Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	57%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Extended-Duration Bond Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	20%
Extended-Duration Bond Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	17%
Global Bond Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	30%
Global Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	21%
Global Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2015 Fund PO Box 819109 Dallas TX 75381-9109	14%
Global Bond Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	10%
Global Bond Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	7%
Strategic Alternatives Fund Institutional Class	GuideStone Financial Resources Fixed Benefit Plan PO Box 819109 Dallas TX 75381-9109	21%
Strategic Alternatives Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	18%
Strategic Alternatives Fund Institutional Class	GuideStone Financial Resources Operating Reserves PO Box 819109 Dallas TX 75381-9109	11%
Strategic Alternatives Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	9%
Strategic Alternatives Fund Institutional Class	GuideStone Financial Resources MyDestination 2015 Fund PO Box 819109 Dallas TX 75381-9109	9%
Strategic Alternatives Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	8%
Strategic Alternatives Fund Institutional Class	GuideStone Financial Resources Conservative Allocation Fund PO Box 819109 Dallas TX 75381-9109	7%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	22%
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	19%
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources MyDestination 2015 Fund PO Box 819109 Dallas TX 75381-9109	10%
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	8%
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources Operating Reserves PO Box 819109 Dallas TX 75381-9109	7%
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	6%
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources Fixed Benefit Plan PO Box 819109 Dallas TX 75381-9109	5%
Defensive Market Strategies Fund Institutional Class	GuideStone Financial Resources Conservative Allocation Fund PO Box 819109 Dallas TX 75381-9109	5%
Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	25%
Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	23%
Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2045 Fund PO Box 819109 Dallas TX 75381-9109	21%
Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2015 Fund PO Box 819109 Dallas TX 75381-9109	9%
Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2055 Fund PO Box 819109 Dallas TX 75381-9109	6%
Equity Index Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	6%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Global Real Estate Securities Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	26%
Global Real Estate Securities Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	23%
Global Real Estate Securities Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	11%
Global Real Estate Securities Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	8%
Global Real Estate Securities Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	8%
Global Real Estate Securities Fund Institutional Class	GuideStone Financial Resources MyDestination 2045 Fund PO Box 819109 Dallas TX 75381-9109	7%
Value Equity Fund Institutional Class	GuideStone Financial Resources Aggressive Allocation Fund PO Box 819109 Dallas TX 75381-9109	35%
Value Equity Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	29%
Value Equity Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	22%
Value Equity Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	6%
Growth Equity Fund Institutional Class	GuideStone Financial Resources Aggressive Allocation Fund PO Box 819109 Dallas TX 75381-9109	32%
Growth Equity Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	27%
Growth Equity Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	20%
Growth Equity Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	12%
Small Cap Equity Fund Institutional Class	GuideStone Financial Resources Aggressive Allocation Fund PO Box 819109 Dallas TX 75381-9109	18%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Small Cap Equity Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	15%
Small Cap Equity Fund Institutional Class	GuideStone 403(b)(9) Employer Plan PO Box 819109 Dallas TX 75381-9109	13%
Small Cap Equity Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	11%
Small Cap Equity Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	10%
Small Cap Equity Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	10%
Small Cap Equity Fund Institutional Class	GuideStone Financial Resources MyDestination 2045 Fund PO Box 819109 Dallas TX 75381-9109	9%
International Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	29%
International Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	27%
International Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2045 Fund PO Box 819109 Dallas TX 75381-9109	24%
International Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2015 Fund PO Box 819109 Dallas TX 75381-9109	10%
International Equity Index Fund Institutional Class	GuideStone Financial Resources MyDestination 2055 Fund PO Box 819109 Dallas TX 75381-9109	8%
International Equity Fund Institutional Class	GuideStone Financial Resources Aggressive Allocation Fund PO Box 819109 Dallas TX 75381-9109	35%
International Equity Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	29%
International Equity Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	21%

Name of Fund (Class)	Shareholder Name and Address	Percentage of Shares Owned (rounded to the nearest whole percentage)
Emerging Markets Equity Fund Institutional Class	GuideStone Financial Resources Aggressive Allocation Fund PO Box 819109 Dallas TX 75381-9109	21%
Emerging Markets Equity Fund Institutional Class	GuideStone Financial Resources Growth Allocation Fund PO Box 819109 Dallas TX 75381-9109	18%
Emerging Markets Equity Fund Institutional Class	GuideStone Financial Resources Balanced Allocation Fund PO Box 819109 Dallas TX 75381-9109	13%
Emerging Markets Equity Fund Institutional Class	GuideStone Financial Resources MyDestination 2025 Fund PO Box 819109 Dallas TX 75381-9109	12%
Emerging Markets Equity Fund Institutional Class	GuideStone Financial Resources MyDestination 2035 Fund PO Box 819109 Dallas TX 75381-9109	12%
Emerging Markets Equity Fund Institutional Class	GuideStone Financial Resources MyDestination 2045 Fund PO Box 819109 Dallas TX 75381-9109	10%

In accordance with the Trust's trust instrument, GuideStone Financial Resources will, at all times, directly or indirectly control the vote of at least 60% of the outstanding shares of the Trust. The Trust will refuse to accept any investment in any Fund that would result in a change of such control. This means that GuideStone Financial Resources will control the vote on any matter that requires the approval of the outstanding shares of the Trust. GuideStone Financial Resources is a Texas non-profit corporation, of which the Southern Baptist Convention is the sole member.

Calculation of Performance Data

The Funds may, from time to time, include their yield, effective yield, tax-equivalent yield, average annual total return, average annual total return after taxes on distributions and average annual total return after taxes on distributions and redemptions in advertisements or shareholder reports or other communications to shareholders or prospective investors. The Funds may also, with respect to certain periods of less than one year, provide total return information for that period that is not annualized. The Funds may also show quotations of total return for other periods. Any such information would be accompanied by standardized total return information. Performance is calculated separately for each Class of a Fund. Since each Class of shares has its own expenses and distributions, the performance for each Class over the same period will vary.

Financial Statements

The Funds' Annual Report for the fiscal year ended December 31, 2018, has been filed with the SEC. The audited financial statements, including the notes thereto, in the Annual Report (the "Audited Financial Statements") and the financial highlights in the Annual Report are incorporated by reference into this SAI. The Audited Financial Statements and the financial highlights have been audited by the Funds' independent registered public accounting firm, PricewaterhouseCoopers LLP, whose report thereon also appears in the Annual Report and is incorporated herein by reference. The Audited Financial Statements and financial highlights in the Annual Report have been incorporated by reference in reliance upon such report given upon the authority of the firm as experts in accounting and auditing.

Appendix A — Descriptions of Securities Ratings

A description of the rating policies of Moody's Investors Services Inc. ("Moody's"), S&P Global Ratings and Fitch, Inc./Fitch Ratings Ltd. ("Fitch") with respect to bonds and commercial paper appears below.

Moody's Global Long-Term Obligation Rating Scale

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. The ratings address the possibility that a financial obligation will not be honored as promised. Such ratings use Moody's Global Scale and reflect both the likelihood of default and any financial loss suffered in the event of default.

Aaa — Obligations rated "Aaa" are judged to be of the highest quality, subject to the lowest level of credit risk.

Aa — Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk.

A — Obligations rated "A" are judged to be upper-medium grade and are subject to low credit risk.

Baa — Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Ba — Obligations rated "Ba" are judged to be speculative elements and are subject to substantial credit risk.

B — Obligations rated "B" are considered speculative and are subject to high credit risk.

Caa — Obligations rated "Caa" are judged to be speculative of poor standing and are subject to very high credit risk.

Ca — Obligations rated "Ca" are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C — Obligations rated "C" are the lowest rated class and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa." The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all rankings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

S&P Global Ratings Long-Term Issue Credit Ratings

Issue credit ratings are based, in varying degrees, on S&P Global Ratings' analysis of the following considerations: a) likelihood of payment (capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation); b) nature and provisions of the financial obligation; and c) protection afforded by, and relative position of, the financial obligation in the event of bankruptcy, reorganization or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. Issue ratings are an assessment of default risk, but may incorporate an assessment of relative seniority or ultimate recovery in the event of default. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation may apply when an entity has both senior and subordinated obligations, secured and unsecured obligations or operating company and holding company obligations.)

AAA — An obligation rated “AAA” has the highest rating assigned by S&P Global Ratings. The obligor’s capacity to meet its financial commitment on the obligation is extremely strong.

AA — An obligation rated “AA” differs from the highest-rated obligations only to a small degree. The obligor’s capacity to meet its financial commitment on the obligation is very strong.

A — An obligation rated “A” is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor’s capacity to meet its financial commitment on the obligation is still strong.

BBB — An obligation rated “BBB” exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitment on the obligation.

Obligations rated “BB”, “B”, “CCC”, “CC” and “C” are regarded as having significant speculative characteristics. “BB” indicates the least degree of speculation and “C” the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.

BB — An obligation rated “BB” is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions that could lead to the obligor’s inadequate capacity to meet its financial commitment on the obligation.

B — An obligation rated “B” is more vulnerable to nonpayment than obligations rated “BB”, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial or economic conditions will likely impair the obligor’s capacity or willingness to meet its financial commitment on the obligation.

CCC — An obligation rated “CCC” is currently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

CC — An obligation rated “CC” is currently highly vulnerable to nonpayment. The “CC” rating is used when a default has not yet occurred, but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.

C — An obligation rated “C” is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared to obligations that are rated higher.

D — An obligation rated “D” is in default or in breach of an imputed promise. For non-hybrid capital instruments, the “D” rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within five business days in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. The “D” rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to “D” if it is subject to a distressed exchange offer.

Note: The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Fitch's International Long-Term Issuer Credit Ratings

Rated entities in a number of sectors, including financial and non-financial corporations, sovereigns, insurance companies and certain sectors within public finance, are generally assigned Issuer Default Ratings ("IDRs"). IDRs are also assigned to certain entities or enterprises in global infrastructure, project finance and public finance. IDRs opine on an entity's relative vulnerability to default (including by way of a distressed debt exchange) on financial obligations. The threshold default risk addressed by the IDR is generally that of the financial obligations whose non-payment would best reflect the uncured failure of that entity. As such, IDRs also address relative vulnerability to bankruptcy, administrative receivership or similar concepts. In aggregate, IDRs provide an ordinal ranking of issuers based on Fitch's view of their relative vulnerability to default, rather than a prediction of a specific percentage likelihood of default.

AAA — Highest credit quality. "AAA" ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA — Very high credit quality. "AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A — High credit quality. "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB — Good credit quality. "BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

BB — Speculative. "BB" ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.

B — Highly speculative. "B" ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

CCC — Substantial credit risk. Default is a real possibility.

CC — Very high levels of credit risk. Default of some kind appears probable.

C — Near default. A default or default-like process has begun, or the issuer is in standstill, or for a closed funding vehicle, payment capacity is irrevocably impaired. Conditions that are indicative of a "C" category rating for an issuer include: (a) the issuer has entered into a grace or cure period following non-payment of a material financial obligation; (b) the issuer has entered into a temporary negotiated waiver or standstill agreement following a payment default on a material financial obligation; (c) the formal announcement by the issuer or their agent of a distressed debt exchange; and (d) a closed financing vehicle where payment capacity is irrevocably impaired such that it is not expected to pay interest and/or principal in full during the life of the transaction, but where no payment default is imminent.

RD — Restricted default. "RD" ratings indicate an issuer, in Fitch's opinion, has experienced an uncured payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased operating. This would include: (a.) the selective payment default on a specific class or currency of debt; (b.) the uncured expiry of any applicable grace period, cure period or default forbearance period following a payment default on a bank loan, capital markets security or other material financial obligation; (c.) the extension of multiple waivers or forbearance periods upon a payment default on one or more material financial obligations, either in series or in parallel; or (d.) ordinary execution of a distressed debt exchange on one or more material financial obligations.

D — Default. “D” ratings indicate an issuer that in Fitch’s opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure or has otherwise ceased business.

Default ratings are not assigned prospectively to entities or their obligations; within this context, non-payment on an instrument that contains a deferral feature or grace period will generally not be considered a default until after the expiration of the deferral or grace period, unless a default is otherwise driven by bankruptcy or other similar circumstance, or by a distressed debt exchange.

In all cases, the assignment of a default rating reflects Fitch’s opinion as to the most appropriate rating category consistent with the rest of its universe of ratings and may differ from the definition of default under the terms of an issuer’s financial obligations or local commercial practice.

Note: The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the “AAA” ratings and ratings below the “CCC” category.

Moody’s Global Short-Term Rating Scale

Moody’s short-term ratings are opinions of the ability of issuers to honor short-term financial obligations. Ratings may be assigned to issuers, short-term programs or to individual short-term debt instruments. Such obligations generally have an original maturity not exceeding 13 months, unless explicitly noted. Moody’s employs the following designations to indicate the relative repayment ability of rated issuers:

P-1 — Issuers (or supporting institutions) rated “Prime-1” have a superior ability to repay short-term debt obligations.

P-2 — Issuers (or supporting institutions) rated “Prime-2” have a strong ability to repay short-term debt obligations.

P-3 — Issuers (or supporting institutions) rated “Prime-3” have an acceptable ability to repay short-term obligations.

NP — Issuers (or supporting institutions) rated “Not Prime” do not fall within any of the Prime rating categories.

S&P Global Ratings Short-Term Issue Credit Ratings

Short-term ratings are generally assigned to those obligations considered short-term in the relevant market. In the United States, for example, this means obligations with an original maturity of no more than 365 days, including commercial paper. Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. Medium-term notes are assigned long-term ratings.

A-1 — A short-term obligation rated “A-1” is rated in the highest category by S&P Global Ratings. The obligor’s capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor’s capacity to meet its financial commitment on these obligations is extremely strong.

A-2 — A short-term obligation rated “A-2” is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor’s capacity to meet its financial commitment on the obligation is satisfactory.

A-3 — A short-term obligation rated “A-3” exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken an obligor’s capacity to meet its financial commitment on the obligation.

B — A short-term obligation rated “B” is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor’s inadequate capacity to meet its financial commitments.

C — A short-term obligation rated “C” is currently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitment on the obligation.

D — A short-term obligation rated “D” is in default or in breach of an imputed promise. For non-hybrid capital instruments, the “D” rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The “D” rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to “D” if it is subject to a distressed exchange offer.

Dual Ratings: S&P Global Ratings may assign “dual” ratings to debt issues that have a put option or demand feature. The first component of the rating addresses the likelihood of repayment of principal and interest as due, and the second component of the rating addresses only the demand feature. The first component of the rating can relate to either a short-term or long-term transaction and accordingly use either short-term or long-term rating symbols. The second component of the rating relates to the put option and is assigned a short-term rating symbol (for example, “AAA/A-1+” or “A-1+/A-1”). With U.S. municipal short-term demand debt, the U.S. municipal short-term note rating symbols are used for the first component of the rating (for example, “SP-1+/A-1+”).

Fitch’s International Short-Term Issuer Credit Ratings

A short-term issuer or obligation rating is based in all cases on the short-term vulnerability to default of the rated entity and relates to the capacity to meet financial obligations in accordance with the documentation governing the relevant obligation. Short-term deposit ratings may be adjusted for loss severity. Short-Term Ratings are assigned to obligations whose initial maturity is viewed as “short term” based on market convention. Typically, this means up to 13 months for corporate, sovereign and structured obligations and up to 36 months for obligations in U.S. public finance markets.

F1 — Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added “+” to denote any exceptionally strong credit feature.

F2 — Good short-term credit quality. Good intrinsic capacity for timely payment of financial commitments.

F3 — Fair short-term credit quality. The intrinsic capacity for timely payment of financial commitments is adequate.

B — Speculative short-term credit quality. Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.

C — High short-term default risk. Default is a real possibility.

RD — Restricted default. Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Typically applicable to entity ratings only.

D — Default. Indicates a broad-based default event for an entity, or the default of a short-term obligation.

