

GUIDESTONE STRATEGIC ALTERNATIVES FUND

GFSZX | INVESTOR SHARE CLASS

GFSYX | INSTITUTIONAL SHARE CLASS



For Investment Professional Use Only-Not For Retail Use

INVESTMENT OBJECTIVE

The Strategic Alternatives Fund seeks absolute returns with both lower volatility than and low correlation with traditional equity and fixed income markets.

MARKET OPPORTUNITY

The U.S. equity bull market — now the longest in history — is clearly showing signs of late cycle behavior. While no one can say with confidence when a market or economic downturn will occur, we believe we may soon enter a lower-return market environment defined by higher levels of risk and unpredictability.

When markets are — or are expected to be — volatile, many investors reallocate a portion of their portfolios from equity to fixed income in an attempt to “preserve” their investment assets. With tightening U.S. monetary policy and a flattening U.S. Treasury yield curve, fixed income may not be the most attractive option for volatility management in today’s market climate.

With the GuideStone Strategic Alternatives Fund, investors can think outside the style box. The Fund uses a diversified mix of non-traditional investment strategies — each with lower correlation to conventional equity and fixed income asset classes — while seeking to produce similar returns and volatility to core fixed income holdings over time.

In times of higher expected volatility and lower expected returns, it is important for investors to be as diversified as possible. Allocations to non-traditional asset classes and strategies give investors added flexibility to take advantage of market opportunities — and in a more risk-efficient manner than is possible with a simple stock/bond investment mix.

WHY ALTERNATIVES?

Over the past several years, growing investor appetite for non-traditional investment options has produced a wave of alternative investment strategies in the marketplace. Alternative investments offer both retail and institutional investors a variety of benefits — many of which cannot be found in traditional asset classes such as equity and fixed income.

Key reasons to consider alternative investments include:

CONSISTENT RETURNS

Historically, alternatives have produced attractive risk-adjusted returns on a more consistent basis compared to equity and fixed income.

DIVERSIFICATION OF RISK

Alternative investment strategies provide a broader investment universe, which can help to hedge risk exposure within a portfolio and provide multiple differentiated sources of potential alpha.

