

# GuideStone Growth Allocation Fund I — GS2

1st Quarter 2008

As of 3/31/2008



**NASDAQ Ticker Symbol: GCOYX**  
**CUSIP Number: 40171W827**  
**Inception Date: 7/1/2003**

**Investment Objective:** The fund seeks capital appreciation with modest current income.

**Investment Strategy:** The fund, through investments in the Select Funds, combines a greater percentage of equities securities with a smaller percentage of fixed income securities. The fund has a target of, but is not limited to, an asset allocation of 56% U.S. Equity Select Funds, 25% Bond Select Funds and 19% Non-U.S. Equity Select Funds.

**Investment Suitability:** This fund may be suitable for investors who have a long-term investment horizon, possess a relatively high tolerance for risk and seek to participate in the return potential of stocks at a slightly lower risk level than an all stock portfolio.

**Fund Size (\$ in millions)**

Total Fund Net Assets for All Share Classes \$228

**Asset Allocation**

U.S. Equities 52%  
 Non-U.S. Equities 23%  
 Fixed Income\* 25%

\*Includes cash and cash equivalents

**Composite Benchmark**

Russell 3000® Index 56%  
 MSCI® ACWI Ex-U.S. 19%  
 Lehman Brothers Aggregate Bond Index 25%

**Risk/Return Characteristics\*\***

Standard Deviation 7.59%  
 R-Squared 98.10%  
 Beta vs. Benchmark 1.02  
 Beta vs. S&P 500® Index 0.79

\*\*Calculated from 7/01/2003 to 3/31/2008

**GUIDESTONE FUNDS**  
[www.GuideStoneFunds.org](http://www.GuideStoneFunds.org)  
 1-888-98-GUIDE(1-888-984-8433)

**PERFORMANCE<sup>1</sup>**

|                  | One Month | Three Month | Year to Date | One Year | Three Year (Annualized) | Since Inception (Annualized) | Inception Date |
|------------------|-----------|-------------|--------------|----------|-------------------------|------------------------------|----------------|
| <b>Fund</b>      | -1.20%    | -8.14%      | -8.14%       | -2.77%   | 6.53%                   | 9.13%                        | 7/01/2003      |
| <b>Benchmark</b> | -0.66%    | -6.54%      | -6.54%       | -1.00%   | 7.93%                   | 10.13%                       | 7/01/2003      |

**ANNUAL PERFORMANCE<sup>1</sup>**

|                  | 2003   | 2004   | 2005  | 2006   | 2007  |
|------------------|--------|--------|-------|--------|-------|
| <b>Fund</b>      | 13.02% | 12.88% | 8.20% | 11.21% | 7.40% |
| <b>Benchmark</b> | 14.09% | 11.71% | 7.23% | 14.81% | 7.86% |

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher. Performance data current to the most recent month-end may be obtained at [www.GuideStoneFunds.org](http://www.GuideStoneFunds.org). The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Year 2003 annual performance began 7/01/2003.

**FEES AND EXPENSES (annualized)**

|                                  | Gross Expense Ratio <sup>†</sup> | Net Expense Ratio <sup>***</sup> |
|----------------------------------|----------------------------------|----------------------------------|
| <b>Annual Operating Expenses</b> | 0.85%                            | 0.85%                            |

† The fund attempts to achieve its objective by investing in other funds. By investing in the fund, you will incur the expenses of the fund in addition to the expenses of the underlying funds. You may invest in the underlying funds directly. The fund is subject to the risks of the underlying funds it holds.

\*\*\* Reflects fee waivers and expense reimbursements by the investment advisor. This waiver and reimbursement arrangement, if not extended, will end on April 30, 2009.

**COMPARATIVE RATINGS AND RANKINGS<sup>2,3</sup>**

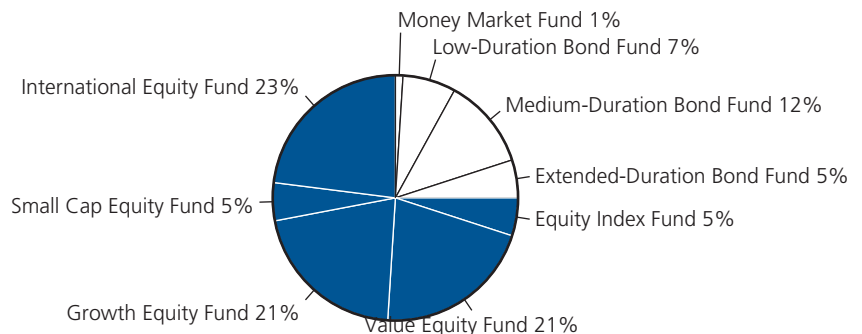
| Lipper Ranking based upon total return as of 3/31/2008 |                            |
|--|----------------------------|
| <b>Category:</b> Multi-Cap Core                        |                            |
| <b>2nd Quartile</b>                                    | 218 of 869 for one year    |
| <b>2nd Quartile</b>                                    | 254 of 663 for three years |



| Morningstar Rating based upon risk-adjusted return as of 3/31/2008 |   |
|--|---|
| <b>Category:</b> Moderate Allocation                               |   |
| <b>★★★★(Four Stars)</b>  | Overall rating among 905 funds in the category    |
| <b>★★★★(Four Stars)</b>  | Three year rating among 905 funds in the category |