Appendix B — Descriptions of Proxy Voting Procedures

Provided below are summaries of the proxy voting policies and guidelines of the Adviser and each Sub-Adviser. These summaries are not an exhaustive list of all of the issues that may arise, nor can the Adviser or Sub-Advisers anticipate all future situations. Copies of the Adviser's and each Sub-Adviser's fully proxy voting policy are available upon request.

GuideStone Capital Management, LLC ("Adviser"). The Trust has delegated proxy voting responsibility for the Funds to the Adviser. The Adviser is responsible for the selection and ongoing monitoring of the Sub-Advisers who provide the day-to-day portfolio management for each sub-advised Fund ("Sub-Advised Fund") (*i.e.,* a Select Fund). With respect to each Sub-Advised Fund, the Adviser views proxy voting as a function that is incidental and integral to portfolio management, and it has in turn delegated the proxy voting responsibility with respect to each Sub-Advised Fund to the applicable Sub-Adviser. The primary focus of the Trust's proxy voting program as it relates to the Sub-Advised Funds, therefore, is to seek to ensure that the Sub-Advisers have adequate proxy voting policies and procedures in place and to monitor each Sub-Adviser's proxy voting. In deciding to delegate this responsibility, the Board of Trustees of the Trust reviewed and approved the policies and procedures adopted by the Adviser and the Sub-Advisers.

From time to time, GSCM will utilize the execution and brokerage services of a transition manager to transfer all or a portion of a Sub-Advised Fund's assets from one Sub-Adviser to another ("Transition"). If during the Transition shares held by a Select Fund are the subject of a proxy, the Adviser has deemed it appropriate to assume responsibility to vote such proxy. The Adviser will vote proxies on behalf of a Sub-Advised Fund undergoing a Transition in the best interest of the Sub-Advised Fund and its shareholders.

The Adviser maintains its proxy voting responsibility with respect to the Target Date Funds and the Asset Allocation Funds ("Fund-of-Funds"), each of which seeks to achieve its investment objective by investing primarily in the Select Funds. Each Fund-of-Funds may also invest in unaffiliated mutual funds or exchange-traded funds ("Underlying Unaffiliated Funds"). The Adviser has a fiduciary duty to vote proxies on behalf of a Fund-of-Funds in the best interest of the Fund-of-Funds and its shareholders.

The Adviser will pass through the vote of the Funds-of-Funds' shares in the Select Funds to the shareholders of record of the Funds-of-Funds, and such shareholders of record will exercise the vote with respect to any proposal regarding the Select Funds. As disclosed in the Funds' prospectus, GuideStone Financial Resources of the Southern Baptist Convention ("GuideStone Financial Resources") will, at all times, directly or indirectly control the vote of at least 60% of the outstanding shares of the Trust.

The Adviser may use an independent proxy voting service to assist with the analysis of voting issues, provide voting recommendations and/or to carry out the actual voting process. The ultimate decision as to how to vote a proxy will remain the responsibility of the Adviser. In general, the Adviser's policy is to vote rather than abstain from voting on proxies. However, the Adviser may abstain from voting proxies when it determines that the time and costs associated with the mechanics of voting proxies with respect to certain types of proposals or issuers may not be in the Fund-of-Fund's best interest. The Adviser will vote against ballot issues where the Adviser has not received sufficient information to make an informed decision.

If the Adviser becomes aware that a proxy voting issue may present a potential material conflict of interest, the issue will be referred to the Trust's Chief Compliance Officer ("CCO") or other member of the Adviser's Compliance Department. If the CCO and/or the Compliance Department determines that a potential material conflict does exist, the Adviser's Compliance Department will exclude anyone at the Adviser who is subject to such conflict from participating in the voting decision. Potential material conflicts of interest may arise between the interests of a Fund and the Adviser or any of its affiliated persons if, for example, a proxy vote relates to a matter involving issuers in which the Adviser or its affiliates have a substantial economic interest. Potential conflicts of interest include portfolio managers of the Adviser owning shares of Underlying Unaffiliated Funds.

However, to the extent the Adviser is following the recommendation of a proxy voting service, such portfolio manager will not be required to abstain from the vote with respect to such proxy.

The Adviser is responsible for maintaining all documentation associated with its proxy voting decisions. The Trust currently employs Institutional Shareholder Services ("ISS") to record and report all proxies voted by Sub-Advisers on all portfolio securities. The records of all proxies voted on the Trust's behalf are disclosed and made available to the public through two sources: 1) GuideStone Funds' website and 2) the annual Form NPX report required by the SEC. The proxy voting information on the website is provided by ISS and it is updated as proxy votes are cast and recorded. The Form NPX report is filed annually with the SEC by The Northern Trust with the proxy voting information provided by ISS.

The Adviser must periodically report to the Board of Trustees with respect to the Trust's implementation of its proxy program, including summary information with respect to the proxy voting record of the Sub-Advisers with respect to the Trust's portfolio securities and any other information requested by the Board of Trustees.

AJO, LP ("AJO"). AJO exercises proxy voting responsibilities on behalf of many of the firm's clients pursuant to express or implied authorization in the client's investment management agreement, though some clients retain this authority. Each client account is voted by the firm's Proxy Manager, and AJO's proxy voting is overseen by the firm's Proxy Oversight Committee. AJO's policies and procedures are designed to ensure proxies are voted in the best interests of clients, in accordance with AJO's fiduciary duties and the requirements governed by the Employee Retirement Income Security Act of 1974 ("ERISA") and of SEC Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended.

AJO uses a quantitative approach to investment management, using publicly available data and a proprietary investment model. AJO's quantitative model does not include subjective analysis of companies and their officers and directors; therefore, for detailed analyses of proxy issues, AJO relies primarily on one or more independent, third-party proxy voting services, and the firm generally votes proxies in accordance with the recommendations received from these services. Procedures are in place to ensure the advice AJO receives is impartial and is in the best interests of AJO clients. AJO votes each proxy individually. On rare occasions, AJO does not follow the third-party recommendation; however, the firm only votes against a recommendation when it is in the portfolio's best interests to do so and when AJO has no material conflict of interest. AJO relies solely on the third-party recommendations in situations where the firm has a material conflict of interest. In some instances, AJO may abstain from voting a client proxy, particularly when the effect on the client's economic interest or the value to the portfolio is insignificant or the cost of voting the proxy outweighs the benefit to the portfolio.

Allianz Global Investors U.S. LLC ("Allianz"). Allianz typically votes proxies as part of the firm's discretionary authority to manage accounts, unless the client has explicitly reserved the authority for itself. When voting proxies, Allianz seeks to make voting decisions solely in the best interests of clients and to enhance the economic value of the underlying portfolio securities held in clients' accounts.

Allianz has adopted the Allianz Global Investors Global Corporate Governance Guidelines and Proxy Voting Policy (the "Proxy Guidelines") that are reasonably designed to ensure that the firm is voting in the best interest of clients. The Proxy Guidelines set forth Allianz's policies and procedures with regards to proxy voting and reflect Allianz's general voting positions on specific corporate governance issues. For the purpose of voting proxies for all accounts of Allianz, Allianz uses the services of an affiliate, Allianz Global Investors GmbH ("Allianz GI GmbH"). The employees of AllianzGI GmbH who provide proxy voting services to Allianz are considered "associated persons" as that term is defined in the Advisers Act. AllianzGI has retained an independent third party service provider (the "Proxy Provider") to assist in the proxy voting process by implementing the votes in accordance with the Proxy Guidelines as well as assisting in the administrative process. The Proxy Provider offers a variety of proxy-related services to assist in Allianz's handling of proxy voting responsibilities.

The Proxy Guidelines also provide for oversight of the proxy voting process by a proxy committee comprised of senior representatives from various functions within the organization ("Proxy Committee"). The Proxy Guidelines summarize Allianz's standard positions on various issues, including issues of corporate governance and corporate actions, and give general indication as to how Allianz will vote shares on such issues. Under certain circumstances, Allianz may not vote proxies in accordance with the standard positions denoted in the Proxy Guidelines, for example if: (i) the Proxy Guidelines do not cover potential voting issues; (ii) Allianz determines there may be a potential material conflict between Allianz's interest and those of a client with respect to proxy voting; and (iii) the Proxy Committee has determined that voting otherwise would be in the best interests of Allianz's clients. In evaluating issues, the Proxy Committee may consider information from many sources, including the portfolio management team, the analyst responsible for monitoring the stock of the company at issue, management of a company presenting a proposal, shareholder groups and independent proxy research services. In the event that either the analyst or portfolio manager wishes to override the Proxy Guidelines, the proposal will be presented to the Proxy Committee for a final decision. Any deviations from the Proxy Guidelines will be documented and maintained in accordance with Rule 204-2 under the Advisers Act.

In certain circumstances, a client may request in writing that Allianz vote proxies for its account in accordance with a set of guidelines which differs from the Proxy Guidelines. For example, a client may wish to have proxies voted for its account in accordance with the Taft-Hartley proxy voting guidelines. In that case, Allianz will vote the shares held by such client accounts in accordance with their direction, which may be different from the vote cast for shares held on behalf of other client accounts that vote in accordance with the Proxy Guidelines.

Allianz will generally refrain from voting proxies on securities that are subject to share blocking restrictions. Certain countries require the freezing of shares for trading purposes at the custodian/sub-custodian bank level in order to vote proxies to ensure that shareholders voting at meetings continue to hold the shares through the actual shareholder meeting. However, because Allianz cannot anticipate every proxy proposal that may arise (including a proxy proposal that an analyst and/or portfolio manager believes has the potential to significantly affect the economic value of the underlying security, such as proxies relating to mergers and acquisitions), Allianz may, from time to time, instruct the Proxy Provider to cast a vote for a proxy proposal in a share blocked country. Allianz will not be responsible for voting of proxies that Allianz has not been notified on a timely basis by the client's custodian.

In accordance with the Proxy Guidelines, Allianz may review additional criteria associated with voting proxies and evaluate the expected benefit to clients when making an overall determination on how or whether to vote a proxy. In addition, Allianz may refrain from voting a proxy on behalf of clients' accounts due to de minimis holdings, immaterial impact on the portfolio, items relating to non-U.S. issuers (such as those described below), non-discretionary holdings not covered by Allianz, timing issues related to the opening/closing of accounts, securities lending issues (see below), contractual arrangements with clients and/or their authorized delegate, the timing of receipt of information or where circumstances beyond the firm's control prevent it from voting. For example, Allianz may refrain from voting a proxy of a non-U.S. issuer due to logistical considerations that may impair Allianz's ability to vote the proxy. These issues may include, but are not limited to: (i) proxy statements and ballots being written in a language other than English; (ii) untimely notice of a shareholder meeting; (iii) requirements to vote proxies in person; (iv) restrictions on non-U.S. person's ability to exercise votes; (v) restrictions on the sale of securities for a period of time in proximity to the shareholder meeting; or (vi) requirements to provide local agents with power of attorney to facilitate the voting instructions. Such proxies are voted on a best-efforts basis. Allianz will be unable to vote securities on loan under securities lending arrangements into which Allianz's clients have entered. However, under rare circumstances such as voting issues that may have a significant impact on the investment, if the client holds a sufficient number of shares to have a material impact on the vote, Allianz may request that the client recall securities that are on loan if the firm determines that the benefit of voting outweighs the costs and potential lost revenue to the client and the administrative burden of retrieving the securities.

American Century Investment Management, Inc. ("American Century"). American Century has been delegated the authority to vote proxies with respect to investments held in the accounts the firm manages. In the exercise of proxy voting authority which has been delegated to American Century by particular clients, the firm will apply the Proxy Voting Policies ("Policies") in accordance with, and subject to, any specific policies that have been adopted by the client and communicated to and accepted by American Century in writing.

In providing the service of voting client proxies, American Century is guided by general fiduciary principles, must act prudently, solely in the interest of clients, and must not subordinate client interests to unrelated objectives. Except as otherwise indicated in these Policies, American Century will vote all proxies with respect to investments held in the client accounts the firm manages. American Century will attempt to consider all factors of the firm's vote that could affect the value of the investment. Although in most instances the firm will vote proxies consistently across all client accounts, the votes will be based on the best interests of each client. As a result, accounts managed by the firm may at times vote differently on the same proposals. Examples of when an account's vote might differ from other accounts managed by American Century include, but are not limited to, proxy contests and proposed mergers. In short, American Century will vote proxies in the manner the firm believes will do the most to maximize shareholder value.

American Century takes into account information from many different sources, including independent proxy advisory services. However, the decision on how to vote proxies will be made by American Century in accordance with the Policies and will not be delegated to a proxy voting service.

American Century's Policies establish procedures for the voting of proxies in cases in which American Century may have a potential conflict of interest. Companies with which American Century has direct business relationships could theoretically use these relationships to attempt to unduly influence the manner in which the firm votes on matters for clients. To ensure that such a conflict of interest does not affect proxy votes cast for the firm's clients, American Century's proxy voting personnel regularly catalog companies with whom the firm has significant business relationships; all discretionary (including case-by-case) voting for these companies will be voted by the client or an appropriate fiduciary responsible for the client (e.g., a committee of the independent directors of a fund or the trustee of a retirement plan).

American Century's Policies are subject to modification in certain circumstances and are re-examined from time to time. With respect to matters that do not fit within the categories stated in the Policies, American Century will exercise best judgment as a fiduciary to vote in the manner which will most enhance shareholder value. Case-by-case determinations will be made by American Century's staff, which is overseen by the general counsel, in consultation with equity managers.

AQR Capital Management, LLC ("AQR"). AQR's authority to vote proxies for its clients, if granted, is established by its investment advisory agreements or comparable documents. AQR has established proxy voting policies and procedures, and AQR's compliance department monitors the proxy voting process. The proxy voting procedures are designed to ensure that proxies are voted in the clients' best interest. AQR will generally vote proxies according to the proxy voting guidelines developed by Institutional Shareholder Services Inc. ("ISS") and adopted by AQR. ISS is an unaffiliated third party corporate governance research service that provides proxy-related services including, but not limited to, proxy research, vote recommendations, recordkeeping and reporting.

AQR requires ISS to identify and provide information regarding any material business changes or conflicts of interest on an ongoing basis. Where a conflict of interest may exist, AQR requires ISS to provide information on how the conflict is being addressed. If, as a result of AQR's examination of ISS' conflicts of interest, a determination is made that a material conflict of interest exists, AQR's Chief Compliance Officer (the "CCO") or designee will determine whether to follow ISS' recommendation or take other action with respect to the proxy vote.

AQR mitigates potential conflicts of interest by generally voting in accordance with the pre-determined voting recommendations outlined in the subscribed voting guidelines of ISS. However, from time to time, AQR may determine to vote contrary to the recommendation of ISS which could give rise to potential conflicts of interest.

To the extent that AQR is voting a proxy itself and not utilizing ISS' recommendation, AQR will be required to vote proxies in a way that, in AQR's best judgment, is in the best interest of AQR's clients holding such securities. Unless prior approval is obtained from the CCO or designee, AQR will not (i) engage in conduct that involves an attempt to change or influence the control of a public company; (ii) announce its voting intentions and the reasons thereof; or (iii) initiate a proxy solicitation or otherwise seek proxy-voting authority from any other public company shareholder.

AQR or ISS may not vote a proxy in certain situations, including but not limited to, when (i) the cost of voting a proxy outweighs the benefit of voting; (ii) AQR is not given enough time to process a vote; (iii) AQR has an outstanding sell order or intends to sell the applicable security prior to the voting date; (iv) there are legal restrictions on trading resulting from the exercise of a proxy; or (v) voting would cause an undue burden to AQR.

