Disclosure Statement

The following information is the Disclosure Statement required by federal tax regulations. You should read this *Disclosure Statement*, the *Custodial Account Agreement*, and the *Prospectus* for the funds in which your GuideStone Funds Individual Retirement Account (IRA) contributions will be invested.

Revocation of your IRA

You have the right to revoke your GuideStone Funds IRA and receive the entire amount of your initial contribution by notifying GuideStone Trust Services (an affiliate of GuideStone Financial Resources of the Southern Baptist Convention), the custodian of your GuideStone Funds IRA, in writing within seven (7) days of establishment of your IRA. If you revoke your IRA within seven days, you are entitled to a return of the entire amount paid by you, without adjustment for such items as sales commissions, administrative expenses, or fluctuations in market value. If you decide to revoke your IRA, notice should be delivered or mailed to:

First Class mail:
GuideStone Funds
Attn: GuideStone Funds IRA
P.O. Box 9834
Providence, RI 02940-8034

Overnight express:
GuideStone Funds
Attn: GuideStone Funds IRA
101 Sabin St.
Pawtucket, RI 02860-1427
1-888-98-GUIDE (1-888-984-8433).

This notice should be signed by you and include the following:

1. The date;
2. A statement that you elect to revoke your GuideStone Funds IRA;
3. Your GuideStone Funds IRA account number;
4. The date your GuideStone Funds IRA was established;
5. Your signature and your printed or typed name.

Mailed notice will be deemed given on the date that it is postmarked, if it is properly addressed and deposited either in the United States mail, first class postage prepaid, or with an Internal Revenue Service (IRS) approved overnight service. This means that if you mail your notice it must be postmarked on or before the seventh day after your GuideStone Funds IRA was opened. A revoked IRA will be reported to the IRS and the depositor on Forms *1099R* and *5498*.

Your Individual Retirement Account

You have opened a GuideStone Funds Individual Retirement Account which is a Traditional IRA for the exclusive benefit of you and your beneficiaries, created by a written instrument (the *Custodial Account Agreement*). The following requirements apply to your GuideStone Funds IRA:

1. Contributions, transfers and rollovers may be made only in "cash" by check, draft, or other form acceptable to GuideStone Trust Services;
2. The custodian must be a bank or savings and loan association or any person who has the approval of the IRS to act as custodian;
3. No part may be invested in life insurance contracts;
4. Your interest must be nonforfeitable;
5. The assets of the custodial account may not be mixed with other property except in a common investment fund; and
6. You must begin receiving distributions from your account no later than April 1 of the year following the year in which you become 70½ years old and distributions must be completed over a period that is no longer than the joint life expectancy of you and your beneficiary.

Contributions

The maximum allowable contribution to your IRAs (deductible, non-deductible and Roth) for each tax year is the lesser of (a) $5,000 or (b) 100% of your compensation or earnings from self-employment. If your spouse is not employed or earns less than you earn, your spouse may also contribute to an IRA. The maximum contribution to your spouse's IRA for each tax year is the lesser of (a) $5,000 or (b) the combined compensation of both spouses, minus the dollar amount of the IRA contribution made by the compensated (or more highly compensated) spouse. **The total combined contribution to each individual's IRAs (deductible, non-deductible and Roth) cannot exceed these limits.**

The contribution limit is $5,000 for 2011. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to $6,000.

Excess contributions

Amounts contributed to your GuideStone Funds Traditional IRA in excess of the allowable limit will be subject to a non-deductible excise tax of 6% for each year until the excess is used up as an allowable contribution (in a subsequent year) or returned to you. The 6% excise tax on excess contributions will not apply if the excess contribution and earnings allocable to it are distributed by the due date for your federal income tax return, including extensions. If such a distribution is made, only the earnings are considered taxable income for the tax year in which the excess was contributed to the IRA. The return of earnings may also be subject to the 10% excise tax on early distributions discussed on the next page. An IRS Form *1099R* will be issued for the year in which the distribution occurred, not the year in which the excess contribution was made. The *1099R* applies to amounts removed during the period January 1 through and including the due date of your federal income tax return for the prior tax year.