**PORTFOLIO CHARACTERISTICS<sup>4</sup>**



**Equity Holdings** ■  
**Fixed Income Holdings** □

# GuideStone Growth Allocation Fund I — GS2

1st Quarter 2008

As of 3/31/2008



## 1st QUARTER 2008 FUND COMMENTARY

- The fund is constructed using a blend of nine GuideStone Select Funds GS2.
- The fund's asset allocation at quarter-end was 52% U.S. Equity, 23% Non-U.S. Equity, and 25% Fixed Income.
- The fund posted a negative return for the quarter and trailed its composite benchmark.
- The fund's overall negative performance was most influenced by the fund's underlying investment in the GuideStone Growth Equity Fund GS2.
- The fund's benchmark-relative underperformance for the quarter was in large part due to the fund's exposure to the GuideStone Growth Equity Fund GS2.

## ABOUT GUIDESTONE FUNDS

GuideStone Funds is a family of Christian-based, socially screened mutual funds for individual and institutional investors. With \$9.4 billion in assets under management (as of March 31, 2008), GuideStone Funds is the largest Christian-based registered mutual fund company. GuideStone Funds utilizes a "multi-manager" investment approach which provides access to multiple, proven investment management firms within a single investment fund. The investment management firms utilized by GuideStone Funds have a specific purpose in each fund and are carefully selected based on a rigorous process utilizing both qualitative and quantitative analysis.

*You should carefully consider the investment objectives, risks, charges and expenses of GuideStone Funds before investing. For a copy of the prospectus with this and other information about the funds, please call 1-888-98-GUIDE (1-888-984-8433) or visit [www.GuideStoneFunds.org](http://www.GuideStoneFunds.org) to view or download a prospectus. You should read the prospectus carefully before investing.*

GuideStone Funds shares are distributed by PFFC Distributors, Inc., a registered broker-dealer and underwriter of the funds, 760 Moore Road, King of Prussia, PA 19406. GuideStone Capital Management, Inc., an affiliate of the GuideStone Financial Resources, provides investment advisory services for the funds.

©2008 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

<sup>1</sup> The performance quoted reflects fee waivers in effect, and would have been lower in their absence. All figures shown represent total return, except for those identified as yield. Total return is based on net change in NAV with reinvestment of all distributions. Returns for periods less than one year are aggregate and for periods greater than one year are annualized. Unlike a mutual fund, the performance of an index assumes no taxes, transaction costs, management fees or other expenses.

<sup>2</sup> The Lipper Rankings are calculated by Lipper Inc., a Reuters Company, which is a nationally recognized organization that compares the performance of mutual funds within a universe of funds having similar investment objectives. Rankings are based on total return performance: with capital gains and dividends reinvested, with annual operating expenses deducted, but without including front- or back-end sales charges.

Past rankings are no guarantee of future rankings. Rankings are relative to a peer group and do not necessarily mean that the fund had high total returns. Visit [www.GuideStoneFunds.org](http://www.GuideStoneFunds.org) for the latest month-end ranking and ratings.

<sup>3</sup> For each fund with at least a three-year history, a Morningstar Rating is based on a Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly historical performance (reflecting sales charges and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Within each asset class, the top 10%, the next 22.5%, 35%, 22.5%, and the bottom 10% receive 5, 4, 3, 2 or 1 star, respectively. Each fund is rated exclusively against U.S. domiciled funds. The Overall Morningstar Rating™ is based on the weighted average of the number of stars assigned to the fund's applicable time periods. The 5-yr. rating accounts for 60% and the 3-yr. rating for 40%.

<sup>4</sup> Portfolio composition subject to change at any time.

**Standard deviation** — A statistical measurement of distribution around an average, which depicts how widely returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the most likely range of returns. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**R-squared** — Shows the percentage of a fund's performance that is explained by movement in the benchmark index. This shows the correlation between the fund and its benchmark. An R-squared of 100% indicates that all movements of a fund can be explained by movements in the benchmark. A low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark. An R-squared measure of 50%, for example, means that only 50% of the fund's movements can be explained by movements in the benchmark index.

**Beta vs. Benchmark** — Beta is a measure of a fund's sensitivity to market movements as defined by the fund's benchmark. A fund with a higher beta relative to the benchmark is more volatile than the benchmark, and a fund with a lower beta relative to the benchmark can be expected to rise and fall more slowly than the benchmark.

**Beta vs. S&P 500® Index** — Beta is a measure of a fund's sensitivity to market movements as defined by the S&P 500®. A fund with a higher beta relative to the S&P 500® is more volatile than the S&P 500®, and a fund with a lower beta relative to the S&P 500® can be expected to rise and fall more slowly than the S&P 500®.