In the event that AQR intends to directly vote a proxy in a manner that is inconsistent with ISS' recommendation, AQR's compliance department will examine any conflicts that exist between the interests of AQR and its clients. This examination includes, but is not limited to, a review of any material economic interest, including outside business activities of AQR, its personnel and its affiliates with the issuer of the security in question. If, as a result of AQR's compliance department examination, a material conflict of interest is found to exist, AQR will determine whether: (i) directly voting the meeting is in the best interests of the client; (ii) ISS' recommendation should be followed; or (iii) the client should approve the ISS recommendation.

Barrow, Hanley, Mewhinney & Strauss, LLC ("BHMS"). BHMS has the responsibility to vote proxies for equity securities for clients who have delegated this responsibility to the firm, and under BHMS' fiduciary duty, the firm's policy is to vote clients' proxies in the best economic interests of clients, the beneficial owners of the shares. BHMS has adopted a Proxy Voting Policy and maintains written procedures for the handling of research, voting and reporting of proxy votes and making appropriate disclosures about proxy voting on behalf of clients.

To assist in the proxy voting process, BHMS retains the services of Glass Lewis & Co. ("Glass Lewis"). Glass Lewis provides: research on corporate governance, financial statements, business, legal and accounting risks; proxy voting recommendations, including environmental and social governance (ESG) voting guidelines; portfolio accounting and reconciliation of shareholdings for voting purposes; and proxy voting execution, record keeping and reporting services.

Proxy Oversight Committee, Proxy Coordinators, and Proxy Voting Committee

- BHMS' Proxy Oversight Committee is responsible for implementing and monitoring BHMS' proxy voting policy, procedures, disclosures and recordkeeping, including outlining the firm's voting guidelines in its procedures. The Proxy Oversight Committee conducts periodic reviews to monitor and ensure that the firm's policy is observed, implemented properly and amended or updated, as appropriate. The Proxy Oversight Committee is made up of the Chief Compliance and Risk Officer, the Responsible Investing Committee lead, the director of investment operations, the ESG research coordinator and an at-large portfolio manager.
- BHMS' proxy coordinators review and organize the data and recommendations provided by the proxy service. The proxy coordinators are responsible for ensuring that the proxy ballots are routed to the appropriate research analyst based on industry sector coverage. Proxy coordinators are assigned from the operations department.
- BHMS' research analysts review and evaluate proxy proposals and make written recommendations to the Proxy Voting Committee to ensure that votes are consistent with the firm's analysis and are in the best interest of the shareholders, its clients.
- BHMS' equity portfolio managers are members of the Proxy Voting Committee. Equity portfolio managers vote proxy proposals based on share ownership after giving consideration to BHMS' Proxy Voting Guidelines, internal research recommendations and the opinion of Glass Lewis. Proxy votes must be approved by the Proxy Voting Committee before submitting to the proxy service provider.

Conflicts of Interest

- Potential conflicts may arise when BHMS invests in equity securities of corporations who are also clients of the firm. BHMS seeks to mitigate potential conflicts by:
  - Making voting decisions for the benefit of the shareholder(s), its clients;
  - Uniformly voting every proxy based on BHMS' internal research and consideration of Glass Lewis' recommendations; and
  - Documenting the votes of companies who are also clients of the firm.
  - If a material conflict of interest exists, members from the Proxy Voting and Oversight Committees will determine if the affected clients should have an opportunity to vote their proxies themselves, or whether BHMS will address the specific voting issue through other objective means, such as voting the proxies in a manner consistent with a predetermined voting policy or accepting the voting recommendation of Glass Lewis.

BlackRock Financial Management, Inc. ("BlackRock") BlackRock votes (or refrains from voting) proxies for each client for which the firm has voting authority based on BlackRock's evaluation of the best long-term economic interests of shareholders, in the exercise of the firm's independent business judgment, and without regard to the relationship of the issuer of the proxy (or any dissident shareholder) to the client, the client's affiliates (if any), BlackRock or BlackRock's affiliates.

When exercising voting rights, BlackRock will normally vote on specific proxy issues in accordance with BlackRock's proxy voting guidelines ("Guidelines") for the relevant market. The Guidelines are reviewed regularly and are amended consistent with changes in the local market practice, as developments in corporate governance occur, or as otherwise deemed advisable by BlackRock's Corporate Governance Committees ("Committees"). The Committees may, in the exercise of their business judgment, conclude that the Guidelines do not cover the specific matter upon which a proxy vote is requested or that an exception to the Guidelines would be in the best long-term economic interests of BlackRock's clients.

In certain markets, proxy voting involves logistical issues which can affect BlackRock's ability to vote such proxies, as well as the desirability of voting such proxies. These issues include, but are not limited to: (i) untimely notice of shareholder meetings; (ii) restrictions on a foreigner's ability to exercise votes; (iii) requirements to vote proxies in person; (iv) "share blocking" (requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting); (v) potential difficulties in translating the proxy; and (vi) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions.

As a consequence, BlackRock votes proxies in these markets only on a "best-efforts" basis. In addition, the Committees may determine that it is generally in the best interests of BlackRock clients not to vote proxies of companies in certain countries if the Committees determine that the costs (including, but not limited to, opportunity costs associated with share blocking constraints) associated with exercising a vote are expected to outweigh the benefit the client will derive by voting on the issuer's proposal.

While it is expected that BlackRock, as a fiduciary, will generally seek to vote proxies over which BlackRock exercises voting authority in a uniform manner for all BlackRock clients, the portfolio manager of an account, in consultation with the Corporate Governance Group, may determine that the specific circumstances of an account require that account's proxies be voted differently due to such account's investment objective or other factors that differentiate it from other accounts. In addition, BlackRock believes portfolio managers may from time to time legitimately reach differing but equally valid views, for their funds and the client assets in those funds, on how best to maximize economic value in respect of a particular investment. Accordingly, portfolio managers retain full discretion to vote the shares in the accounts they manage based on their analysis of the economic impact of a particular ballot item.

BlackRock maintains policies and procedures that are designed to prevent undue influence on BlackRock's proxy voting activity that might stem from any relationship between the issuer of a proxy (or any dissident shareholder) and BlackRock, BlackRock's affiliates, a fund or a fund's affiliates. BlackRock manages most conflicts through the structural separation of the Corporate Governance Group from employees with sales responsibilities. In certain instances, BlackRock may determine to engage an independent fiduciary to vote proxies as a further safeguard to avoid potential conflicts of interest or as otherwise required by applicable law. The independent fiduciary may either vote such proxies, or provide BlackRock with instructions as to how to vote such proxies. In the latter case, BlackRock votes the proxy in accordance with the independent fiduciary's determination. Use of an independent fiduciary has been adopted for voting the proxies related to any company that is affiliated with BlackRock, or any company that includes BlackRock employees on its board of directors.

Clients that have not granted BlackRock voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their service providers. BlackRock generally does not provide proxy voting recommendations to clients who have not granted BlackRock voting authority over their securities.

BlackRock maintains policies and procedures that are designed to prevent undue influence on BlackRock's proxy voting activity that might stem from any relationship between the issuer of a proxy (or any dissident shareholder) and BlackRock, BlackRock's affiliates, a fund or a fund's affiliates. BlackRock manages most conflicts through the structural separation of the Corporate Governance Group from employees with sales responsibilities. In certain instances, BlackRock may determine to engage an independent fiduciary to vote proxies as a further safeguard to avoid potential conflicts of interest or as otherwise required by applicable law. The independent fiduciary may either vote such proxies, or provide BlackRock with instructions as to how to vote such proxies. In the latter case, BlackRock votes the proxy in accordance with the independent fiduciary's determination. Use of an independent fiduciary has been adopted for voting the proxies related to any company that is affiliated with BlackRock, or any company that includes BlackRock employees on its board of directors.

Clients that have not granted BlackRock voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their service providers. BlackRock generally does not provide proxy voting recommendations to clients who have not granted BlackRock voting authority over their securities.

Brown Advisory, LLC ("Brown Advisory"). Brown Advisory's proxy voting policy ("Policy") has been designed to ensure that the firm votes proxies in the best interest of clients so as to promote the long-term economic value of the underlying securities. To facilitate the proxy voting process, Brown Advisory has engaged Institutional Shareholder Services Inc. ("ISS"), an unbiased, unaffiliated, third-party proxy voting service, to provide proxy research and voting recommendations. In addition, the firm subscribes to ISS' proxy vote management system, which provides a means to receive and vote proxies, as well as services for recordkeeping, auditing, reporting and disclosure regarding votes.

On a regular basis, Brown Advisory's portfolio managers are supplied with a list of upcoming proxies issued for companies that are actively recommended by the firm. Except in situations identified as presenting material conflicts of interest, the portfolio manager who follows an issuer may make the final voting decision based on a variety of considerations, including his or her review of relevant materials, his or her knowledge of the company and ISS' recommendations. In circumstances where the Brown Advisory's portfolio managers do not provide a vote recommendation, proxies will be voted according to ISS' recommendations, unless specific guidelines provided to ISS by the firm specify otherwise. Proxies are generally voted in accordance with ISS' recommendations for all client types.

In keeping with the firm's fiduciary obligations to clients, Brown Advisory considers each proxy voting proposal on its own merits and an independent determination is made based on the relevant facts and circumstances. Proxy proposals include a wide range of matters. The firm generally votes with management on routine matters and takes a more case-by-case approach regarding non-routine matters. For socially responsible investing clients, the firm follows ISS' guidelines that focus on enhanced environmental, social and governance practices. For Taft-Hartley clients, the firm follows the ISS Taft-Hartley Guidelines. Although ISS' guidelines are generally followed, Brown Advisory may depart from these guidelines when the firm deems such departure necessary in the best interest of the client.

For actively recommended issuers domiciled outside the United States, Brown Advisory may follow ISS' international proxy voting guidelines, including, in certain circumstances, country-specific guidelines.

A "conflict of interest" means any circumstance when Brown Advisory or one of the firm's affiliates (including officers, directors and employees), or in the case where the firm serves as investment adviser to a Brown Advisory Fund, when the Fund or the principal underwriter, or one or more of their affiliates (including officers, directors and employees), knowingly does business with, receives compensation from or sits on the board of, a particular issuer or closely affiliated entity (including officers and directors thereof), and, therefore, may appear to have a conflict of interest between its own interests and the interests of clients or Fund shareholders in how proxies of that issuer are voted. For example, a perceived conflict of interest may exist if an employee of Brown Advisory serves as a director of an actively recommended issuer or if the firm is aware that a client serves as an officer or director of an actively recommended issuer. Conflicts of interest will be resolved in the best interest of the client. Brown Advisory will vote proxies relating to such issuers in accordance with the following procedures:

Routine Matters and Immaterial Conflicts. Brown Advisory may vote proxies for routine matters, and for non-routine matters that are considered immaterial conflicts of interest, consistent with the firm's Policy. A conflict of interest will be considered material to the extent that it is determined that certain interests and the interests of clients or Fund shareholders conflict on how proxies of that issuer are voted. For example, a perceived conflict of interest may exist if an employee of Brown Advisory serves as a director of an actively recommended issuer, or if the firm is aware that a client serves as an officer or director of an actively recommended issuer. Such conflicts of interest could potentially influence the firm's decision-making in voting a proxy. Materiality determinations will be made by the chief compliance officer, in consultation with counsel, based upon an assessment of the particular facts and circumstances.

Material Conflicts and Non-Routine Matters. If Brown Advisory believes that (a) the firm has a material conflict; and (b) that the issue to be voted upon is non-routine or is not covered by the Policy, then to avoid any potential conflict of interest: (i) in the case of a Fund, the firm shall contact the Fund board for a review and determination; (ii) in the case of all other conflicts or potential conflicts, the firm may "echo vote" such shares, if possible, which means the firm will vote the shares in the same proportion as the vote of all other holders of the issuer's shares; or (iii) in cases when echo voting is not possible, the firm may defer to ISS' recommendations or confer with counsel to ensure that the proxy is voted in the best interest of the client.

If the aforementioned options would not ameliorate the conflict or potential conflict, then the firm may abstain from voting. In recognition of Brown Advisory's fiduciary obligations, the firm generally endeavors to vote all proxies received. However, Brown Advisory may abstain from voting proxies in certain circumstances. For example, the firm may determine that abstaining from voting is appropriate if voting may be unduly burdensome or expensive or otherwise not in the best economic interest of the clients, such as (by example and without limitation) when foreign proxy issuers impose unreasonable or expensive voting or holding requirements or when the costs to effect a vote would be uneconomic relative to the value of the client's investment in the issuer.

ClearBridge Investments, LLC ("ClearBridge"). ClearBridge votes proxies for each client that has specifically authorized the firm to vote them in the investment management contract or otherwise and votes proxies for each ERISA account unless the plan document or investment advisory agreement specifically reserves the responsibility to vote proxies to the plan trustees or other named fiduciary. These policies and procedures are intended to fulfill applicable requirements imposed on ClearBridge by the Investment Advisers Act 1940, as amended, the 1940 Act and the ERISA and the rules and regulations adopted under these laws.

ClearBridge's goal in voting proxies is to act prudently, solely in the best interest of the beneficial owners of the accounts the firm manages. ClearBridge attempts to provide for the consideration of all factors that could affect the value of the investment and will vote proxies in the manner the firm believes will be consistent with efforts to maximize shareholder votes. In the case of a proxy issue for which there is a stated position, ClearBridge generally votes in accordance with the stated position. In the case of a proxy issue for which there is a list of factors set forth in the ClearBridge Proxy Voting Policies and Procedures (the "Policy") that the firm considers in voting on such issue, ClearBridge considers those factors and votes on a case-by-case basis in accordance with the general principles set forth the Policy. In the case of a proxy issue for which there is no stated position or list of factors that the firm considers in voting on such issue, ClearBridge votes on a case-by-case basis in accordance with the general principles set forth in the Policy. ClearBridge may utilize an external service provider to provide the firm with information and/or a recommendation with regard to proxy votes, but ClearBridge is not required to follow any such recommendations. The use of an external service provider does not relieve ClearBridge of the responsibility for the proxy vote.

For routine matters, ClearBridge usually votes according to the Policy or the external service provider's recommendation, although the firm is not obligated to do so and an individual portfolio manager may vote contrary to our policy or the recommendation of the external service provider. If a matter is non-routine (*e.g.*, management's recommendation is different than that of the external service provider and ClearBridge is a significant holder or it is a significant holding for ClearBridge), the issues will be highlighted to the appropriate investment teams and their views solicited by members of the Proxy Committee. Different investment teams may vote differently on the same issue, depending upon their assessment of clients' best interests.

ClearBridge's proxy voting process is overseen and coordinated by its Proxy Committee, which is comprised of firm personnel (and others, at ClearBridge's request), as designated from time to time.

In furtherance of ClearBridge's goal to vote proxies in the best interests of clients, the firm follows procedures designed to identify and address material conflicts of interest that may arise between ClearBridge's interests and those of clients before voting proxies on behalf of such clients. The Proxy Committee reviews and addresses conflicts of interest brought to its attention. A conflict of interest will be considered material to the extent that it is determined that such conflict is likely to influence, or appear to influence, ClearBridge's decision-making in voting the proxy. All materiality determinations will be based on an assessment of the particular facts and circumstances, including the importance of the proxy issue, the nature of the conflict of interest, etc. If it is determined by the Proxy Committee that a conflict of interest is material, the Proxy Committee will determine an appropriate method to resolve such conflict of interest before the proxy affected by the conflict of interest is voted. A written record of the method used to resolve a material conflict of interest is maintained.