If you are eligible to make a contribution to a Roth, up to $5,000 for 2011 of a contribution you made to your Traditional IRA, along with any allocable earnings or losses, may be recharacterized to a Roth IRA. The recharacterization must be completed on or before the due date, including extensions, for filing your federal income tax return for the tax year in which the contribution was originally made. Recharacterized contributions are reported as a distribution from the first IRA (IRS Form 1099R) and a recharacterization contribution to the second IRA (IRS Form 5498) for the tax year in the which the recharacterization occurs. The rules regarding recharacterizations are complex and you should consult a competent tax advisor prior to recharacterizing.

IRA Recharacterization Forms are available from GuideStone Trust Services, and should be used for all recharacterization requests.

Income tax deduction

Your contribution to a Traditional IRA may be deductible on your federal income tax return. However, there is a phase-out of the IRA deduction if you are an active participant in an employer-sponsored retirement plan.

For the 2011 tax year, the IRA deduction is reduced proportionately as adjusted gross income increases from $56,000 to $66,000 for a single individual, $89,000 to $109,000 for a married couple filing a joint return, or $0 to $10,000 for a married individual who is an active participant and files a separate return.

A deductible IRA contribution can be made to your spouse's IRA even if you are an active participant in an employer-sponsored retirement plan, if your joint adjusted gross income for the tax year does not exceed $169,000 for 2011. The IRA deduction is reduced proportionally as your joint adjusted gross income increases from $169,001 to $179,000 for 2011.

Taxation of distributions

The income of your GuideStone Funds IRA is not taxed until the money is distributed to you. Distributions are taxable as ordinary income when received except that the amount of any distribution representing non-deducted contributions or the return of an excess contribution is not taxed.

In general, you may "roll over" a distribution from another IRA, an eligible rollover distribution from your employer-sponsored retirement plan, or distributions from certain tax deferred annuities or accounts. If a distribution is rolled over, i.e. deposited to your GuideStone Funds IRA within 60 calendar days of receipt, the amount rolled over is not taxable. The IRS enforces the 60-day time limit strictly. You may roll over a portion of a distribution in which case the remainder will be subject to tax. The IRS requires 20% of any distribution from your employer-sponsored retirement plan to be withheld for federal income tax unless your distribution is transferred in a direct asset transfer to an eligible retirement plan such as another employer-sponsored retirement plan or IRA. The rules regarding rollovers are complex and you should consult a competent tax advisor prior to rolling over all or part of a distribution.

If you make a tax-free rollover of any part of a distribution from a Traditional IRA, you cannot, within a 1-year period, make a tax-free rollover of any later distribution from that same Traditional IRA. You also cannot make a tax-free rollover of any amount distributed, within the same 1-year period, from the Traditional IRA into which you made the tax-free rollover. Consult *IRS Publication 590* for more information pertaining to rollover contributions.

Note: You may not roll over after tax contributions to a 403(b) program or 457 plan. You may want to roll over a distribution from an employer's retirement plan to a separate IRA in order to preserve certain tax treatments. The rules regarding tax-free rollovers are complex and subject to frequent change; you should consult a professional tax adviser if you are considering such a rollover.

Conversions

You may also "convert" all or a portion of your Traditional IRA to a Roth IRA. A conversion is a type of distribution and is not tax-free. Distributions are taxable as ordinary income when received except that the amount of any distribution representing the return of non-deducted contributions is not taxed. The 10% penalty tax on early distributions does not apply to conversion amounts unless an amount attributable to a conversion is distributed from the Roth IRA prior to five years from the date of the conversion.

A conversion is reported as a distribution from the Traditional IRA (IRS Form 1099R) and a conversion contribution to the Roth IRA (IRS Form 5498). The rules regarding conversions to Roth IRAs are complex and you should consult a competent tax advisor prior to a conversion.

IRA Conversion Forms are available from GuideStone Trust Services, and should be used for all conversion requests.