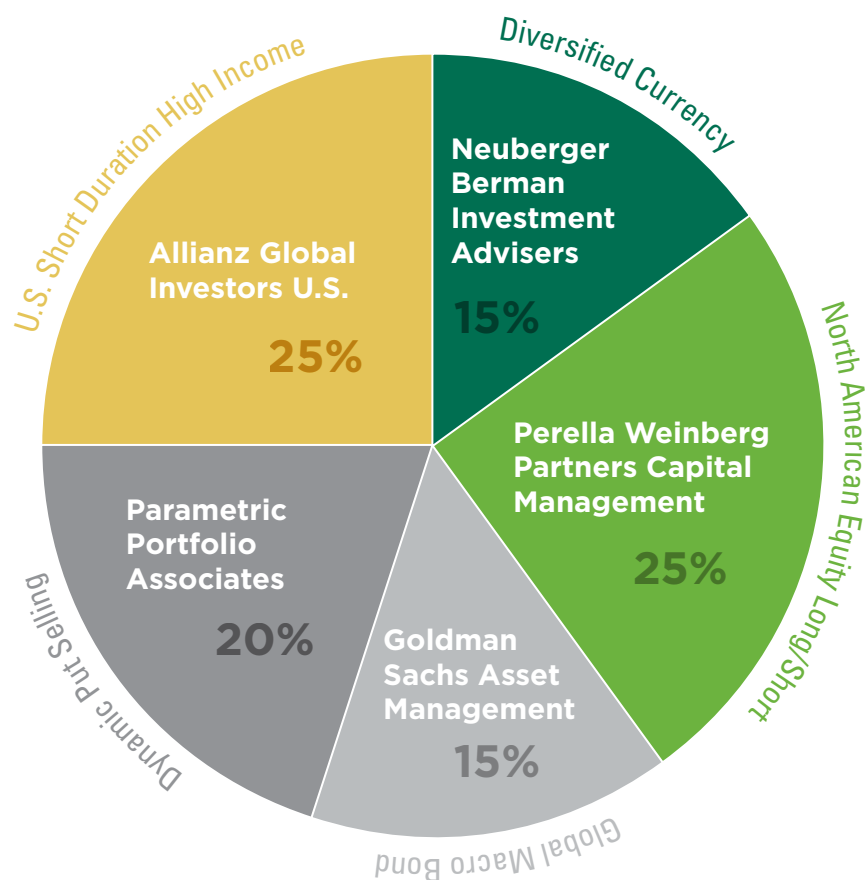
LOW CORRELATION

Alternative investment strategies provide enhanced diversification and correlation benefits compared to conventional asset classes, which helps to lower volatility and potentially reduce risk in traditionally allocated portfolios.



“With its lower-volatility approach and absolute return orientation, the GuideStone Strategic Alternatives Fund is unique in the diversified liquid alternatives space. It combines short-term high-yield, long/short equity, options, currency trading and global macro strategies to provide low correlation to traditional asset classes. The Fund, which is actively managed, aims to produce more consistent return patterns over medium-term time horizons and can be a strong portfolio diversifier for risk-sensitive investors.”

– Tim Bray, CFA, CAIA, Senior Portfolio Manager, Private Markets



SUB-ADVISER ALLOCATIONS

Using in-depth quantitative modeling and disciplined qualitative assessments, GuideStone® believes the combination of sub-advisers as described above provides the best opportunity for risk-adjusted returns in the Fund. These strategies offer low correlation to each other, as well as to traditional asset classes, by providing diversification and pursuing reduced volatility in all market environments.

The diversified currency strategy, managed by Neuberger Berman Investment Advisers, is a currency trading strategy that seeks to take advantage of temporary dislocations in foreign currency markets. The strategy uses multiple factors, time horizons and trading approaches to provide an uncorrelated, alpha-based return stream within a disciplined, risk-controlled framework. It is managed in a discretionary manner, using fundamental tools to assess relative value among currencies.

The North American equity long/short strategy, managed by Perella Weinberg Partners Capital Management, is a long/short equity strategy that utilizes both traditional (low net) and event-driven investment approaches. The strategy's absolute return focus should limit losses during periods of market volatility, while its ability to pursue event-driven opportunities can help the Fund exploit significant corporate events such as mergers, acquisitions, tender offers, recapitalizations and divestitures.

The global macro bond strategy, managed by Goldman Sachs Asset Management, makes extensive use of derivatives to trade in interest rate and currency markets across both developed and emerging market countries. The strategy utilizes seven distinct alpha-oriented sub-strategies to allocate portfolio risk based upon the sub-adviser's analysis of the overall macroeconomic environment, forward-looking expectations, risk-adjusted return potential and correlation amongst the sub-strategies.

The dynamic put selling strategy, managed by Parametric Portfolio Associates, sells fully collateralized put options on the S&P 500® Index, with the collateral invested in U.S. Treasury bills. The strategy seeks to capitalize on the mispricing of risk historically embedded in options, generating structural alpha while providing the potential for uncorrelated excess returns. It is expected to produce consistently positive absolute returns in all market environments except when the S&P 500® experiences significantly large and steep drawdowns.

The U.S. short duration high income strategy, managed by Allianz Global Investors U.S., is expected to be a lower-risk strategy within the Fund, providing dedicated exposure to short-duration, high-yield, higher-quality securities. With an absolute return focus and emphasis on capital preservation and liquidity, this strategy seeks to bring increased yield and return consistency while helping the Fund generate uncorrelated excess returns.

USING THE GUIDESTONE STRATEGIC ALTERNATIVES FUND

Consider reallocating to the Fund from other diversifying assets — like fixed income — to help improve a portfolio's risk profile and increase its risk-adjusted return potential.