Delaware Investments Fund Advisers ("DIFA"). DIFA is a series of Macquarie Investment Management Business Trust ("MIMBT"). If and when proxies need to be voted on behalf of clients, DIFA will vote such proxies pursuant to the MIMBT Proxy Voting Policies and Procedures (the "Procedures"). To help make sure that DIFA votes client proxies in accordance with the Procedures and in the best interests of clients, MIMBT has established a Proxy Voting Committee (the "Committee") which is responsible for overseeing DIFA's proxy voting process. One of the main responsibilities of the Committee is to review and approve the Procedures to ensure that the Procedures are designed to allow DIFA to vote proxies in a manner consistent with the goal of voting in the best interests of clients. In order to facilitate the actual process of voting proxies, DIFA has contracted with Institutional Shareholder Services ("ISS") to review and analyze proxy statements and vote proxies generally in accordance with the Procedures. The Committee is responsible for overseeing ISS's proxy voting activities. If a proxy has been voted for a client, ISS will create a record of the vote.

The Procedures contain a general guideline that recommendations of company management on an issue (particularly routine issues) should be given a fair amount of weight in determining how proxy issues should be voted. However, DIFA will normally vote against management's position when it runs counter to the firm's specific Proxy Voting Guidelines (the "Guidelines"), and DIFA will also vote against management's recommendation when it believes that such position is not in the best interests of clients.

As stated previously, the Procedures also list specific Guidelines on how to vote proxies on behalf of clients. Some examples of the Guidelines are as follows: (i) generally vote for shareholder proposals asking that a majority or more of directors be independent; (ii) generally vote against proposals to require a supermajority shareholder vote; (iii) votes on mergers and acquisitions should be considered on a case-by-case basis, determining whether the transaction enhances shareholder value; (iv) generally vote against proposals at companies with more than one class of common stock to increase the number of authorized shares of the class that has superior voting rights; (v) generally vote re-incorporation proposals on a case-by-case basis; (vi) votes with respect to equity-based compensation plans are generally determined on a case-by-case basis; and (vii) generally vote for proposals requesting reports on the level of greenhouse gas emissions from a company's operations and products.

MIMBT has a section in the Procedures that addresses the possibility of conflicts of interest. Most proxies received by DIFA on behalf of clients are voted by ISS in accordance with the Procedures. Because almost all DIFA-related client proxies are voted by ISS pursuant to the pre-determined Procedures, it normally will not be necessary for the firm to make an actual determination of how to vote a particular proxy, thereby largely eliminating conflicts of interest for DIFA during the proxy voting process. In the very limited instances where DIFA is considering voting a proxy contrary to ISS's recommendation, the Committee will first assess the issue to see if there is any possible conflict of interest involving DIFA or affiliated persons of DIFA. If a member of the Committee has actual knowledge of a conflict of interest, the Committee will normally use another independent third party to do additional research on the particular proxy issue in order to make a recommendation to the Committee on how to vote the proxy in the best interests of the Fund. The Committee will then review the proxy voting materials and recommendation provided by ISS and the independent third party to determine how to vote the issue in a manner which the Committee believes is consistent with the Procedures and in the best interests of clients.

Goldman Sachs Asset Management, L.P. ("GSAM"). GSAM has adopted policies and procedures (the "Policy") for the voting of proxies on behalf of client accounts for which GSAM has voting discretion. Under the Policy, the firm's guiding principles in performing proxy voting are to make decisions that favor proposals that in GSAM's view tend to maximize a company's shareholder value and are not influenced by conflicts of interest. To implement these guiding principles for investments in publicly-traded equities, GSAM has developed customized proxy voting guidelines (the "Guidelines") that are generally applied when voting on behalf of client accounts. The Guidelines address a wide variety of individual topics, including, among other matters, shareholder voting rights, anti-takeover defenses, board structures, the election of directors, executive and director compensation, reorganizations, mergers, issues of corporate social responsibility and various shareholder proposals. The Proxy Voting Policy, including the Guidelines, is reviewed periodically to ensure it continues to be consistent with the firm's guiding principles.

GSAM has retained a third-party proxy voting service, currently Institutional Shareholder Services (the "Proxy Service"), to assist in the implementation and administration of certain proxy voting-related functions, including, without limitation, operational, recordkeeping and reporting services. The Proxy Service also prepares a written analysis and recommendation (a "Recommendation") for each proxy vote that reflects the Proxy Service's application of the Guidelines to particular proxy issues. While it is GSAM's policy generally to follow the Guidelines and Recommendations from the Proxy Service, GSAM's portfolio management teams ("Portfolio Management Teams") may on certain proxy votes seek approval to diverge from the Guidelines or a Recommendation by following an "override" process. Such decisions are subject to a review and approval process, including a determination that the decision is not influenced by any conflict of interest. A Portfolio Management Team that receives approval through the override process to cast a proxy vote that diverges from the Guidelines and/or a Recommendation may vote differently than other Portfolio Management Teams that did not seek to override that vote. In forming their views on particular matters, the Portfolio Management Teams are also permitted to consider applicable regional rules and practices, including codes of conduct and other guides regarding proxy voting, in addition to the Guidelines and Recommendations. GSAM may hire other service providers to replace or supplement the Proxy Service with respect to any of the services GSAM currently receives from the Proxy Service.

From time to time, GSAM may face regulatory, compliance, legal or logistical limits with respect to voting securities that it may purchase or hold for client accounts which can affect GSAM's ability to vote such proxies, as well as the desirability of voting such proxies. As a result, GSAM, from time to time, may determine that it is not desirable to vote proxies in certain circumstances. Among other limits, federal, state, foreign regulatory restrictions or company-specific ownership limits, as well as legal matters related to consolidated groups, may restrict the total percentage of an issuer's voting securities that GSAM can hold for clients and the nature of GSAM's voting in such securities. GSAM's ability to vote proxies may also be affected by, among other things: (i) late receipt of meeting notices; (ii) requirements to vote proxies in person: (iii) restrictions on a foreigner's ability to exercise votes; (iv) potential difficulties in translating the proxy; (v) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions; and (vi) requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting.

GSAM has implemented processes designed to prevent conflicts of interest from influencing proxy voting decisions that GSAM makes on behalf of advisory clients, including the client accounts, and to help ensure that such decisions are made in accordance with GSAM's fiduciary obligations to clients. These processes include GSAM's use of GSAM's Guidelines, Recommendations from Proxy Service, the override approval process previously discussed and the establishment of information barriers between GSAM and other businesses within The Goldman Sachs Group, Inc. Notwithstanding such proxy voting processes, actual proxy voting decisions of GSAM may have the effect of benefitting the interests of other clients or businesses of other divisions or units of Goldman Sachs and/or its affiliates.

Client Directed Votes. GSAM's clients who have delegated voting responsibility to GSAM with respect to their client accounts may from time to time contact their client representative if they would like to direct GSAM to vote in a particular solicitation. GSAM will use commercially reasonable efforts to vote according to the client's request in these circumstances, but cannot provide assurances that such voting requests will be implemented.

Proxy Voting Policies — No Authority. As noted above, GSAM is not delegated proxy voting authority on behalf of all client accounts. With respect to those client accounts for which GSAM does not conduct proxy voting, clients should work with their custodians to ensure they receive their proxies and other solicitations for securities held in their client accounts.

Harris Associates L.P. ("Harris"). Harris believes that proxy voting rights are valuable portfolio assets and an important part of the investment management process, and the firm exercises voting rights solely with the goal of serving the best interests of its clients as shareholders of a company. Harris' Proxy Voting Committee, comprised of investment professionals, reviews and recommends policies and procedures regarding the firm's proxy voting and ensures compliance with those policies. In determining how to vote on any proposal, the Proxy Voting Committee considers the proposal's expected impact on shareholder value and does not consider any benefit to Harris, the firm's employees or affiliates or any other person, other than benefits to the owners of the securities to be voted, as shareholders.

Harris' proxy voting guidelines provide a general indication of how proxies on portfolio securities will be voted on proposals dealing with particular issues. Harris will generally vote proxies in accordance with the firm's proxy voting guidelines (the "Guidelines"), except as otherwise determined by the Proxy Voting Committee, unless the client has specifically instructed the firm to vote otherwise. Because proxy issues and the circumstances of individual companies vary, there may be instances when Harris may not vote in strict adherence to the Guidelines. The firm's investment professionals, as part of their ongoing review and analysis of all portfolio holdings, are responsible for monitoring significant corporate developments, including proxy proposals submitted to shareholders, and notifying the Proxy Voting Committee if they believe the economic interests of shareholders may warrant a vote contrary to the Guidelines. In such cases, the Proxy Voting Committee will determine how the proxies will be voted.

Harris considers the reputation, experience and competence of a company's management when evaluating the merits of investing in a particular company, and the firm invests in companies in which it believes management goals and shareholder goals are aligned. Therefore, on most issues, Harris casts votes in accordance with management's recommendations. However, when Harris believes that management's position on a particular issue is not in the best interests of clients, the firm will vote contrary to management's recommendation.

Harris may determine not to vote a proxy if it has concluded that the costs of or disadvantages resulting from voting outweigh the economic benefits of voting. For example, in some non-U.S. jurisdictions, the sale of securities voted may be prohibited for some period of time, usually between the record and meeting dates ("share blocking"), and Harris may determine that the loss of investment flexibility resulting from share blocking outweighs the benefit to be gained by voting.

The Proxy Voting Committee, in consultation with Harris' legal and compliance departments, will monitor and resolve any potential conflicts of interest with respect to proxy voting. A conflict of interest might exist, for example, when an issuer who is soliciting proxy votes also has a client relationship with Harris, when a client is involved in a proxy contest (such as a corporate director) or when one of the firm's employees has a personal interest in a proxy matter. When a conflict of interest arises, in order to ensure that proxies are voted solely in the best interest of clients, Harris will vote in accordance with the Guidelines or the recommendation of an independent proxy voting service provider. If Harris believes that voting in accordance with the Guidelines or the recommendation of the independent proxy voting service provider would not be in the collective best interests of clients, the Proxy Voting Conflicts Committee will determine how shares should be voted.

Heitman Real Estate Securities LLC ("HRES"), Heitman International Real Estate Securities HK Limited ("HIRES HK") and Heitman International Real Estate Securities GmbH ("HIRES GmbH") (together, "Heitman"). Heitman's general policy with respect to all clients where Heitman has authority to vote proxies, such proxies will always be voted, or not voted, in the best interest of such clients. Heitman utilizes the services of one or more independent unaffiliated proxy firms, which are responsible for: notifying the applicable Heitman adviser in advance of the shareholder meeting at which such proxies will be voted; providing the appropriate proxies to be voted; providing independent research on corporate governance, proxy and corporate responsibility issues; recommending actions with respect to proxies which are always deemed by the applicable proxy firm to be in the best interests of the shareholders; and maintaining records of proxy statements received and votes cast.

Heitman considers each corporate proxy statement on a case-by-case basis and may vote a proxy in a manner different from that recommended by the applicable proxy firm when deemed appropriate. There may also be occasions when Heitman determines, contrary to the proxy voting firm recommendation that not voting such proxy may be in the best interest of clients, such as: (i) when the cost of voting such proxy exceeds the expected benefit to the client; or (ii) if the applicable Heitman adviser is required to re-register shares of a company in order to vote a proxy and that re-registration process imposes trading and transfer restrictions on the shares, commonly referred to as "blocking." The firm generally votes with the recommendations from the proxy firm unless a client investment management agreement has a different requirement or Heitman's Proxy Policies and Procedures Oversight Committee (the "Proxy Committee") rejects the recommendations.

Heitman has established the Proxy Committee, consisting of: (i) a Public Securities lead portfolio manager; (ii) the chief legal officer of Heitman LLC, or if the chief legal officer is unavailable, a reserve designee as may be appointed by Heitman from time to time; and (iii) the special counsel of Heitman LLC. The Public Securities lead portfolio manager that is appointed to the Proxy Committee will be from a Heitman adviser other than the Heitman adviser that proposed rejecting the recommendation. The Proxy Committee is responsible for reviewing and addressing any instance where a portfolio manager determines that a proxy firm recommendation is not in the best interest of clients and wants to vote a proxy in a manner inconsistent with the recommendation of the proxy firm, Heitman's proxy voting policy or identifies actual or perceived conflicts of interests in the context of voting proxies.

On an annual basis, the Proxy Committee shall review these policies and procedures, the proxy firm and will recommend changes, as needed.

As a general rule, a representative of the Heitman Operations group ("Operations") processes all proxies which any Heitman adviser is entitled to vote. When a proxy is received, Operations will send a Proxy Analysis Report to the portfolio manager within Heitman who is responsible for review of the company conducting the proxy. In reviewing the recommendations to determine how to respond to the proxy in the best interest of clients, the portfolio manager may consider information from various sources, including, without limitation, another Heitman portfolio manager or research analyst, management personnel of the company conducting the proxy and shareholder groups, as well as the possibility of any actual or perceived potential conflicts of interest between the applicable Heitman adviser and any of its clients with respect to such proxy. The portfolio manager returns the Proxy Analysis Report to Operations indicating his or her voting recommendation for the proxy, as well as a description and explanation of any actual or perceived potential conflicts of interest between the applicable Heitman adviser and its clients with respect to such proxy. If a portfolio manager recommends responding to a particular proxy contrary to the proxy firm recommendation or perceives an actual or potential conflict of interest, the exception is noted and set aside for consideration by the portfolio manager. Operations compiles all exceptions and forwards such exceptions promptly to the members of the Proxy Committee, selecting an applicable Public Securities lead portfolio manager. The Proxy Committee convenes to review the exceptions. Proxy Committee meetings may be conducted in person, via teleconference/ videoconference or via e-mail. Regardless of the manner in which the Proxy Committee meeting has been conducted, Operations will participate and will document the actions of the Proxy Committee.

In instances where suspected conflicts of interest have been identified, the Proxy Committee will evaluate whether an actual or potential material conflict of interest exists and, if so, how it should be addressed in voting or not voting the particular proxy. In such cases, the Proxy Committee may decide (i) to independently determine that no material conflict of interest exists or will likely potentially exist; (ii) to respond to such proxy in strict accordance with the recommendations of the proxy firm; or (iii) to take another course of action that, in the opinion of the Proxy Committee, adequately addresses the conflict of interests issue. At or following the Proxy Committee meeting, the Proxy Committee may confirm or overturn, in any case, either in whole or in part, any recommendations made by the portfolio manager. The vote of a majority of the Proxy Committee shall be required to confirm any recommendations by the portfolio manager to vote any proxy contrary to the proxy firm recommendation as to how to vote that issue.

In cases other than those requiring a Proxy Committee meeting, Operations will respond to the proxy in accordance with the recommendations of the proxy firm except in instances where a client has advised Heitman in writing that particular proxies or proxies of a certain type should be responded to in a particular fashion, in which circumstance Operations will respond to the proxy in question in accordance with such advice. Upon request from any member of the Proxy Committee, Operations will prepare a Proxy Voting Summary for the Proxy Committee containing all of the proxy firm's proxy vote recommendations that were overridden during the period requested and also highlighting any proxy issues that were identified as presenting actual and/or potential conflicts of interest and how they were addressed.

Jacobs Levy Equity Management, Inc. ("Jacobs Levy"). Proxy voting is an important right of shareholders. Jacobs Levy recognizes that reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. When Jacobs Levy has discretion to vote the proxies of clients, proxies will be voted in their best interests in accordance with Jacobs Levy's policies and procedures.

The chief compliance officer is responsible for ensuring proxies are voted in accordance with the Jacobs Levy guidelines. Unless a client has provided specific voting guidelines, Jacobs Levy will generally vote proxies in accordance with recommendations provided by Institutional Shareholder Services ("ISS"), a third-party provider of proxy analyses and voting recommendations. However, there are specific proxy issues that Jacobs Levy has identified with respect to which it will vote with management and others with respect to which it will vote against management. Jacobs Levy generally votes in favor of routine corporate governance proposals, such as electing directors and selection of auditors. Jacobs Levy's policy is generally to vote against proposals that act to entrench management. There are other circumstances in which Jacobs Levy may vote in a manner which differs from ISS's recommendation. Jacobs Levy does not typically make case-by-case judgments regarding how a proxy vote will affect a particular investment.