Recharacterization of a conversion (Correction process)

You may correct a conversion made in error by recharacterizing the conversion. A conversion is recharacterized by transferring the conversion amount plus allocable earnings to a Traditional IRA. The correction must take place prior to the due date, including extensions, for filing your federal income tax return for the tax year in which the conversion was originally made. A recharacterized conversion may be converted back to a Roth IRA; however, limitations may apply. Beginning in the year 2000, assets which have been recharacterized back to a Traditional IRA cannot be reconverted to a Roth IRA in the same tax year or within 30 days. A recharacterized conversion is reported as a distribution from the Roth IRA (IRS Form 1099R) and a recharacterization contribution to the Traditional IRA (IRS Form 5498) for the tax year in which the recharacterization occurs. The rules regarding recharacterization are complex and you should consult a competent tax advisor prior to any recharacterization or reconversion.

Distributions under $10 will not be reported to you on IRS Form 1099R after December 31, 1996, as allowed under IRS regulations. However, you must still report these distributions to the IRS on IRS Form 1040 as well as other forms which may be required to properly file your tax return.

Recharacterization of contributions

If you are eligible to contribute to a Roth IRA, all or part of a contribution you make to your Traditional IRA, along with allocable earnings or losses, may be recharacterized and treated as if made to your Roth IRA on the date the contribution was originally made to your Traditional IRA. Recharacterization of a contribution is irrevocable, and must be completed on or before the due date, including extensions, for filing your federal income tax return for the tax year in which the contribution was originally made.

A recharacterized contribution is reported as a distribution from the first IRA (IRS Form 1099R) and a recharacterization contribution to the second IRA (IRS Form 5498) for the tax year in which the recharacterization occurs. The rules regarding recharacterization are complex and you should consult a competent tax advisor prior to any recharacterization.

IRA Recharacterization Forms are available from GuideStone Trust Services and should be used for all recharacterization requests.

Penalty tax on certain transactions

Excess contributions

If you make an excess contribution to your IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess which remains in your account.

Early distributions

Your receipt or use of any portion of your account (excluding any amount representing a return of non-deducted contributions) before you attain age 59½ is considered an early or premature distribution. The distribution is subject to a penalty tax equal to 10% of the distribution unless one of the following exceptions applies to the distribution:

1. due to your death, or
2. made because you became disabled, or
3. used specifically for deductible medical expenses which exceed 7.5% of your adjusted gross income, or
4. used for health insurance cost due to your unemployment, or
5. used for higher education expenses defined in section 529(e)(3) of the Internal Revenue Code, or
6. used toward the expenses of a first time home purchase up to a lifetime limit of $10,000, or
7. part of a scheduled series of substantially equal payments over your life, or over the joint life expectancy of you and a beneficiary. If you request a distribution in the form of a series of substantially equal payments, and you modify the payments before 5 years have elapsed and before attaining age 59½, the penalty tax will apply retroactively to the year payments began through the year of such modification, or
8. required because of an IRS levy.

The 10% penalty tax is in addition to any federal income tax that is owed at distribution. For more information on the 10% penalty tax and the exceptions listed above, consult *IRS Publication 590*.

Required distributions

You are required to begin receiving minimum distributions from your IRA no later than April 1 following the calendar year in which you reach the age of 70½. The distribution may be paid either in installments or in a lump sum. The installments may be paid over your life, or over the joint and last survivor life expectancy of you and your designated beneficiary. If the amount distributed during a taxable year is less than the minimum amount required to be distributed, you will be subject to a penalty tax equal to 50% of the difference between the amount distributed and the amount required to be distributed.

A *70½ Required Distribution Election* form is available from GuideStone Trust Services and should be obtained and used to make your elections for your required minimum distribution request.

Excess distributions

The 15% excess distribution and accumulation taxes have been permanently repealed. The repeal applies to all excess distributions received after December 31, 1996, and all estates of decedents dying after December 31, 1996.

Additional information on distributions

A *Traditional IRA Withdrawal Authorization* form is available from GuideStone Trust Services and should be obtained and used to request any distribution from your IRA.

Distributions due to death

If, prior to your death, you have not started taking your required distributions and you properly designated a beneficiary(ies), the entire value of your IRA must be distributed to your beneficiaries within five years after your death, unless the designated beneficiary elects in writing, no later than September 30 of the year following the year in which you die, to take distributions over their life expectancy.

