

# GuideStone Growth Equity Fund

4th Quarter 2009

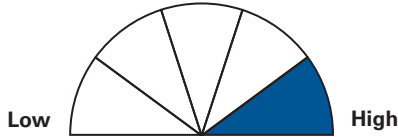
As of 12/31/2009

**GuideStone®**  
Funds

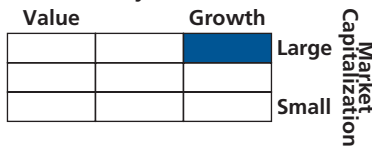
www.GuideStoneFunds.org  
1-888-98-GUIDE (1-888-984-8433)

**Share Class: GS2**  
**NASDAQ Ticker Symbol: GGEYX**  
**CUSIP Number: 40171W538**  
**Inception Date: 8/27/2001**

**Potential Risk / Reward**



**Equity Investment Approach Style**



**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 large and medium-size U.S. companies whose stocks are considered by the fund's investment managers to have above-average potential for growth in revenue and earnings.

**Investment Suitability:** This fund may be suitable for investors who seek high, long-term rates of return, can accept significant short-term fluctuations in account value, want to invest in growth-oriented stocks and would like to diversify their portfolio by adding a potentially higher return, higher risk option of stocks. The fund will not concentrate in any particular industry, but at times it may be heavily invested in a particular economic sector. This may result in greater short-term price volatility.

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

Total Fund Net Assets for All Share Classes	\$1,264
Number of Holdings	170

**Asset Allocation**

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

\*Includes cash and cash equivalents

**Sub-Adviser Composite**

Columbus Circle Investors	19%
Marsico Capital Management	20%
Rainier Investment Management	34%
Sands Capital Management	27%

**Benchmark**

Russell 1000® Growth Index	100%
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**PERFORMANCE<sup>1</sup>**

	Three Month	Year to Date	One Year	Three Year (Annualized)	Five Year (Annualized)	Since Inception (Annualized)	Inception Date
<b>Fund</b>	7.60%	38.14%	38.14%	-3.45%	-0.36%	0.13%	8/27/2001
<b>Benchmark</b>	7.94%	37.21%	37.21%	-1.89%	1.63%	0.70%	8/27/2001

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

	2001	2002	2003	2004	2005	2006	2007	2008
<b>Fund</b>	-1.70%	-28.08%	29.56%	12.34%	8.65%	0.45%	13.99%	-42.84%
<b>Benchmark</b>	-1.73%	-27.88%	29.75%	6.30%	5.26%	9.07%	11.81%	-38.44%

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 2001 annual performance began 8/27/2001.

**FEES AND EXPENSES (annualized)**

	Gross Expense Ratio	Net Expense Ratio*
<b>Annual Operating Expenses</b>	0.88%	0.88%

\* Reflects fee waivers and expense reimbursements by the investment advisor. This waiver and reimbursement arrangement, if not extended, will end on April 30, 2010.

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

**Lipper Ranking based upon total return as of 12/31/2009**

<b>Category:</b> Large-Cap Growth	
<b>2nd Quartile</b>	263 of 810 for one year
<b>3rd Quartile</b>	443 of 698 for three years
<b>4th Quartile</b>	446 of 579 for five years



**Morningstar Rating based upon risk-adjusted return as of 12/31/2009**

<b>Category:</b> Large Growth	
<b>★★ (Two Stars)</b>	Overall rating among 1,548 funds in the category
<b>★★★ (Three Stars)</b>	Three year rating among 1,548 funds in the category
<b>★★ (Two Stars)</b>	Five year rating among 1,276 funds in the category



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

**Characteristics**

Price to Earnings Ratio	30.2x
Price to Book Ratio	4.1x
5 Year EPS Growth	16.8%
Weighted Avg Market Cap**	\$60,915
**\$ in millions	

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

Standard Deviation	17.80%
R-Squared	96.21%
Beta vs. Benchmark	1.05
Beta vs. S&P 500® Index	1.02

\*\*\*All measures over a 5 year period.

**Top Ten Equity Holdings**

Apple	5.3%
Google	4.4%
Amazon	3.7%
Visa	3.6%
Qualcomm	2.6%
Intuitive Surgical	2.2%
Allergan	1.6%
Cisco Systems	1.5%
Transocean	1.5%
Goldman Sachs Group	1.5%
<b>Total</b>	<b>27.9%</b>

**Equity Sector Holdings**

Technology	26.1%
Health Care	14.2%
Consumer Discretionary	16.5%
Consumer Staples	3.6%
Other Energy	8.9%
Materials & Processing	6.7%
Producer Durables	6.6%
Financial Services	16.1%
Utilities	1.3%

# GuideStone Growth Equity Fund

4th Quarter 2009

As of 12/31/2009



## FUND COMMENTARY

- The fund is primarily comprised of domestic, large-cap growth oriented stocks.
- The fund posted a meaningfully positive return for the fourth quarter, yet its performance slightly lagged that of its benchmark, the Russell 1000® Growth Index. For the calendar year 2009 the fund outperformed its benchmark.
- Security selection within the health care sector detracted the most from benchmark-relative returns, while security selection within the consumer discretionary sector added to benchmark-relative performance during the quarter.
- The fund's holdings in Illumina (0.4%), Genzyme (1.2%), and Goldman Sachs (1.5%) were among the largest detractors from overall performance, while holdings in Amazon (3.7%), Google (4.4%), and Visa (3.6%) were among the largest contributors to performance for the quarter.
- At the sub-adviser level, Sands Capital Management delivered the strongest benchmark-relative performance for the quarter partially due to concentrated positions in Amazon, Google, and Visa.

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 \$8.4 billion in assets under management (as of 12/31/2009), 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. These firms 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 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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<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®.