The chief compliance officer will identify any conflicts that exist between the interests of Jacobs Levy and its clients. If a material conflict of interest arises, Jacobs Levy will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the clients or whether some alternative action is appropriate, including, without limitation, following the ISS recommendation.

Legal & General Investment Management America, Inc. ("LGIMA"). Legal & General Investment Management America, Inc. ("LGIMA"). acts as the investment adviser to commingled funds, including the Legal & General Collective Investment Trust ("CIT") maintained by Reliance Trust Company of Georgia, and LGIMA-sponsored Private Funds." For the CIT and LGIMA-sponsored Private Funds LGIMA has been delegated proxy voting authority, and LGIMA has adopted the Global Corporate Governance and Responsible Investment Principles (the "Principles"). LGIMA believes that these Principles align with both the best interest of their clients and the long-term success of companies. Further, LGIMA has engaged with their affiliate, Legal & General Investment Management, Ltd. ("LGIM"), independent Corporate Governance & Responsible Investment team to research, engage and make proxy voting recommendations on behalf of LGIMA clients. LGIMA has engaged Institutional Shareholder Services ("ISS") to administer these proxy votes. Proxy votes cast on LGIMA's behalf will be based on the aforesaid Principles, which are intended to vote proxies in their client's best interest. LGIMA has adopted and implemented policies and procedures (Proxy Voting Policy) to ensure that appropriate care is taken and that LGIMA is fulfilling the long term economic interest of advisory clients by acting in their best interest when proxy voting has been delegated to the firm. For accounts where LGIMA has been delegated proxy voting authority, LGIMA has engaged ISS to research and administer the proxy votes. All proxy votes cast by ISS will be based strictly on their pre-determined policy which is intended to vote proxies in the client's best interest. ISS provides comprehensive proxy voting which aligns with its four Global Voting Principles program from which it makes its voting recommendations. The ISS Global Voting Principles include the following: accountability, stewardship, independence and transparency.

LGIMA will retain the election of equity corporate actions and act pursuant to the following procedures:

- Portfolio managers will determine on a case-by-case basis what course of action is in the best interests of the client;
- The portfolio manager will provide a copy of the corporate action or request for instructions received; a copy of the instructions and any other documentation; and a brief explanation of why the corporate action is being sought and why the decision is in the best interests of the client; and
- Copies of the corporate action, with the decision to take or not take action, are retained and will be monitored from time to time by LGIMA's compliance department for completeness.

LGIMA shall oversee the proxy voting policy and the services provided by ISS, through consultation with the Head of US Equity Index Funds, Senior Portfolio Manager Index Funds, Head of US Stewardship and Sustainability, Head of Research, Head of Operations and Chief Compliance Officer or an appropriate designee for any of the persons listed herein. No less frequently than on an annual basis, LGIMA will conduct a full review of the services provided by ISS.

LGIMA, along with its affiliate LGIM, will conduct the research which drives its recommendations to vote proxies pursuant to pre-determined guidelines set forth above. LGIMA has determined that these guidelines are in the best interest of clients. LGIMA will disclose its conflicts of interest and will always follow its guidelines. Should a material conflict exist with a company whose proxies are at issue, LGIMA will outsource the voting decision to an independent third party to eliminate the conflict and ensure that client's proxies are voted in their best interest.

Loomis, Sayles & Company, L.P. ("Loomis"). Loomis uses the services of third parties ("Proxy Voting Service(s)"), to research and administer the vote on proxies for those accounts and funds for which Loomis has voting authority. Loomis will generally follow the firm's express policy unless the Proxy Committee determines that the client's best interests are served by voting otherwise.

All issues presented for shareholder vote will be considered under the oversight of the Proxy Committee. All non-routine issues will be directly considered by the Proxy Committee and, when necessary, the equity analyst following the company and/or the portfolio manager of an account holding the security, and will be voted in the best investment interests of the client. All routine for and against issues will be voted according to Loomis' policy approved by the Proxy Committee unless special factors require that they be considered by the Proxy Committee and, when necessary, the equity analyst following the company and/or the portfolio manager of an account holding the security. Loomis' Proxy Committee has established these routine policies in what the Proxy Committee believes are the best investment interests of Loomis' clients.

The specific responsibilities of the Proxy Committee include (1) developing, authorizing, implementing and updating the procedures, including an annual review of the procedures, existing voting guidelines and the proxy voting process in general; (2) oversight of the proxy voting process, including oversight of the vote on proposals according to the predetermined policies in the voting guidelines, directing the vote on proposals where there is reason not to vote according to the predetermined policies in the voting guidelines or where proposals require special consideration and consultation with the portfolio managers and analysts for the accounts holding the security when necessary or appropriate; and (3) engagement and oversight of third-party vendors, including Proxy Voting Services.

Loomis has established several policies to ensure that proxy votes are voted in clients' best interest and are not affected by any possible conflicts of interest. First, except in certain limited instances, Loomis votes in accordance with its pre-determined policies set forth in the procedures. Second, where these Procedures allow for discretion, Loomis will generally consider the recommendations of the Proxy Voting Services in making voting decisions. However, if the Proxy Committee determines that the Proxy Voting Services' recommendation is not in the best interest of the firm's clients, then the Proxy Committee may use discretion to vote against the Proxy Voting Services' recommendation, but only after taking the following steps: (1) conducting a review for any material conflict of interest Loomis may have; and (2) if any material conflict is found to exist, excluding anyone at Loomis who is subject to that conflict of interest from participating in the voting decision in any way. However, if deemed necessary or appropriate by the Proxy Committee after full prior disclosure of any conflict, that person may provide information, opinions or recommendations on any proposal to the Proxy Committee. In such event the Proxy Committee will make reasonable efforts to obtain and consider, prior to directing any vote information, opinions or recommendations from or about the opposing position on any proposal.

MFS Institutional Advisors, Inc. ("MFSI"). Massachusetts Financial Services Company, MFSI, MFS International (UK) Limited, MFS Heritage Trust Company, MFS Investment Management (Canada) Limited, MFS Investment Management Company (Lux) S.à r.l., MFS International Singapore Pte. Ltd. and MFS' other subsidiaries that perform discretionary investment management activities (collectively, "MFS") have adopted proxy voting policies and procedures ("MFS Proxy Voting Policies and Procedures") with respect to securities owned by the clients for which MFS serves as investment adviser and has the power to vote proxies, including the pooled investment vehicles sponsored by MFS (the "MFS Funds"). References to "clients" in these policies and procedures include the MFS Funds and other clients of MFS, such as funds organized offshore, sub-advised funds and separate account clients, to the extent these clients have delegated to MFS the responsibility to vote proxies on their behalf under the MFS Proxy Voting Policies and Procedures.

MFS' policy is that proxy voting decisions are made in what MFS believes to be the best long-term economic interests of MFS' clients and not in the interests of any other party or in MFS' corporate interests, including interests such as the distribution of MFS Fund shares and institutional client relationships.

MFS reviews corporate governance issues and proxy voting matters that are presented for shareholder vote by either management or shareholders of public companies. Based on the overall principle that all votes cast by MFS on behalf of clients must be in what MFS believes to be the best long-term economic interests of such clients, MFS has adopted proxy voting guidelines that govern how MFS generally will vote on specific matters presented for shareholder vote.

As a general matter, MFS votes consistently on similar proxy proposals across all shareholder meetings. However, some proxy proposals, such as certain excessive executive compensation, environmental, social and governance matters, are analyzed on a case-by-case basis in light of all the relevant facts and circumstances of the proposal. Therefore, MFS may vote similar proposals differently at different shareholder meetings based on the specific facts and circumstances of the issuer or the terms of the proposal. In addition, MFS also reserves the right to override the guidelines with respect to a particular proxy proposal when such an override is, in MFS' best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS' clients.

MFS also generally votes consistently on the same matter when securities of an issuer are held by multiple client accounts, unless MFS has received explicit voting instructions to vote differently from a client for its own account. From time to time, MFS may also receive comments on the MFS Proxy Voting Policies and Procedures from clients. These comments are carefully considered when MFS reviews these guidelines and revises them as appropriate, in MFS' sole judgment.

The administration of the MFS Proxy Voting Policies and Procedures is overseen by the MFS Proxy Voting Committee, which includes senior personnel from the MFS Legal and Global Investment and Client Support Departments as well as members of the investment team. The Proxy Voting Committee does not include individuals whose primary duties relate to client relationship management, marketing or sales. The MFS Proxy Voting Committee:

- Reviews the MFS Proxy Voting Policies and Procedures at least annually and recommends any amendments considered to be necessary or advisable;
- Determines whether any potential material conflict of interest exists with respect to instances in which MFS (i) seeks to override the MFS Proxy Voting Policies and Procedures; (ii) votes on ballot items not governed by the MFS Proxy Voting Policies and Procedures; (iii) evaluates an excessive executive compensation issue in relation to the election of directors; or (iv) requests a vote recommendation from an MFS portfolio manager or investment analyst (*e.g.*, mergers and acquisitions);
- Considers special proxy issues as they may arise from time to time; and
- Determines engagement priorities and strategies with respect to MFS' proxy voting activities

The MFS Proxy Voting Committee is responsible for monitoring potential material conflicts of interest on the part of MFS or MFS subsidiaries that could arise in connection with the voting of proxies on behalf of MFS' clients. Due to the client focus of the firm's investment management business, MFS believes that the potential for actual material conflict of interest issues is small. Nonetheless, precautions have been developed to assure that all proxy votes are cast in the best long-term economic interest of clients. Other MFS internal policies require all MFS employees to avoid actual and potential conflicts of interests between personal activities and MFS' client activities. If an employee (including investment professionals) identifies an actual or potential conflict of interest with respect to any voting decision (including the ownership of securities in their individual portfolio), then that employee must recuse himself/herself from participating in the voting process. Any significant attempt by an employee of MFS or an MFS subsidiary to influence MFS' voting on a particular proxy matter should also be reported to the MFS Proxy Voting Committee.

In cases where proxies are voted in accordance with the MFS Proxy Voting Policies and Procedures, no material conflict of interest will be deemed to exist. In cases where (i) MFS is considering overriding the MFS Proxy Voting Policies and Procedures; (ii) matters presented for vote are not governed by the MFS Proxy Voting

Policies and Procedures; (iii) MFS evaluates a potentially excessive executive compensation issue in relation to the election of directors or advisory pay or severance package vote; or (iv) a vote recommendation is requested from an MFS portfolio manager or investment analyst (*e.g.*, mergers and acquisitions) (collectively, "Non-Standard Votes"), the MFS Proxy Voting Committee will follow these procedures:

- Compare the name of the issuer of such proxy against a list of significant current (i) distributors of MFS Fund shares, and (ii) MFS institutional clients (the "MFS Significant Distributor and Client List");
- If the name of the issuer does not appear on the MFS Significant Distributor and Client List, then no material conflict of interest will be deemed to exist, and the proxy will be voted as otherwise determined by the MFS Proxy Voting Committee;
- If the name of the issuer appears on the MFS Significant Distributor and Client List, then the MFS Proxy Voting Committee will be apprised of that fact and each member of the MFS Proxy Voting Committee will carefully evaluate the proposed vote in order to ensure that the proxy ultimately is voted in what MFS believes to be the best long-term economic interests of MFS' clients, and not in MFS' corporate interests; and
- For all potential material conflicts of interest identified in the prior bullet, the MFS Proxy Voting Committee will document: the name of the issuer, the issuer's relationship to MFS, the analysis of the matters submitted for proxy vote, the votes as to be cast and the reasons why the MFS Proxy Voting Committee determined that the votes were cast in the best long-term economic interests of MFS' clients, and not in MFS' corporate interests. A copy of the foregoing documentation will be provided to MFS' Conflicts Officer.

The members of the MFS Proxy Voting Committee are responsible for creating and maintaining the MFS Significant Distributor and Client List, in consultation with MFS' distribution and institutional business units. The MFS Significant Distributor and Client List will be reviewed and updated periodically, as appropriate.

MFS, on behalf of the firm and certain clients (including the MFS Funds), has entered into an agreement with an independent proxy administration firm, Institutional Shareholder Services, (the "Proxy Administrator"), pursuant to which the Proxy Administrator performs various proxy vote related administrative services, such as vote processing and recordkeeping functions. Proxies are voted in accordance with the MFS Proxy Voting Policies and Procedures. The Proxy Administrator, at the prior direction of MFS, automatically votes all proxy matters that do not require the particular exercise of discretion or judgment with respect to the MFS Proxy Voting Policies and Procedures as determined by MFS. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee considers and votes on those proxy matters. MFS also receives research and recommendations from the Proxy Administrator which the firm may take into account in deciding how to vote. MFS uses the firm's own internal research, the research of the Proxy Administrator and/or other third party research tools and vendors to identify (i) circumstances in which a board may have approved an executive compensation plan that is excessive or poorly aligned with the portfolio company's business or its shareholders; (ii) environmental and social proposals that warrant further consideration; or (iii) circumstances in which a non-U.S. company is not in compliance with local governance or compensation best practices. Representatives of the MFS Proxy Voting Committee review, as appropriate, votes cast to ensure conformity with the MFS Proxy Voting Policies and Procedures.

For votes that require a case-by-case analysis per the MFS Proxy Policies (*e.g.*, proxy contests, potentially excessive executive compensation issues, or certain shareholder proposals), a member of the proxy voting team will consult with or seek recommendations from MFS investment analysts and/or portfolio managers. However, the MFS Proxy Voting Committee will ultimately determine the manner in which such proxies are voted.

As noted, MFS reserves the right to override the guidelines when such an override is, in MFS' best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS' clients. Any such override of the guidelines shall be analyzed, documented and reported in accordance with the procedures set forth in the policies.

Mondrian Investment Partners Ltd. ("Mondrian"). Mondrian will vote proxies on behalf of clients pursuant to the firm's Proxy Voting Policies and Procedures (the "Procedures"). To help make sure that Mondrian votes client proxies in accordance with the Procedures and in the best interests of clients, it has established a Proxy Voting Committee (the "Committee"), which is responsible for overseeing the proxy voting process. The Committee consists of the following Mondrian personnel (i) two investment staff; (ii) chief operating officer; and (iii) chief compliance officer. The Committee will meet as necessary to help Mondrian fulfill its duties to vote proxies for clients.

One of the main responsibilities of the Committee is to review and approve the Procedures on a yearly basis. The Procedures are usually reviewed during the first quarter of the calendar year before the beginning of the "proxy voting season" and may also be reviewed at other times of the year, as necessary. When reviewing the Procedures, the Committee looks to see if the Procedures are designed to allow Mondrian to vote proxies in a manner consistent with the goal of voting in the best interests of clients and maximizing the value of the underlying shares being voted on by Mondrian. The Committee will also review the Procedures to make sure that they comply with any new rules promulgated by the SEC or other relevant regulatory bodies. After the Procedures are approved by the Committee, Mondrian will vote proxies or give advice on voting proxies generally in accordance with such Procedures.

In order to facilitate the actual process of voting proxies Mondrian has contracted with an independent company, Institutional Shareholder Services ("ISS"). As part of the annual approval process, the Committee will review the ISS proxy voting guidelines ("Guidelines"). If the Guidelines remain consistent with Mondrian's expectations for good corporate governance in the companies it invests in, Mondrian will adopt the Guidelines as the basis for its own proxy voting policy. Mondrian also reviews and assesses the services provided by ISS and will address any concerns as they arise.

Both ISS and the client's custodian monitor corporate events for Mondrian. Mondrian gives an authorization and letter of instruction to the client's custodian who then forwards proxy materials it receives to ISS so that ISS may vote the proxies. On a monthly basis, Mondrian will send ISS an updated list of client accounts and security holdings in those accounts so that ISS can update its database and is aware of which proxies it will need to vote on behalf of Mondrian clients. If needed, the Committee has access to these records.