If, prior to your death, you have started taking your required distributions and you properly designated a beneficiary(ies), distributions following your death must continue at least as rapidly as under your required distribution election.

After your death, your designated beneficiary may name a subsequent beneficiary. Any subsequent beneficiaries must take distributions at least as frequently as the original designated beneficiary.

If your designated beneficiary is your spouse, then he/she may elect to either treat the IRA as their own or to roll over the funds into his/her own IRA, in addition to the above options.

If you do not properly designate a beneficiary, or all designated beneficiaries have predeceased you, then, if you are married, the distribution will be made to your spouse, or if you are single, the distribution will be made to your estate. Consult *IRS Publication 590* or a competent estate planning advisor for a complete discussion of rules governing distributions due to death.

A *Traditional IRA Withdrawal Authorization* form is available from GuideStone Trust Services and should be obtained and used to request any distribution from your IRA.

Prohibited transactions

If you or your beneficiary engages in any prohibited transaction (such as any sale, exchange, borrowing, or leasing of any property between you and your IRA; or any other interference with the independent status of the account), the account will lose its exemption from tax and be treated as having been distributed to you. The value of the entire account will be includable in your gross income. If you are under age 59½, you would also be subject to the 10% penalty tax on early distributions.

If you or your beneficiary use (pledge) all or any part of your IRA as security for a loan, then the portion so pledged will be treated as if distributed to you, and will be taxable to you as ordinary income and subject to a 10% penalty tax if you have not attained age 59½ during the year which you make such a pledge.

Income tax withholding

GuideStone Trust Services is required to withhold federal income tax from any distribution from your IRA to you at the rate of 10% unless you choose not to have tax withheld. You may elect out of withholding by advising GuideStone Trust Services, in writing, prior to the distribution, that you do not want tax withheld from the distribution. This election may be made on *IRS Form W-4P*, or any other form acceptable to GuideStone Trust Services. If you do not elect out of tax withholding, you may direct GuideStone Trust Services to withhold an additional amount of tax in excess of 10%, but not more than 90%.

Additional information

For more detailed information, you may obtain *IRS Publication 590*, Individual Retirement Arrangements (IRAs) from any district office of the Internal Revenue Service or by calling 1-800-TAX-FORM.

Any IRA transaction may have tax consequences; consult your tax advisor to obtain information about the tax consequences in connection with your particular circumstances.

Information about your investments

A mutual fund investment involves investment risks, including possible loss of principal. In addition, growth in the value of your account is neither guaranteed nor projected due to the characteristics of a mutual fund investment. Detailed information about the shares of each mutual fund available for investment by your GuideStone Funds IRA must be furnished to you in the form of a *Prospectus*. **The method for computing and allocating annual earnings is set forth in the** *Prospectus*. (See *Prospectus* section entitled "DIVIDENDS.") If you made an initial contribution of $1,000 on the first day of a calendar year and no further investment during that year, your contribution would also be subject to certain costs and expenses which would reduce any yield you might obtain from your investment. (See the *Prospectus* section entitled "EXPENSE TABLE" and the sections referred to therein.) For further information regarding expenses, earnings, and distributions, see the mutual fund's financial statements, *Prospectus and/or Statement of Additional Information*. Should the fund in which you are invested closes and the Prospectus for said fund does not specify a successor fund, your shares of said fund will be liquidated and the proceeds will be used to purchase shares of the Money Market Fund in the same Fund Family, if available.

Fees and charges

The charges in connection with your GuideStone Funds IRA are set forth in the application. GuideStone Trust Services may also charge a service fee in connection with any distribution from your IRA.

IRS approved form

Your GuideStone Funds Traditional IRA is the Internal Revenue Service's model custodial account contained in *IRS Form 5305-A*. Certain additions have been made in Article VIII of the form. By following this form, your GuideStone Funds Traditional IRA meets the requirements of the Internal Revenue Code. However, the IRS has not endorsed the merits of the investments allowed under the IRA. **This form cannot be used in connection with Roth IRAs.**