

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 Roth Individual Retirement Account (Roth IRA) contributions will be invested.

Revocation of your Roth IRA

You have the right to revoke your GuideStone Funds Roth 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 Roth IRA, in writing within seven (7) days of establishment of your Roth IRA. If you revoke your Roth IRA within seven days, you are entitled to a return of the entire amount paid by you, without adjustment for such items as sales commission, administrative expenses, or fluctuations in market value. If you decide to revoke your Roth IRA, notice should be delivered or mailed to:

First Class mail:

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

Overnight express:

GuideStone Funds
Attn: GuideStone Funds Roth 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 Roth IRA;
3. Your GuideStone Funds Roth IRA account number;
4. The date your GuideStone Funds Roth 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 Roth IRA was opened. A revoked Roth IRA will be reported to the IRS and the depositor on *Forms 1099R and 5498*.

Your Roth Individual Retirement Account

You have opened a GuideStone Funds Roth Individual Retirement Account which is 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 Roth 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 IRA 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;
6. There is no age limit on contributions as long as you have earned income;
7. Your adjusted gross income must be within the eligibility limits (discussed under "Contributions" below); and
8. There are no mandatory withdrawals during your lifetime.

Contributions

Subject to the income eligibility limits described below, the maximum allowable contribution to your IRAs (Roth, deductible, and non-deductible) for each tax year is the lesser of \$5,000 for 2009 or 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 a Roth IRA. The maximum contribution to your spouse's Roth IRA for each tax year is the lesser of \$5,000 for 2009 or 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 (Roth, deductible, and non-deductible) cannot exceed these limits.**

The contribution limit is \$5,000 for 2009. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$6,000 for 2009.

Contributions can continue to be made to a Roth IRA after you attain age 70½ as long as the requirements of earned income, set forth above, are met.

There is a phase-out of eligibility to make a Roth IRA contribution if your adjusted gross income (AGI) is between certain levels. For a single depositor, the 2009 annual contribution is phased out between AGI of \$105,000 and \$120,000; for a married depositor filing jointly, between AGI of \$166,000 and \$176,000 and for a married depositor filing separately, between AGI of \$0 and \$10,000. For 2009, single filers with AGI above \$120,000, joint filers with AGI above \$176,000 and married separate filers with AGI above \$10,000 may not contribute to a Roth IRA. These limits may be adjusted from time to time by the Internal Revenue Service.

Conversions

You may only convert a Traditional, SEP IRA, 403(b) or a 401(k) into a Roth IRA if your AGI (single or joint) does not exceed \$100,000 for the tax year unless you are married and file separately. (If you are a married individual, filing a separate return, and have lived apart from your spouse for the entire year, you may be eligible to be treated as a single taxpayer.) For purposes of the conversion, neither the conversion amount nor the amount of any required minimum distribution (beginning January 1, 2000) from your Traditional IRA is included in the AGI limit of \$100,000. If a distribution is converted from a Traditional IRA, i.e., deposited to your GuideStone Funds Roth IRA within 60 calendar days of receipt, the amount of the conversion distribution will be taxed as ordinary income, except that the amount of any distribution from the Traditional IRA which represents the return of non-deductible contributions is not taxed. The IRS enforces the 60-day time limit strictly. The 10% penalty for distributions under age 59½ will not apply to the amount converted if held in your Roth IRA for at least five years and certain other criteria are met. See the section on Taxation of Distributions below. Your Traditional IRA may also be converted to a Roth IRA by means of a direct transfer between the two financial institutions.

A conversion is reported as a distribution from the Traditional IRA, 403(b), 401(k) (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 moving the conversion amount, plus allocable earnings, back 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.

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

Recharacterization of contributions

All or part of a contribution you make to your Roth IRA along with any allocable earnings or losses, may be recharacterized and treated as if made to your Traditional IRA on the date the contribution was originally made to your Roth IRA. All or part of a contribution you make to your Traditional IRA 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.