Mondrian's investment analysts review all individual proxy voting motions. They will take into consideration the relevant facts and circumstances, the ISS recommendation, the ISS research, and any conflicts of interest to determine how the proxy should be voted so that the proxy is voted in the best interests of the client. As Mondrian has adopted the Guidelines, in the vast majority of cases, Mondrian will follow the ISS recommendation. However, there may be times when Mondrian believes that the best interests of the client will be better served if it votes a proxy counter to the ISS recommended vote on that proxy and, where that situation arises, the matter will be referred to the Committee.

The Committee will generally review the research provided by ISS on the particular issue, and it may also conduct its own research or, if necessary, solicit additional research from another third party on the issue. After gathering this information and possibly discussing the issue with other relevant parties, the Committee will use the information gathered to determine how to vote on the issue in a manner which the Committee believes is consistent with Mondrian's Procedures and in the best interests of the client.

ISS is then instructed to issue the vote. After a proxy has been voted, ISS will create a record of the vote in order to help Mondrian comply with the firm's duties.

Neuberger Berman Investment Advisers, LLC ("Neuberger Berman"). Neuberger Berman has implemented written Proxy Voting Policies and Procedures (Proxy Voting Policy) that are designed to reasonably ensure that Neuberger Berman votes proxies prudently and in the best interest of its advisory clients for whom Neuberger Berman has voting authority. The Proxy Voting Policy also describes how Neuberger Berman addresses any conflicts that may arise between its interests and those of its clients with respect to proxy voting. The following is a summary of the Proxy Voting Policy.

Neuberger Berman's Governance and Proxy Committee ("Proxy Committee") is responsible for developing, authorizing, implementing and updating the Proxy Voting Policy, administering and overseeing the proxy voting process, and engaging and overseeing any independent third-party vendors as voting delegates to review, monitor and/or vote proxies. In order to apply the Proxy Voting Policy noted above in a timely and consistent manner, Neuberger Berman utilizes Glass, Lewis & Co. LLC ("Glass Lewis") to vote proxies in accordance with Neuberger Berman's voting guidelines or, in instances where a material conflict has been determined to exist, in accordance with the voting recommendations of Glass Lewis.

Neuberger Berman retains final authority and fiduciary responsibility for proxy voting. Neuberger Berman believes that this process is reasonably designed to address material conflicts of interest that may arise between Neuberger Berman and a client as to how proxies are voted.

In the event that an investment professional at Neuberger Berman believes that it is in the best interest of a client or clients to vote proxies in a manner inconsistent with the voting guidelines, the Proxy Committee will review information submitted by the investment professional to determine that there is no material conflict of interest between Neuberger Berman and the client with respect to the voting of the proxy in the requested manner.

If the Proxy Committee determines that the voting of a proxy as recommended by the investment professional would not be appropriate, the Proxy Committee shall: (i) take no further action, in which case Glass Lewis shall vote such proxy in accordance with the proxy voting guidelines; (ii) disclose such conflict to the client or clients and obtain written direction from the client as to how to vote the proxy; (iii) suggest that the client or clients engage another party to determine how to vote the proxy; or (iv) engage another independent third party to determine how to vote the proxy.

Pacific Investment Management Company LLC ("PIMCO"). PIMCO has adopted a written proxy voting policy ("Proxy Policy") as required by Rule 206(4)-6 under the Advisers Act. The Proxy Policy is intended to foster PIMCO's compliance with the firm's fiduciary obligations and applicable law; the Proxy Policy applies to any voting or consent rights with respect to securities held in accounts over which PIMCO has discretionary voting authority. The Proxy Policy is designed in a manner reasonably expected to ensure that voting and consent rights are exercised in the best interests of PIMCO's clients.

As a general matter, when PIMCO has proxy voting authority, the firm has a fiduciary obligation to monitor corporate events and to take appropriate action on client proxies that come to the firm's attention. Each proxy is voted on a case-by-case basis, taking into account relevant facts and circumstances. When considering client proxies, PIMCO may determine not to vote a proxy in limited circumstances.

PIMCO has retained an industry service provider ("ISP") to provide research and voting recommendations for proxies relating to equity securities in accordance with the ISP's guidelines. By following the guidelines of an independent third party, PIMCO seeks to mitigate potential conflicts of interest the firm may have with respect to proxies covered by the ISP. PIMCO will follow the recommendations of the ISP unless: (i) the ISP does not provide a voting recommendation; or (ii) a portfolio manager decides to override the ISP's voting recommendation. In either such case as described previously, the Legal and Compliance department will review the proxy to determine whether a material conflict of interest, or the appearance of one, exists.

Fixed-income securities can be processed as proxy ballots or corporate action-consents at the discretion of the issuer/custodian. When processed as proxy ballots, the ISP generally does not provide a voting recommendation and its role is limited to election processing and recordkeeping. When processed as corporate action consents, the Legal and Compliance department will review all election forms to determine whether a conflict of interest, or the appearance of one, exists with respect to the portfolio manager's consent election. PIMCO's Credit Research and

Portfolio Management Groups are responsible for issuing recommendations on how to vote proxy ballots and corporation action consents with respect to fixed-income securities.

The Proxy Policy permits PIMCO to seek to resolve material conflicts of interest by pursuing any one of several courses of action. With respect to material conflicts of interest between PIMCO and a client account, the Proxy Policy permits PIMCO to either: (i) convene a working group to assess and resolve the conflict (the "Proxy Working Group"); or (ii) vote in accordance with protocols previously established by the Proxy Policy, the Proxy Working Group and/or other relevant procedures approved by PIMCO's Legal and Compliance department with respect to specific types of conflicts.

PIMCO will supervise and periodically review the firm's proxy voting activities and the implementation of the Proxy Policy.

Parametric Portfolio Associates LLC ("Parametric"). Parametric has adopted and implemented policies and procedures ("Proxy Voting Policies and Procedures") that govern proxy voting on behalf of clients for whom Parametric has voting responsibility. These policies and procedures are intended to ensure Parametric votes proxies in the best interests of clients, that Parametric complies with Rule 206(4)-6 and fulfills the firm's obligations to clients.

Parametric's policy is to vote proxies in a prudent and diligent manner after careful review of each company's proxy statement. Parametric votes on an individual basis and bases voting decisions on the firm's reasonable judgment of what will serve the best financial interest of clients, the beneficial owners of the security. If deemed necessary, Parametric may consider research and guidance issued by a third party proxy service provider when making a vote determination. In determining the firm's vote, Parametric will not and does not subordinate the economic interests of clients to any other entity or interested party. To ensure that Parametric votes proxies consistently with this policy, Parametric has established predetermined proxy voting guidelines (the "Guidelines"), which are contained within the Proxy Voting Policies and Procedures. The Guidelines are set annually by the firm's Corporate Governance Committee.

The firm's proxy voting is administered on a daily basis to ensure proxies are voted in accordance with the Guidelines or other specified guidelines set and provided by a client. In the unlikely event that a proxy is not addressed by the Guidelines, the proxy will be referred to the Proxy Voting Committee (the "Committee") for consideration.

The Committee meets on a quarterly basis to oversee and monitor the firm's proxy voting practices. The Committee is comprised of senior managers representing Operations, Compliance, Investment Strategy and Portfolio Management. In addition to being responsible for making vote determinations for ballot items not addressed by the Guidelines, the Committee considers requests from clients, portfolio managers or others to vote a proxy contrary to the Guidelines. On an annual basis, the Committee will review the Guidelines to ensure they are current, appropriate and designed to serve the best interest of clients and fund shareholders and recommend changes to the Corporate Governance Committee.

Parametric utilizes the criteria set by the Proxy Voting Committee to identify and actively monitor potential conflicts of interest which may compromise the firm's ability to vote in the best interest of clients. To avoid potential conflicts of interest, all proxies are voted by Parametric in accordance with the Guidelines. If a proxy is received and is not addressed by the Guidelines, the Proxy Voting Committee will review to determine if a material conflict exists. If a material conflict exists, Parametric will refrain from voting the proxy until it has disclosed the conflict and has received instructions from the clients as how to vote the proxy. The Committee will document its rationale when making determinations regarding potential conflicts of interest.

Payden & Rygel. Payden & Rygel expects to fulfill the firm's fiduciary obligation to clients by monitoring events concerning the issuer of the security and then voting the proxies in a manner that is consistent with the best interests of that client and that does not subordinate the client's interests to its own. To that end, Payden & Rygel has a Proxy Voting Committee to consider any issues related to proxy matters. Payden & Rygel considers all aspects of the issues presented by a proxy matter, and depending upon the particular client requirement, Payden & Rygel may vote differently for different clients on the same proxy issue.

Payden & Rygel carefully considers all aspects of each issue as it relates to a company, and the firm works with Glass Lewis & Co.'s proxy research service, which provides additional, detailed information on issues to be voted upon.

Perella Weinberg Partners Capital Management LP ("PWP"). As an investment adviser that exercises voting authority over client proxies, PWP has adopted policies and procedures reasonably designed to ensure that the firm votes proxies in the best interests of clients, to disclose to clients information about those policies and procedures, to disclose to clients how they may obtain information on how the firm has voted their proxies and to maintain certain records relating to proxy voting.

PWP's firm's clients each employ different investment strategies. The manner in which the firm votes or does not vote proxies depends, of course, in part upon the client's particular investment strategy. Proxies relating to any client accounts will be voted, if applicable, consistent with the investment and/or proxy voting parameters provided by the client.

- If a Proxy Voting Service is engaged, unless the relevant portfolio manager's standing instructions are to vote with relevant issuer's management, directors, general partners, managing members or trustees (collectively, the "Management"), vote with the advice of a Proxy Voting Service whose recommendations are intended to be in the best economic interest of investors.
- If a Proxy Voting Service is not engaged or if the relevant portfolio manager's standing instructions are to vote with relevant issuer's Management, vote with the recommendation of the relevant issuer's Management.
- Assessment of a scenario whereby a Proxy Voting Service's recommendation (if engaged) is not the same as Management. Voting will ultimately occur based upon an evaluation by the portfolio manager of all of the facts and circumstances relating to the proposal and in a manner believed to maximize the value of the client's holdings.

PWP's firm's portfolio managers generally rely on one or more of the above guidelines. In accordance with Rule 206(4)-6 under the Investment Advisers Act of 1940, the firm seeks to vote proxies on behalf of clients in a diligent manner and solely in the best interest of our clients in instances where the firm has discretionary authority to vote proxies.

Unless PWP has voted a proxy in accordance with clauses (A) or (B) above, PWP's Chief Compliance Officer ("CCO") will review the proxy for any material conflicts of interest the proxy vote may present. This process includes a review of the relationship of PWP and its affiliates with the issuer of the relevant security to determine if the issuer is a client of the firm or one of its affiliates or if the firm (including its officers and/or directors) has some other relationship with the issuer. Specifically, the CCO will determine whether any employees of the firm, or its affiliates, sit on the board of the issuer, whether the firm or any of its affiliates have an investment in the issuer, or whether the firm's general partner's investment banking affiliate has any investment banking relationship with the issuer. In the event a material conflict is identified, the CCO will conduct such due diligence and inquiry as is necessary to ensure that the vote has been made consistent with the objective to maximize shareholder value. The CCO will conduct the inquiry in such as a way as not to disclose material non-public information he may have to the firm's portfolio managers. In the event the CCO cannot be certain the vote was taken in the investor's best interests, he shall direct that the specific ballot item(s) not be cast. In all cases, the CCO shall keep (or rely on a Proxy Voting Service to keep) accessible records of proxy voting on behalf of clients.

RREEF America L.L.C. ("RREEF"), DWS Investments Australia Limited ("DIAL") and DWS Alternatives Global Limited ("DWS Global") (together, "RREEF"). RREEF follows the DWS Global Proxy Voting Policy and Guidelines (the "Policy"). The Policy implements standards that are reasonably designed to ensure that proxies are voted in the best economic interest of clients. The Policy outlines the responsibilities of the Global Proxy Voting Sub-Committee ("GPVSC"), which oversees DWS's proxy voting activities. The Policy also provides standards to address conflicts of interest and improper influence in reference to proxy voting. The proxy voting policies set forth standards that are designed to ensure that material conflicts of interest are avoided and/or resolved in a manner consistent with DWS's fiduciary role and the best economic interests of clients. Generally, under normal circumstances, DWS votes proxies in accordance with the firm's pre-determined proxy voting guidelines. In the limited circumstances where the GPVSC evaluates and votes a particular proxy, the GPVSC shall vote those proxies in accordance with what GPVSC, in good faith, determines to be the best economic interests of clients. If DWS determines, however, that a material conflict of interest exists with respect to a particular proxy that is being considered by the GPVSC, DWS will either follow (i) the instructions obtained from affected clients, if time permits; or (ii) the recommendations of an independent third-party proxy voting specialist.

Sands Capital Management, LLC ("Sands"). Sands' policies and procedures are designed to ensure that Sands is administering proxy voting matters in a manner consistent with the best interests of client and with the firm's fiduciary duties under applicable law. Sands seeks to discharge the firm's fiduciary duty to clients for whom Sands has proxy voting authority by monitoring corporate events and voting proxies solely in the best interests of clients. In voting proxies, Sands is neither an activist in corporate governance nor an automatic supporter of management. However, because Sands believes that the management teams of most companies it invests in generally seek to serve shareholder interests, Sands believes that voting proxy proposals in the client's best economic interests usually means voting with the recommendations of these management teams. Accordingly, Sands believes that the recommendation of management on any issue should be given substantial weight in determining how proxy issues are resolved.

Sands has established a Proxy Committee that is responsible for (i) the oversight and administration of proxy voting on behalf of Sands' clients, including developing, authorizing, implementing and updating Sands' proxy voting policies and procedures; (ii) overseeing the proxy voting process; and (iii) engaging and overseeing any third party service provider as voting agent to receive proxy statements and/or to provide information, research and other services intended to facilitate the proxy voting decisions made by Sands. The Proxy Committee has established guidelines that are applied generally and not absolutely, such that Sands' evaluation of each proposal will be performed in the context of the guidelines considering the circumstances of the company whose proxy is being voted. In evaluating a proxy proposal, a research team member may consider information from many sources, including management of the company, shareholder groups and independent proxy research services.

For routine matters, which generally means that such matter will not measurably change the structure, management, control or operation of the company and are consistent with customary industry standards and practices, as well as the laws of the state of incorporation applicable to the company, Sands will vote in accordance with the recommendation of the company's management, unless, in Sands' opinion, such recommendation is not conducive to long term value creation. Non-routine matters involve a variety of issues including, but not limited to, directors' liability and indemnity proposals, executive compensation plans, mergers, acquisitions and other restructurings submitted to a shareholder vote, anti-takeover and related provisions and shareholder proposals and will require company specific and a case-by-case review and analysis. With respect to matters that do not fit in the categories stated above, Sands will exercise best judgment as a fiduciary to vote in accordance with the best interest of clients.

When a Sands client participates in a securities lending program, Sands will not be able to vote the proxy of the shares out on loan. Sands will generally not seek to recall for voting the client shares on loan. However, under rare circumstances, for voting issues that may have a particularly significant impact on the investment, Sands may request a client to recall securities that are on loan if it is determined that the benefit of voting outweighs the costs and lost revenue to the client and the administrative burden of retrieving the securities. The research team member who is responsible for voting the proxy will notify the Proxy Committee in the event he/she believes a recall of loaned securities is necessary. In determining whether a recall of a security is warranted ("Significant Event"), Sands will take into consideration whether the benefit of the vote would be in the client's best interest despite the costs and the lost revenue to the client and the administrative burden of retrieving the securities. Sands may utilize third-party service providers to assist it in identifying and evaluating whether an event constitutes a Significant Event. The Proxy Committee will review the proxy proposals that have been determined to be Significant Events from time to time and will adjust the foregoing standard as it deems necessary.

