

GuideStone Small Cap Equity Fund — GS4

1st Quarter 2008

As of 3/31/2008



NASDAQ Ticker Symbol: GSCZX

CUSIP Number: 40171W470

Inception Date: 8/27/2001

Equity Investment Approach Style

Value	Growth	Large	Market Capitalization

Investment Objective: The fund seeks to provide long-term capital appreciation. Any income received is incidental to this objective.

Investment Strategy: The fund is actively managed and invests in a diversified portfolio of smaller size U.S. companies consistent with the range of the Russell 2000® Index. The fund is diversified with respect to stocks possessing both value and growth investments.

Investment Suitability: This fund may be suitable for investors who seek higher, long-term rates of return, can accept significant short-term fluctuations in account value, want to invest in stocks of small to medium-size U.S. companies and would like to diversify their portfolio by adding a potentially higher return, higher risk option of stocks. Small company stocks are subject to greater risk than large company stocks due to more volatility and less liquidity.

Fund Size (\$ in millions)

Total Fund Net Assets for All Share Classes	\$484
Number of Holdings	636

Asset Allocation

U.S. Equities	99%
Non-U.S. Equities	0%
Fixed Income*	1%

*Includes cash and cash equivalents

Sub-Adviser Composite

Aronson+Johnson+Ortiz	34%
Lord Abbett	23%
Provident Investment Counsel	13%
TimesSquare Capital Management	20%
Western Asset Management	10%

Benchmark

Russell 2000® Index	100%
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PERFORMANCE¹

	Three Month	Year to Date	One Year	Three Year (Annualized)	Five Year (Annualized)	Since Inception (Annualized)	Inception Date
Fund	-11.39%	-11.39%	-12.48%	3.27%	13.18%	5.17%	8/27/2001
Benchmark	-9.90%	-9.90%	-13.00%	5.06%	14.90%	6.90%	8/27/2001

ANNUAL PERFORMANCE¹

	2001	2002	2003	2004	2005	2006	2007
Fund	0.84%	-22.23%	46.24%	14.89%	6.37%	11.27%	0.87%
Benchmark	2.14%	-20.48%	47.25%	18.33%	4.55%	18.37%	-1.57%

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. 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 2001 annual performance began 8/27/2001.

FEES AND EXPENSES (annualized)

	Gross Expense Ratio	Net Expense Ratio*
Annual Operating Expenses	1.26%	1.16%

* 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^{2,3}

Lipper Ranking based upon total return as of 3/31/2008	
Category: Small-Cap Core	
2nd Quartile	310 of 795 for one year
3rd Quartile	378 of 626 for three years
3rd Quartile	325 of 485 for five years
Morningstar Rating based upon risk-adjusted return as of 3/31/2008	
Category: Small Blend	
★★★ (Three Stars) Overall rating among 529 funds in the category	
★★★ (Three Stars) Three year rating among 529 funds in the category	
★★★ (Three Stars) Five year rating among 415 funds in the category	



PORTFOLIO CHARACTERISTICS⁴

Characteristics	
Price to Earnings Ratio	19.3x
Price to Book Ratio	2.6x
5 Year EPS Growth	21.5%
Weighted Avg Market Cap**	\$1,692
**\$ in millions	
Risk/Return Characteristics***	
Standard Deviation	18.39%
R-Squared	97.57%
Beta vs. Benchmark	0.97
Beta vs. S&P 500® Index	1.19
***Calculated from 8/31/2001 to 3/31/2008	

Equity Sector Holdings

Technology	13.5%
Health Care	13.2%
Consumer Discretionary	14.4%
Consumer Staples	2.1%
Integrated Oils	0.0%
Other Energy	8.3%
Materials & Processing	11.3%
Producer Durables	6.5%
Autos & Transportation	3.6%
Financial Services	21.4%
Utilities	5.0%
Other	0.7%

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Top Ten Equity Holdings

Global Payments	1.2%
Solera Holdings	0.9%
OptionsXpress Holdings	0.9%
Psychiatric Solutions	0.7%
Watsco	0.7%
EXCO Resources	0.7%
Reliance Steel & Aluminum	0.7%
Icon	0.6%
ScanSource	0.6%
HCC Insurance Holdings	0.6%
Total	7.6%

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1st QUARTER 2008 FUND COMMENTARY

- The fund is comprised of domestic, small-cap stocks with both value and growth style orientations.
- The fund underperformed its benchmark, the Russell 2000® Index, during the first quarter.
- Security selection within the financial services sector detracted from benchmark-relative performance.
- The fund's holdings in OptionsXpress (0.9%), Huron Consulting (0.2%) and VCA Antech (0.5%) were among the largest detractors from performance, while Cimarex Energy (0.5%), Patterson-UTI Energy (0.4%) and NewMarket Group (0.2%) were among the largest contributors to fund performance for the quarter.
- At the sub-adviser level, Lord Abbett delivered the strongest benchmark-relative performance and was rewarded for its security selection in the technology sector.

Percentages within parentheses are the company's weighting within the fund.

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 to view or download a prospectus. You should read the prospectus carefully before investing.

GuideStone Funds shares are distributed by PFPC 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.

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¹ 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.

² 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 for the latest month-end ranking and ratings.

³ 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%.

⁴ 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®.