Excess contributions

Amounts contributed to your GuideStone Funds Roth 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 below. 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 make a contribution to your Roth IRA and become ineligible to make all or part of that contribution for that tax year, up to \$5,000, along with any allocable earnings or losses, may be recharacterized to a Traditional 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 to the second IRA (*IRS Form 5498*) for the tax year in 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 Roth IRA is not deductible on your federal income tax return.

Taxation of distributions

Any distribution, or portion of any distribution, which consists of the return of contributions you made to your GuideStone Funds Roth IRA is not subject to federal income tax. For federal income tax purposes, contributions are presumed to be withdrawn first, then conversion contributions, and then earnings.

The earnings on your contributions will not be subject to federal income tax when withdrawn if the assets being withdrawn have been in your Roth IRA for at least five (5) years from the first taxable year in which a contribution, including rollover and conversion contributions, was made to the Roth IRA. Additionally, any one of the following criteria must be met:

1. you are over the age of 59½, or
2. used toward the expenses of a first time home purchase up to a lifetime limit of \$10,000, or
3. made because you became disabled, or
4. due to your death.

The earnings portion of distributions made prior to the end of the five-year holding period, regardless of the reason, are subject to ordinary income tax plus a 10% penalty tax on early distributions. Distribution of conversion contributions prior to five years from the tax year of conversion are subject to the 10% penalty tax unless one of the exceptions listed below under Early Distributions applies, however, such distributions are not subject to ordinary income tax. Exceptions to the 10% additional tax on early distributions are described below in the section on Penalty Tax on Certain Transactions.

Rollovers from one Roth IRA to another Roth IRA are permitted within the 60 calendar day period after receipt. The amount rolled over within 60 days will not be taxable. The IRS enforces the 60-day time limit strictly. Rollovers from a Roth IRA to a Traditional, Coverdell ESA, SEP or SIMPLE IRA are **not** permitted.

If you make a tax-free rollover of any part of a distribution from a Roth IRA, you cannot, within a 1-year period, make a tax-free rollover of any later distribution from that same Roth IRA. You also cannot make a tax-free rollover of any amount distributed, within the same 1-year period, from the Roth IRA into which you made the tax-free rollover.

Distributions under \$10 will not be reported to you on IRS Form 1099R 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.

Penalty tax on certain transactions

Excess contributions

If you make an excess contribution to your Roth 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

The earnings portion of distributions made prior to the end of the five-year holding period or which fail to meet the criteria outlined above in Taxation on Distributions are subject to ordinary income taxes. The earnings portion of the distribution is also subject to the 10% penalty tax on early distributions unless one of the following exceptions applies to the distribution:

1. you are over age 59½, or
2. due to your death, or
3. made because you became disabled, or
4. used specifically for deductible medical expenses which exceed 7.5% of your adjusted gross income, or
5. used for health insurance cost due to your unemployment, or
6. used for higher education expenses defined in section 529(e)(3) of the Internal Revenue Code, or
7. used toward the expenses of a first time home purchase up to a lifetime limit of \$10,000, or
8. 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
9. 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 not required to take distributions from your Roth IRA during your lifetime.

Additional information on distributions

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

Distributions due to death

If you have properly designated a beneficiary, 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. Your designated beneficiary may name a subsequent beneficiary. Any subsequent beneficiaries must take distributions at least as frequently as the original designated beneficiary.

If you do not properly designate a beneficiary, or all designated beneficiaries have predeceased you, your spouse shall become the beneficiary or, if no surviving spouse or unmarried, 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.

If your designated beneficiary is your spouse, then he/she may elect to either treat the Roth IRA as their own or to roll over the funds into his/her own Roth IRA. Consult *IRS Publication 590* for a complete discussion of rules governing distributions due to death.

A *Roth IRA Withdrawal Authorization* form is available from GuideStone Trust Services and should be obtained and used to request any distribution from your Roth 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 Roth 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 earnings on your 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 Roth 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 a nonqualified distribution, and subject to a 10% penalty tax on the taxable portion of such distribution 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 Roth 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 Roth 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 Roth 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 titled "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 titled "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 you are invested in close, 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 Roth IRA are set forth in the application. GuideStone Trust Services may also charge a service fee in connection with any distribution from your Roth IRA.

IRS approved form

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