For purposes of identifying conflicts, the Proxy Committee will rely on publicly available information about a company and its affiliates, information about the company and its affiliates that is generally known by Sands' employees and other information known by a member of the Proxy Committee. The Proxy Voting Committee may determine that Sands has a conflict of interest as a result of the following: (1) significant business relationship which may create an incentive for Sands to vote in favor of management; (2) significant personal or family relationships, meaning those that would be reasonably likely to influence how Sands votes the proxy; and (3) contact with Proxy Committee members for the purpose of influencing how a proxy is to be voted.

In the event that the Proxy Committee determines that Sands has a conflict of interest with respect to a proxy proposal, the Proxy Committee shall also determine whether the conflict is "material" to that proposal. The Proxy Committee may determine on a case-by-case basis that a particular proposal does not involve a material conflict of interest. To make this determination, the Proxy Committee must conclude that the proposal is not directly related to Sands' conflict with the issuer. If the Proxy Committee determines that a conflict is not material, then Sands may vote the proxy in accordance with the recommendation of the research team member. In the event that the Proxy Committee determines that Sands has a material conflict of interest with respect to a proxy proposal, Sands will vote on the proposal in accordance with the determination of the Proxy Committee. Alternatively, prior to voting on the proposal, Sands may (i) contact an independent third party to recommend how to vote on the proposal and vote in accordance with the recommendation of such third party; or (ii) with respect to client accounts that are not subject to ERISA, fully disclose the nature of the conflict to the client and obtain the client's consent as to how Sands will vote on the proposal. Sands may not address a material conflict of interest by abstaining from voting, unless the Proxy Committee has determined that abstaining from voting on the proposal is in the best interests of clients.

Schroder Investment Management North America Inc. ("SIMNA"). Central to SIMNA's investment process to analyze each investment's ability is to create, sustain and protect value to ensure that the firm can deliver returns in line with clients' objectives. Where appropriate, SIMNA also looks to engage and to vote with the objective of improving performance in these areas.

SIMNA believes the responsibility of investors includes protecting the interests of clients from the impacts of financial and non-financial risks. Assessing and engaging on sustainability is becoming more important to the investment process. SIMNA takes a consistent approach to voting globally, subject to regulatory restrictions that is in line with the firm's published environmental, social and governance ("ESG") policy.

The Schroders International Corporate Governance committee meets semi-annually to review voting decisions and compliance with the firm's proxy voting policy regarding corporate governance issues. The committee includes portfolio managers, compliance officers and members of the Schroders' Group dedicated ESG team. In addition, there is a local proxy committee that meets semi-annually and ad-hoc to review voting decisions and discuss any local issues.

SIMNA also has local policies in place to ensure the company meets the regulatory requirements of specific regions.

SIMNA uses proxy research from third party service providers. It considers their recommendations for voting on particular proxy proposals. SIMNA bears ultimate responsibility for proxy voting decisions. Occasionally, proxy voting proposals will raise conflicts between the firm's interests and those of clients. Those conflicts are management in accordance with the procedures set out in the Policy.

If SIMNA receives a proxy relating to an issuer that raises a material conflict of interest, the proxy is voted after review by the global head of equities. The proxy will be voted as follows: (i) If a proposal or aspect of the meeting business is specifically addressed unless the firm considers it is in the best interests of clients to depart specifically covered by the Policy, SIMNA may vote or act as it determines to be in the best interest of clients, provided that such vote or action would be against the firm's own interest in the matter (ii) If SIMNA believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then the firm will either 9(a) vote in accordance with the recommendations of a third party (which will be the supplier of the firm's proxy voting processing and research service); or (b) obtain approval of the decisions from the head of equities: the rationale of such vote will be recorded in writing; or (c) in exceptional cases, inform the client(s) of the conflict of interest and obtain consent to vote as recommended by the firm. If the third-party recommendation is unavailable, SIMNA will not vote.

Shenkman Capital Management, Inc. ("Shenkman"). When Shenkman has discretion to vote the proxies of clients, the firm will vote those proxies in the best interest of clients and in accordance with the Proxy Voting Policy and Procedures.

Shenkman will review the securities held in the firm's discretionary client accounts on a regular basis to confirm that copies of all proxy solicitation materials concerning such securities were received. Shenkman will vote all proxies on behalf of discretionary client accounts after carefully considering all proxy solicitation materials and other information and facts the firm deems relevant. A portfolio manager will make all voting decisions on behalf of a discretionary client account based solely on his/her determination of the best interests of that account. The portfolio manager will send his/her decision on how Shenkman will vote a proxy to the firm's Portfolio Administration Department, which will be responsible for making sure the proxy has been completed and returned to the issuer and/or the custodian in a timely and appropriate manner. Shenkman will use reasonable efforts to respond to each proxy solicitation by the deadline for such response.

Shenkman's general counsel shall monitor the firm's processing of proxy statements to assure that all proxy statements are handled and processed in accordance with the Proxy Voting Policy and Procedures. The general counsel will designate one or more team members of the firm to be responsible for ensuring that all proxy statements are received and that Shenkman responds to them in a timely manner.

Shenkman will review all proxy solicitation materials the firm receives concerning securities held in a discretionary client account. Shenkman will evaluate all such information and may seek additional information from the party soliciting the proxy and independent corroboration of such information when appropriate and when reasonably available. In the absence of specific voting guidelines from a client, Shenkman will vote proxies in the best interests of each particular client, which may result in different voting results for proxies for the same issuer. Shenkman believes that voting proxies in accordance with the firm's guidelines is in the best interests of clients.

Due to the size and nature of Shenkman's operations and the firm's limited affiliations in the securities industry, Shenkman does not expect that material conflicts of interest will arise between the firm and a discretionary client account over proxy voting. Shenkman recognizes, however, that such conflicts may arise from time to time, such as, for example, when Shenkman or one of the firm's affiliates has a business arrangement that could be affected by the outcome of a proxy vote or has a personal or business relationship with a person seeking appointment or reappointment as a director of a company. If a material conflict of interest arises, Shenkman will determine whether voting in accordance with the voting guidelines is in the best interests of the client. Under no circumstances will Shenkman place the firm's own interests ahead of the interests of discretionary client accounts in voting proxies.

If Shenkman determines that the Proxy Voting Policy and Procedures do not adequately address a material conflict of interest related to a proxy, Shenkman will provide the affected client with copies of all proxy solicitation materials received by the firm with respect to that proxy, notify that client of the actual or potential conflict of interest, and of Shenkman's intended response to the proxy request (which response will be in accordance with the Proxy Voting Policy and Procedures), and request that the client consent to Shenkman's intended response. If the client consents to the firm's intended response or fails to respond to the notice within a reasonable period of time specified in the notice, Shenkman will vote the proxy as described in the notice. If the client objects to the firm's intended response, Shenkman will vote the proxy as directed by the client.

TCW Investment Management Company LLC ("TCW"). Certain affiliates of The TCW Group, Inc. (these affiliates are collectively referred to as "TCW") act as investment advisors for a variety of clients, including mutual funds. If TCW has responsibility for voting proxies in connection with these investment advisory duties or has the responsibility to specify to an agent of the client how to vote the proxies, TCW exercises such voting responsibilities for clients through the corporate proxy voting process. TCW believes that the right to vote proxies is a significant asset of clients' holdings. In order to carry out fiduciary responsibilities in the voting of proxies for clients, TCW has established a proxy voting committee (the "Proxy Committee") and adopted proxy voting guidelines and procedures (the "Guidelines").

The Proxy Committee generally meets quarterly (or at such other frequency as determined by the Proxy Committee), and duties include establishing proxy voting guidelines and procedures, overseeing the internal proxy voting process and reviewing proxy voting issues. The members of the Proxy Committee include TCW personnel from the investment, compliance, legal and marketing departments. TCW also uses outside proxy voting services (each an "Outside Service") to help manage the proxy voting process. An Outside Service facilitates TCW's voting according to the Guidelines (or, if applicable, according to guidelines submitted by TCW's clients) and helps maintain TCW's proxy voting records. All proxy voting and record keeping by TCW is, of course, dependent on the timely provision of proxy ballots by custodians, clients and other third parties. Under specified circumstances involving potential conflicts of interest, an Outside Service may also be requested to help decide certain proxy votes. In those instances, the Proxy Committee shall periodically review and evaluate the voting recommendations of such Outside Service to ensure that recommendations are consistent with TCW's clients' best interests. In certain limited circumstances, particularly in the area of structured financing, TCW may enter into voting agreements or other contractual obligations that govern the voting of shares. In the event of a conflict between any such contractual requirements and the Guidelines, TCW will vote in accordance with its contractual obligations. In the event that TCW inadvertently receives any proxy materials on behalf of a client that has retained proxy voting responsibility, and where it is reasonably feasible for TCW to determine the identity of the client, TCW will promptly forward such materials to the client.

As a matter of firm policy, TCW does not disclose to unaffiliated third parties how the firm expects to vote on upcoming proxies and does not disclose the way the firm voted proxies without a legitimate need to know such information.

Philosophy. When voting proxies, TCW's utmost concern is that all decisions be made solely in the interests of the client and with the goal of maximizing the value of the client's investments. Generally, proposals will be voted in accordance with the Guidelines and any applicable guidelines provided by TCW's clients. TCW's underlying philosophy, however, is that the firm's portfolio managers, who are primarily responsible for evaluating the individual holdings of TCW's clients, are best able to determine how to further client interests and goals. The portfolio managers may, in their discretion, take into account the recommendations of TCW management, the Proxy Committee and an Outside Service.

Proxy Voting Overrides. Individual portfolio managers, in the exercise of their best judgment and discretion, may from time to time override the Guidelines and vote proxies in a manner that they believe will enhance the economic value of clients' assets, keeping in mind the best interests of the beneficial owners. A portfolio manager choosing to abstain on a vote or override the Guidelines must deliver a written rationale for each such decision to TCW's Proxy Specialist (the "Proxy Specialist"), who will maintain such documentation in TCW's proxy voting records and deliver a quarterly report to the Proxy Committee of all votes cast other than in accordance with the Guidelines. If the Proxy Specialist believes there is a question regarding a portfolio manager's written rationale, he/she will obtain the approval of TCW's director of research (the "Director of Research") for the written rationale before submitting it. The Director of Research will review the portfolio manager's written rationale and make a determination. If the Director of Research believes the vote is appropriate, he/she may elect to convene the Proxy Committee for independent consideration as to how the vote should be cast.

Conflicts of Interest. In the event a potential conflict of interest arises in the context of voting proxies for TCW's clients, the primary means by which TCW will avoid a conflict is by casting such votes solely according to the Guidelines and any applicable guidelines provided by TCW's clients. If a potential conflict of interest arises and there is no predetermined vote, or the Guidelines (or any applicable TCW client guidelines) themselves refer such vote to the portfolio manager for decision, or the portfolio manager would like to override a predetermined vote, then TCW will undertake the following analysis.

Where the issuer soliciting proxy votes is itself a client of TCW's (or because an affiliate of such issuer, such as a pension or profit sharing plan sponsored by such issuer, is a client of TCW's), then the Proxy Specialist will determine whether such relationship may be deemed not to be material to TCW based on the level of assets under management and other relevant facts and circumstances. Where the relationship is deemed material, TCW will refrain completely from exercising discretion with respect to voting the proxy with respect to such vote and will, instead, refer that vote to an Outside Service for its independent consideration as to how the vote should be cast.

Where an employee of TCW sits on the board of a public company, the Proxy Specialist will determine whether such board member is the portfolio manager for the account holding the security, or whether the board member has spoken with the portfolio managers for the account holding the security. If either the particular board member is the portfolio manager or there has been communication concerning such proxy vote between the portfolio manager and the particular board member, then the Proxy Specialist will provide the Proxy Committee with the facts and vote rationale so that it can determine and vote the securities.

When the issuer is a key vendor or broker of TCW, the Proxy Specialist will determine if the portfolio manager for the account(s) holding the security has spoken with the key vendor or broker about the upcoming proxy vote. If there has been communication concerning the proxy vote between the portfolio manager and the key vendor or broker, the relationship will be deemed material. The Proxy Specialist will provide the Proxy Committee with the relevant facts and the Proxy Committee will vote the proxy.

Where the issuer is an affiliate of TCW, TCW will refrain completely from exercising discretion with respect to voting the proxy with respect to such a vote and will, instead, refer that vote to an Outside Service for independent consideration as to how the vote should be cast.

Where any other portfolio manager conflict is identified with respect to a given proxy vote, the Proxy Committee will remove such vote from the conflicted portfolio manager and will itself consider and cast the vote.

Proxy Voting Information and Recordkeeping. Upon request to the Proxy Specialist, TCW provides proxy voting records to clients. These records state how votes were cast on behalf of client accounts, whether a particular matter was proposed by the company or a shareholder, and whether or not TCW voted in line with management recommendations.

TCW or an Outside Service will keep records of the following items: (i) these Proxy Voting Guidelines and any other proxy voting procedures; (ii) proxy statements received regarding client securities (unless such statements are available on the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system); (iii) records of votes cast on behalf of clients (if maintained by an Outside Service, that Outside Service will provide copies of those records promptly upon request); (iv) records of written requests for proxy voting information and TCW's response (whether a client's request was oral or in writing); and (v) any documents prepared by TCW that were material to making a decision how to vote, or that memorialized the basis for the decision, including proxy overrides delivered to the Proxy Specialist and decisions of the Proxy Committee. Additionally, TCW or an Outside Service will maintain any documentation related to an identified material conflict of interest.

TimesSquare Capital Management, LLC ("TSCM"). TSCM may exercise voting authority for certain clients. TSCM has written policies and procedures with respect to the voting of proxies that are reasonably designed to ensure that TSCM votes proxies in the best interests of clients and that such votes are properly and timely exercised. Such policies include voting guidelines, which assist in evaluating proxy proposals, and procedures for dealing with conflicts of interest that may arise between the interests of TSCM, including the firm's affiliates, and clients. TSCM will vote for proposals the firm believes will maximize shareholder value over the long-term and vote against proposals that are judged to have a material adverse impact on shareholder value or reduce shareholder rights. In exercising voting authority, TSCM considers the firm's own research and the proxy research of an independent proxy agent. TSCM also utilizes an independent proxy agent to perform certain proxy administrative services, including monitoring positions for upcoming votes, obtaining proxies, voting proxies in accordance with TSCM's authorization and recording proxy votes.

WCM Investment Management, LLC ("WCM"). WCM accepts responsibility for voting proxies whenever requested by a client or as required by law. Each client's investment management agreement should specify whether WCM is to vote proxies relating to securities held for the client's account. If the agreement is silent as to the proxy voting and no instructions from the client are on file, WCM will assume responsibility of proxy voting.

In cases in which WCM has proxy voting authority for securities held by the firm's advisory clients, WCM will ensure securities are voted for the exclusive benefit, and in the best economic interest, of those clients and their beneficiaries, subject to any restrictions or directions from a client. Such voting responsibilities will be exercised in a manner that is consistent with the general antifraud provisions of the Advisers Act and the proxy voting rule, Rule 206(4)-6, as well as with WCM's fiduciary duties under federal and state law to act in the best interests of its clients.

Third Party Proxy Voting Service. In general, WCM believes that the firm's clients' best economic interest with regards to proxy voting is best served by engaging an independent firm that specializes in researching companies and their management for the purpose of increasing investor's potential financial gain through voting proxies. WCM has, therefore, engaged and adopted the following proxy voting policies of Glass, Lewis & Co. ("Glass Lewis"): U.S. Policy, International Policy and Investment Manager Policy. In the event of a special client request, WCM will also accommodate the following styles: Taft Hartley, public pension, ESG (environmental, social and government practice) and management supportive. In limited circumstances, however, WCM may choose to vote a proxy against the recommendation of Glass Lewis, if WCM believes such vote is in the best economic interest of clients. In such cases, this decision will be made by the Investment Strategy Group ("ISG") who will maintain documentation to support WCM's decision.