The Fund's primary competitive advantages include:

- **Higher liquidity than institutional alternative investments**
 - The Fund invests entirely in actively traded, highly liquid securities and issuers. This liquidity allows each of the Fund's sub-advisers to modify their exposures based on conviction — providing opportunities to more readily capitalize on market dislocations and offering profit potential independent of stock market directionality.
- **Lower cost versus peers**
 - The expense ratios for the Fund are 1.13%/1.12% (gross/net) for Institutional shares and 1.46%/1.45% (gross/net) for Investor shares, which compare favorably to other registered liquid alternative mutual funds. The Fund's highly skilled sub-advisers are specialists in their designated areas and have experience with the goal of delivering excess returns in multiple market environments — preparing them to find alpha opportunities in a more efficient manner and reducing their overall cost of management.

There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including potential loss of principal. Diversification does not ensure a profit or protect against loss.

THE GUIDESTONE DIFFERENCE

Since 2001, GuideStone has been a trusted investment manager for both institutional and individual investors. With \$13.2 billion in assets under management as of September 30, 2018, GuideStone Funds® is the nation's largest Christian-screened mutual fund family. We offer a wide array of equity, fixed income, real assets and alternatives/specialty investment options to complement any portfolio.

INTENTIONAL RISK

Our goal is to understand the specific risks within a fund. We make intentional risk-allocation decisions — emphasizing risks we believe will compensate investors through excess returns while simultaneously de-emphasizing risks we believe will not efficiently produce excess returns over time.

RIGOROUS SUB-ADVISER RESEARCH

Experienced and diligent qualitative analysis, combined with robust quantitative analytics, allows us to evaluate, select and monitor sub-advisers — the combination of whom we believe provides the best opportunity for alpha within the Fund.

CHRISTIAN SCREEN

We 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.

Please note: There can be no guarantee that any strategy will be successful. Investing involves risk, including potential loss of principal.

The alternative investment strategies that the Fund pursues are complex and may involve greater risk than traditional investments (stocks, bonds and cash). The performance of alternative investments is not expected to correlate closely with more traditional investments; however, it is possible that alternative investments will decline in value along with equity or fixed-income markets, or both, or that they may not otherwise perform in accordance with expectations. Alternative investments can be highly volatile, are often less liquid, particularly in periods of stress, are generally more complex and less transparent, and may have more complicated tax profiles than traditional investments. In addition, the performance of alternative investments may be more dependent on a sub-adviser's experience and skill than traditional investments. The use of alternative investments may not achieve the desired effect.

Foreign currencies and emerging markets involve certain risks such as currency volatility, political and social instability and reduced market liquidity. Short sales by a Fund theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Leverage may increase the risk of loss and cause fluctuations in the market value of the Fund's portfolio to have disproportionately large effects or cause the NAV of the Fund generally to decline faster than it would otherwise. To the extent that the investment advisor misjudges current market conditions, the Fund's volatility may be amplified by its use of derivatives and its ability to anticipate price movements in relevant markets, underlying derivative instruments and futures contracts. The Fund's currency investment strategy may be impacted by currency exchange rates, which can fluctuate significantly over short or extended periods of time. These changes may be caused by governmental or political factors that affect the value of what the Fund owns and its share price. The Fund may experience high portfolio turnover, which may result in higher costs and capital gains. The Fund is a recently formed mutual fund and has a limited history of operations. There can be no assurances that its objective will be met.

As of September 30, 2018, GuideStone Funds has \$13.2 billion in assets, which makes GuideStone Funds the nation's largest Christian-screened mutual fund family. No other fund family with a Christian screen exceeds GuideStone Funds in asset size.

You should carefully consider the investment objectives, risks, charges and expenses of the GuideStone Funds before investing. A prospectus with this and other information about the Funds may be obtained by calling 1-844-GS-FUNDS (1-844-473-8637) or downloading one at GuideStoneFunds.com/Funds. It should be read carefully before investing.

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

The ICE BofAML U.S. 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury bill that matures closest to, but not beyond, three months from the rebalancing date. Index used with permission. It is not possible to invest directly in an index.

1-844-GS-FUNDS (1-844-473-8637)

