

SOCIALLY RESPONSIBLE INVESTING POLICY

GuideStone Funds® provides a performance-driven, faith-based approach to investing. Our investment policy has a strong foundation rooted in Christian principles that has been developed and refined over several decades. GuideStone's policy states that:

The Funds may not invest in any company that is publicly recognized, as determined by GuideStone®, 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.

By investing in accordance with our Socially Responsible Investing (SRI) Policy, GuideStone is promoting Christian values in seeking not to support industries that have led to family, relational and spiritual declines. As stated above, we focus on companies that are publicly recognized as being in certain restricted industries. Because we understand that it is virtually impossible to invest in absolutely "pure" companies, we do not seek a zero tolerance policy.

POLICY IMPLEMENTATION

GuideStone develops and maintains a list of restricted companies whose securities cannot be purchased by GuideStone Funds in accordance with our SRI Policy. This *Restricted Issuers List* is distributed to all of GuideStone Funds' sub-advisers and other investment service providers.

We utilize a wide range of internal and external resources in our research efforts to gain a deeper understanding of the company and/or issuer's business.

GuideStone goes beyond solely restricting ownership to only companies that fall within the bounds of our Christian-screening policy. We also seek to influence the way companies engage their employees, customers and communities in order to support the physical and emotional well-being of society.

We strive to be an engaged shareholder, knowing that companies aren't perfect. Many quality companies simply have policies and/or business lines that do not necessarily align with GuideStone's faith-based perspective and desire to positively impact the well-being of our fellow citizens. Yet, those areas of concern may not truly represent the public image of that company, which is why GuideStone seeks to address these issues and attempt to work with a company toward a positive resolution.

SHAREHOLDER ADVOCACY

GuideStone was an early adopter of an investment policy that restricts certain objectionable industries from inclusion in our portfolios. From the beginning, we understood that issues are not black and white — a belief that has served us well as the global financial markets have become more complex and interconnected. GuideStone employs a dedicated staff with ample research resources and systems, allowing the Committee on Socially Responsible Investing to create and maintain an appropriate *Restricted Issuers List*. In an effort to increase GuideStone's effectiveness as an engaged shareholder, the SRI Policy was expanded in recent years to include an active membership in the Interfaith Center on Corporate Responsibility (ICCR) and a focus on shareholder advocacy.

While shareholder advocacy can take a number of forms, the most notable are letter writing, corporate dialogue and corporate resolutions/proxy voting. As such, GuideStone goes beyond just restricting ownership in companies due to our Christian-screening policy. We also seek to implore our culture to join us at a corporate level in our stand for life, family, stewardship, health and safety.

KEY FACTS AS OF 12/31/18

GuideStone's
*Restricted Issuers
List* typically ranges
between:

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

RESTRICTION CRITERIA

GuideStone dedicates multiple internal resources to ensure the day-to-day implementation of the policy, which includes spending time thoroughly researching companies for possible restriction from the Funds.

We utilize a wide range of resources in our research efforts — regulatory filings, financial statements and advertising, to name a few — to determine the public perception of a specific company. Moreover, we leverage external research applications from MSCI ESG Manager, ISS Governance DataDesk and SIX Financial, as well as Bloomberg, to gain a deeper understanding of a given company's business.

TOLERANCE LEVEL

GuideStone believes our underlying investment portfolio strongly aligns with Christian principles and values. However, companies, like people, are not perfect. Therefore, we do not seek a zero tolerance policy, as we understand that it is virtually impossible to invest in absolutely "pure" companies. Our SRI screening process is a well-vetted and diligent undertaking that is the result of a conscientious and theologically driven review of direct portfolio holdings.

SUB-ADVISER INVOLVEMENT

The *Restricted Issuers List* is distributed to each sub-adviser within GuideStone Funds to be applied when implementing their assigned mandate. GuideStone Capital Management, LLC®, the adviser to GuideStone Funds, monitors daily trade activity within each sub-adviser's account to ensure compliance with the *Restricted Issuers List*. When violations do occur, GuideStone Funds requires that sub-advisers reverse those trades.

FREQUENTLY ASKED QUESTIONS

■ Is GuideStone's SRI Policy detrimental to investment returns?

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

■ Is the *Restricted Issuers List* publicly available?

In order to protect GuideStone's work product and maintain our competitive advantage, we do not make the *Restricted Issuers List* available to the public. Because our list is proprietary, it is maintained internally and only shared with our investment professionals, sub-advisers and vendors to carry out their duties and responsibilities.

ABOUT GUIDESTONE FUNDS

GuideStone Funds is the nation's largest Christian-screened mutual fund family and currently offers 24 mutual funds across most major asset classes to meet the needs of our investors. As of December 31, 2018, GuideStone Funds has \$12.1 billion in assets under management. GuideStone Funds is a controlled-affiliate of GuideStone Financial Resources® and is located in Dallas, Texas.

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

You should carefully consider the investment objectives, risks, charges and expenses of the GuideStone Funds before investing. A prospectus with this and other information about the Funds may be obtained by calling 1-844-GS-FUNDS (1-844-473-8637) or visiting us 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. GuideStone Capital Management, LLC, a controlled-affiliate of GuideStone Financial Resources, provides investment advisory services for the Funds.



5005 LBJ Freeway, Ste. 2200, Dallas, TX 75244-6152
1-844-GS-FUNDS • GuideStoneFunds.com

© 2019 GuideStone® 289538 01/19