The purpose of Glass Lewis' proxy research and advice is to facilitate shareholder voting in favor of governance structures that will drive performance, create shareholder value and maintain a proper tone at the top. Because Glass Lewis is not in the business of providing consulting services to public companies, it can focus solely on the best interests of investors. Glass Lewis' approach to corporate governance is to look at each company individually and determine what is in the best interests of the shareholders of each particular company. Research on proxies covers more than just corporate governance – Glass Lewis analyzes accounting, executive compensation, compliance with regulation and law, risks and risk disclosure, litigation and other matters that reflect on the quality of board oversight and company transparency.

Role of the Proxy Administrator. The Proxy Administrator oversees and administers WCM's proxy voting process. For each client, the Proxy Administrator initially determines whether (i) WCM is vested with proxy voting responsibility or whether voting is reserved to the client or delegated to another designee; (ii) the client has adopted a proxy voting policy that WCM is required to follow; and (iii) the client requires any periodic report of votes cast for its account or any comparative report of votes cast in relation to its proxy voting policy, if different from WCM's.

Once a client account is established and proxy voting responsibility is determined, the Proxy Administrator is responsible for ensuring that proxy materials for each account to be voted are received and voted in a timely manner. The Proxy Administrator instructs registered owners of record (*e.g.,* the client, trustee or custodian) that receive proxy materials from the issuer or its information agent to send proxies electronically directly to ProxyEdge®, a Broadridge product. WCM has engaged ProxyEdge®, a third-party service provider, to: (i) provide notification of impending votes; (ii) vote proxies based on Glass Lewis and/or WCM recommendations; and (iii) maintain records of such votes electronically. The Proxy Administrator, in conjunction with ProxyEdge®, ensures that information is compiled and maintained for each client for which WCM votes proxies, showing the issuer's name, meeting date and manner in which votes were cast on each proposal. WCM shares client holdings and other relevant information with ProxyEdge® to ensure that votes are cast and captured accurately and relies on ProxyEdge® to compile and maintain voting records electronically. Proxy materials received inadvertently for client accounts over which WCM has no voting authority are forwarded on to clients.

Role of the Analyst and ISG. If a proposal requires case-by-case analysis, the analyst brings a recommendation to the ISG for decision. The ISG is ultimately responsible for voting case-by-case proposals. The ISG also has authority to override the recommendation of Glass Lewis when the ISG believes such vote is in the best economic interest of WCM's clients. Documentation will be provided by the ISG and maintained by the Proxy Administrator supporting the rationale for any vote cast against the recommendation of Glass Lewis and case-by case proposals.

Certain Proxy Votes May Not Be Cast. In some cases, WCM may determine that it is in the best interests of the firm's clients to abstain from voting certain proxies. WCM will abstain from voting in the event any of the following conditions are met with regard to a proxy proposal: (i) neither Glass Lewis' recommendation nor specific client instructions cover an issue; or (ii) in circumstances where, in WCM's judgment, the costs of voting the proxy exceed the expected benefits to the client.

In addition, WCM will only seek to vote proxies for securities on loan when such a vote is deemed to have a material impact on the account. Materiality is determined by the ISG. Further, in accordance with local law or business practices, many foreign companies prevent the sales of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting ("share blocking"). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior to the meeting (*e.g.,* one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the "block" restriction lifted early (*e.g.,* in some countries shares generally can be "unblocked" up to two days prior to the meeting; whereas in other countries, the removal of the block appears to be discretionary with the issuer's transfer agent). WCM believes that the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, WCM generally will not vote those proxies subject to "share blocking."

Identifying and Dealing with Material Conflicts of Interest between WCM and Proxy Issuer. WCM may choose to vote a proxy against the recommendation of Glass Lewis, if WCM believes such vote is in the best economic interest of clients. Such a decision will be made and documented by the ISG. Because WCM retains this authority, it creates a potential conflict of interest between WCM and the proxy issuer. As a result, WCM may not overrule Glass Lewis' recommendation with respect to a proxy unless the following steps are taken by WCM's chief compliance officer ("CCO"):

- The CCO must determine whether WCM has a conflict of interest with respect to the issuer that is the subject of the proxy. The CCO will use the following standards to identify issuers with which WCM may have a conflict of interest. (a) *Significant Business Relationships* – The CCO will determine whether WCM may have a significant business relationship with the issuer, such as, for example, where WCM manages a pension plan. For this purpose, a "significant business relationship" is one that: (i) represents 1% or $1,000,000 of WCM's revenues for the fiscal year, whichever is less, or is reasonably expected to represent this amount for the current fiscal year; or (ii) may not directly involve revenue to WCM but is otherwise determined by the CCO to be significant to WCM. (b) *Significant Personal/Family Relationships* – The CCO will determine whether any supervised persons who are involved in the proxy voting process may have a significant personal/family relationship with the issuer. For this purpose, a "significant personal/family relationship" is one that would be reasonably likely to influence how WCM votes proxies. To identify any such relationships, the CCO shall obtain information about any significant personal/family relationship between any supervised persons of WCM who is involved in the proxy voting process (*e.g.,* ISG members) and senior employees of issuers for which WCM may vote proxies.

- If the CCO determines that WCM has a conflict of interest with respect to the issuer, the CCO shall determine whether the conflict is "material" to any specific proposal included within the proxy. If not, then WCM can vote the proxy as determined by the ISG. The CCO shall determine whether a proposal is material as follows:(a) *Routine Proxy Proposals* – Proxy proposals that are "routine" shall be presumed not to involve a material conflict of interest for WCM, unless the ISG has actual knowledge that a routine proposal should be treated as material. For this purpose, "routine" proposals would typically include matters such as the selection of an accountant, uncontested election of directors, meeting formalities and approval of an annual report/financial statements. (b) *Non-Routine Proxy Proposals* – Proxy proposals that are "non-routine" shall be presumed to involve a material conflict of interest for WCM, unless the CCO determines that WCM's conflict is unrelated to the proposal in question (see (c) below). For this purpose, "non-routine" proposals would typically include any contested matter, including a contested election of directors, a merger or sale of substantial assets, a change in the articles of incorporation that materially affects the rights of shareholders and compensation matters for management (*e.g.,* stock option plans, retirement plans, profit sharing or other special remuneration plans). (c) *Determining that a Non-Routine Proposal is Not Material* – As discussed above, although non-routine proposals are presumed to involve a material conflict of interest, the CCO may determine on a case-by-case basis that particular non-routine proposals do not involve a material conflict of interest. To make this determination, the CCO must conclude that a proposal is not directly related to WCM's conflict with the issuer or that it otherwise would not be considered important by a reasonable investor. The CCO shall record in writing the basis for any such determination.
- For any proposal where the CCO determines that WCM has a material conflict of interest, WCM may vote a proxy regarding that proposal in any of the following manners:(a) *Obtain Client Consent or Direction* – If the CCO approves the proposal to overrule the recommendation of Glass Lewis, WCM shall fully disclose to each client holding the security at issue the nature of the conflict and obtain the client's consent to how WCM will vote on the proposal (or otherwise obtain instructions from the client as to how the proxy on the proposal should be voted). (b) *Use Glass Lewis' Recommendation* – Vote in accordance with Glass Lewis' recommendation.
- For any proposal where the CCO determines that WCM does not have a material conflict of interest, the ISG may overrule Glass Lewis' recommendation if the ISG reasonably determines that doing so is in the best interests of WCM's clients. If the ISG decides to overrule Glass Lewis' recommendation, the ISG will maintain documentation to support their decision.

Dealing with Material Conflicts of Interest between a Client and Glass Lewis or Proxy Issuer. In the event that WCM is notified by a client regarding a conflict of interest between the client and Glass Lewis or the proxy issuer, the CCO will evaluate the circumstances and either: (i) elevate the decision to the ISG who will make a determination as to what would be in the client's best interest; (ii) if practical, seek a waiver from the client of the conflict; or (iii) if agreed upon in writing with the clients, forward the proxies to affected clients allowing them to vote their own proxies.

Wellington Management Company LLP ("Wellington"). Wellington has adopted and implemented policies and procedures that the firm believes are reasonably designed to ensure that proxies are voted in the best economic interests of clients for whom the firm exercises proxy voting discretion. Wellington's Proxy Voting Guidelines (the "Guidelines") set forth broad guidelines and positions on common proxy issues that Wellington uses in voting on proxies. In addition, Wellington also considers each proposal in the context of the issuer, industry and country or countries in which the issuer's business is conducted. The Guidelines are not rigid rules, and the merits of a particular proposal may cause Wellington to enter a vote that differs from the Guidelines.

Wellington (i) votes client proxies for which clients have affirmatively delegated proxy voting authority, in writing, unless the firm determines that it is in the best interest of one or more clients to refrain from voting a given proxy; (ii) votes all proxies in the best interests of the client for whom the firm is voting (*i.e.*, to maximize economic value); and (iii) identifies and resolves all material proxy-related conflicts of interest between the firm and clients in the best interests of the client.

The Investment Research Group ("Investment Research") monitors regulatory requirements with respect to proxy voting and works with the firm's Legal and Compliance Group and the Corporate Governance Committee to develop practices that implement those requirements. Investment Research also acts as a resource for portfolio managers and research analysts on proxy matters as needed. Day-to-day administration of the proxy voting process is the responsibility of Investment Research. The Corporate Governance Committee is responsible for oversight of the implementation of the Global Proxy Policy and Procedures, review and approval of the Guidelines and providing advice and guidance on specific proxy votes for individual issuers.

Wellington uses the services of a third-party voting agent to manage the administrative aspects of proxy voting. The voting agent processes proxies for client accounts, casts votes based on the Guidelines and maintains records of proxies voted.

If a client requests that Wellington vote proxies on its behalf, the client must instruct the custodian bank to deliver all relevant voting material to Wellington or its voting agent. Each public security proxy received by electronic means is matched to the securities eligible to be voted and a reminder is sent to any custodian or trustee that has not forwarded the proxies as due. Although proxies received for private securities, as well as those received in non-electronic format, are voted as received, Wellington is not able to reconcile these proxies to holdings, nor does the firm notify custodians of non- receipt.

In addition to proprietary research undertaken by Wellington investment professionals, Investment Research conducts proxy research internally and uses the resources of a number of external sources to keep abreast of developments in corporate governance and of current practices of specific companies.

Following the reconciliation process, each proxy is compared against the Guidelines, and handled as follows:

- Generally, issues for which explicit proxy voting guidance is provided in the Guidelines (*i.e.,* "For", "Against", "Abstain") are reviewed by Investment Research and voted in accordance with the Guidelines.
- Issues identified as "case-by-case" in the Guidelines are further reviewed by Investment Research. In certain circumstances, further input is needed, so the issues are forwarded to the relevant research analyst and/or portfolio manager(s) for their input.
- Absent a material conflict of interest, the portfolio manager has the authority to decide the final vote. Different portfolio managers holding the same securities may arrive at different voting conclusions for their clients' proxies.

Wellington reviews regularly the voting record to ensure that proxies are voted in accordance with the Global Proxy Policy and Procedures and the Guidelines and ensures that documentation and reports, for clients and for internal purposes, relating to the voting of proxies are promptly and properly prepared and disseminated.

Wellington's broadly diversified client base and functional lines of responsibility serve to minimize the number of, but not prevent, material conflicts of interest the firm faces in voting proxies. Annually, the Corporate Governance Committee sets standards for identifying material conflicts based on client, vendor and lender relationships and publishes those standards to individuals involved in the proxy voting process. In addition, the Corporate Governance Committee encourages all personnel to contact Investment Research about apparent conflicts of interest, even if the apparent conflict does not meet the published materiality criteria. Apparent conflicts are reviewed by designated members of the Corporate Governance Committee to determine if there is a conflict and if so whether the conflict is material.

If a proxy is identified as presenting a material conflict of interest, the matter must be reviewed by designated members of the Corporate Governance Committee, who will resolve the conflict and direct the vote. In certain circumstances, the designated members may determine that the full Corporate Governance Committee should convene.

In certain instances, Wellington may be unable to vote or may determine not to vote a proxy on behalf of one or more clients. While not exhaustive, potential instances in which a proxy vote might not be entered are:

- *Securities Lending* – In general, Wellington does not know when securities have been lent out pursuant to a client's securities lending program and are therefore unavailable to be voted. Efforts to recall loaned securities are not always effective, but in rare circumstances, Wellington may recommend that a client attempt to have the custodian recall the security to permit voting of related proxies.
- *Share Blocking and Re-registration* – Certain countries impose trading restrictions or requirements regarding re-registration of securities held in omnibus accounts in order for shareholders to vote a proxy. The potential impact of such requirements is evaluated when determining whether to vote such proxies.
- *Lack of Adequate Information, Untimely Receipt of Proxy Materials or Excessive Costs* – Wellington may abstain from voting a proxy when the proxy statement or other available information is inadequate to allow for an informed vote, when the proxy materials are not delivered in a timely fashion or when, in Wellington's judgment, the costs exceed the expected benefits to clients (such as when powers of attorney or consularization are required).

Western Asset Management Company and Western Asset Management Company Limited (together, "Western"). As a fixed-income only manager, the occasion to vote proxies is very rare. However, Western has adopted and implemented policies and procedures that the firm believes are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with the firm's fiduciary duties and SEC Rule 206(4)-6 under the Advisers Act. In addition to SEC requirements governing advisers, Western's proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts. Unless a manager of ERISA assets has been expressly precluded from voting proxies, the Department of Labor has determined that the responsibility for these votes lies with the investment manager.

While the guidelines included in the procedures are intended to provide a benchmark for voting standards, each vote is ultimately cast on a case-by-case basis, taking into consideration the firm's contractual obligations to clients and all other relevant facts and circumstances at the time of the vote (such that these guidelines may be overridden to the extent the firm deems appropriate).

In exercising its voting authority, Western will not consult or enter into agreements with officers, directors or employees of Legg Mason Inc. or any of its affiliates (other than Western affiliated companies) regarding the voting of any securities owned by clients.

Once proxy materials are received by the corporate actions department, they are forwarded to the legal and compliance department for coordination and the following actions: (i) Proxies are reviewed to determine accounts impacted; (ii) Impacted accounts are checked to confirm the firm's voting authority; (iii) Legal and Compliance Department staff reviews proxy issues to determine any material conflicts of interest; (iv) if a material conflict of interest exists, (a) to the extent reasonably practicable and permitted by applicable law, the client is promptly notified, the conflict is disclosed and the firm obtains the client's proxy voting instructions, and (b) to the extent that it is not reasonably practicable or permitted by applicable law to notify the client and obtain such instructions (*e.g.*, the client is a mutual fund or other commingled vehicle or is an ERISA plan client), the firm seeks voting instructions from an independent third party; (v) legal and compliance department staff provides proxy material to the appropriate research analyst or portfolio manager to obtain his or her recommended vote. Research analysts and portfolio managers determine votes on a case-by-case basis taking into account the voting guidelines contained in the procedures. For avoidance of doubt, depending on the best interest of each individual client, Western may vote the same proxy differently for different clients. The analyst's or portfolio manager's basis for their decision is documented and maintained by the legal and compliance department (iv) the legal and compliance department staff votes the proxy pursuant to the instructions received as noted in (iv) or (v) and returns the voted proxy as indicated in the proxy materials.

GuideStone Funds

5005 Lyndon B. Johnson Freeway, Suite 2200, Dallas, TX 75244-6152
1-888-GS-FUNDS • *GuideStoneFunds.com*

Funds distributed by Foreside Funds Distributors LLC
400 Berwyn Park, 899 Cassatt Road, Suite 110, Berwyn, PA 19312

811-10263